

annual report **2008**

2008



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Corporate Directory

DIRECTORS

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

COMPANY SECRETARY

Mr Winton Willesee

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

Suite 24, 18 Stirling Highway
Nedlands WA 6009

CONTACT DETAILS

Website: www.bossenergy.com
Email: info@bossenergy.com
Ph: + 61 (8) 9389 6600
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Suite 24, 18 Stirling Highway
Nedlands WA 6009

SOLICITORS TO THE COMPANY

Fairweather & Lemonis
Level 9, 172 St Georges Terrace
Perth WA 6000

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 for the year ended 30 June 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 Ross MacLeod (resigned 28 November 2007)
Mr Winton Willesee (appointed 28 November 2007)

Principal Activities

The Principal Activities of the Company during the financial year were the exploration, development and mining of oil shale or other mineral resources in a financially, technically, socially and environmentally responsible manner, to the ultimate benefit of its shareholders.

There were no significant changes in the nature of the Company's principal activities during the financial year.

Review of Operations and Significant Changes in State of Affairs

During the year the Company completed its Initial Public Offering of shares, raising \$3,500,000 through the issue of 17.5 million shares at 20 cents each. The Company was admitted to the Official List of the Australian Securities Exchange and commenced trading on 25 July 2007.

Latrobe Oil Shale Project, Tasmania

In August 2007 the Company completed a small drill program designed to confirm the nature of the shale. Fourteen Reverse Circulation drill holes and two Diamond drill holes were drilled in the China Bush Plantation area, also known as China Flats.

Following completion of the drill program the Company began preparations for a 1000 tonne shale bulk sample to be taken from the China Flats area.

The extraction of shale was designed to provide the Company with appropriate samples of the tasmanite oil shale to submit for hydrocarbon extraction testing using a number of differing modern technologies.

In total an estimated 990 tonnes of oil shale was extracted from a previously identified suitable target area located at a recently harvested pine plantation at China Flats, near Railton. That shale has been stockpiled and includes 26 tonnes of crushed sample (20-100 millimetres) of which 12 drums have been collected and are ready for dispatch.

The bulk sample of shale was extracted under a program regulated and approved by Mineral Resources Tasmania, in consultation with plantation managers Timberlands Pacific. The area has been thoroughly rehabilitated with topsoil and mulch redistributed on the surface, the culvert drain removed and natural waterway re-landscaped.

Following the completion of the bulk sample the Company sent samples for test hydrocarbon extraction processing by different modern processing technologies.

The Latrobe Oil Shale Tenement (EL20/2004) is the Company's only tenement.

Appointment of Geologist

In October 2007 the Company announced the appointment of Mr Michael Blake as the Company's consultant geologist overseeing the Latrobe oil shale project.

Mr Blake is a Tasmanian based geologist with almost 20 years' experience in the mining and resources sector.

Investment in Greenvale Mining NL

On 20 December 2007 the Company completed the acquisition of 2,200,000 shares in Greenvale Mining NL (ASX: GRV), under a series of call options.

Following the acquisition of the shareholding in Greenvale Mining NL, Boss Directors Mr Robert Grover and Mr Joseph Obeid were appointed to the Board of Greenvale Mining NL and Boss Non-Executive Director and Company Secretary Mr Winton Willesee was appointed as Joint Company Secretary of Greenvale Mining NL.

As a result of this acquisition and appointment of directors, Boss has acquired an interest in a company that controls oil shale projects in Queensland and has the influence to manage the development of those projects, which is consistent with Boss' overall investment strategy.

Corporate – Placements

The Company completed its Initial Public Offering of shares after raising \$3,500,000 through the issue of 17.5 million shares at 20 cents each. The Company was admitted to the Official List of Australian Securities Exchange and commenced trading on 25 August 2007.

During the year the Company completed placements for a total of 20,500,000 shares at 40 cents per share along with 5,125,000 free attaching options to raise a total of \$8,200,000.

A further 15,375,000 options were issued to brokers and consultants and during the year there were 86,853 options exercised by option holders.

Appointment of Corporate Adviser

In December 2007 the Company announced the appointment of Gravner Limited as its Corporate Adviser, subject to the receipt of shareholder approval for the issue of incentive securities to Gravner. In May 2008 the Company received shareholder approvals for the issue of incentive securities for its corporate adviser Gravner Limited. This allowed the Company to engage Gravner Limited as its Corporate Adviser.

Merger and Acquisition

During the March quarter the Company negotiated the acquisition of the Tortay oil concession in Kazakhstan. However, during the due diligence period the Company was not able to verify some key elements of the project within the permitted due diligence period and elected to withdraw from this proposed acquisition.

Appointment of Director

In November 2007 Mr Winton Willesee was appointed to the Board of Directors. Mr Willesee now fills the dual role of Director and Company Secretary.

Shareholder Loyalty Options

During the December quarter the Company completed a loyalty offer of options to shareholders and granted 10,250,000 options to entitlement holders. Those options are now quoted on ASX (ASX: BOEO).

Directors' Report continued

Opes Prime

During the year stockbroking firm Opes Prime Stockbroking Limited was placed into receivership by ANZ Banking Group Limited.

On 29 April 2008 the Company was served with a substantial shareholders notice by ANZ Banking Group Limited declaring an interest in 15.86% of the issued shares of the company.

Following that period of uncertainty the overhang of shares that resulted from the stockbroking firm Opes Prime Stockbroking Limited being placed into receivership were cleared.

On 20 May 2008 the Company was served with a notice by ANZ Banking Group Limited declaring it had ceased to be a substantial shareholder of the Company.

On 21 May 2008 the Company was served with a notice by Bejjal Pty Ltd declaring it had become a substantial shareholder of the Company.

Operating Results

The loss of the Company for the year ended 30 June 2008 after providing for income tax amounted to \$1,548,860 (2007: \$118,595).

Financial Position

The net assets of the Company are \$10,001,862 as at 30 June 2008 (2007: \$3,282,051).

INFORMATION ON DIRECTORS

Mr Robert Grover Executive Chairman

Qualifications: BBus

Mr Grover is a Fellow of the Australian Institute of Company Directors, member of the CPA Australia and holds a Bachelor of Business. Mr Grover's expertise is in corporate and financial management and he has been involved in the listing of a number of public companies on ASX Limited, London Stock Exchange's AIM and the Vancouver Stock Exchange.

Mr Grover is also a Director of Greenvale Mining NL and Contact Uranium Limited.

Other than disclosed above, over the past three years Mr Grover has held directorships of ASX Listed companies Redport Limited and Cervantes Corporation Limited.

Mr Grover has a relevant interest in 6,000,001 shares and 3,250,000 options in the Company.

Mr Joseph Obeid Non-Executive Director

Mr Obeid has extensive business development, operational and management experience across a wide range of industries. He has particular expertise in identifying business opportunities together with development and implementing effective business strategies to ensure optimum operating systems.

Other than Boss Energy Limited and Greenvale Mining NL, over the past three years Mr Obeid has not held any directorships with ASX Listed companies.

Mr Obeid holds a relevant interest in 5,100,000 shares and 3,250,000 options in the Company.

Mr Winton Willesee Non-Executive Director and Company Secretary

Qualifications: BBus., DipEd., PGDipBus., MCom., FFin, CPA, MAICD

Mr Willesee is an experienced Director and Company Secretary in the small capitalisation sector of the ASX and brings to Boss a broad range of experience in company administration, corporate governance and corporate finance.

Mr Willesee has a Master of Commerce, Post-Graduate Diploma in Business (Economics and Finance), a Diploma in Education and a Bachelor of Business. Mr Willesee is a Fellow of the Financial Services Institute of Australasia and a Member of CPA Australia.

Mr Willesee is also a Director of Newera Uranium Limited, Future Corporation Australia Limited and Base Iron Limited and has filled the role of Company Secretary with a number of listed and unlisted public companies. He is currently the Company Secretary of Balkans Gold Limited, Base Iron Limited, Mantle Mining Corporation Ltd, Newera Uranium Limited and Greenvale Mining NL.

Other than disclosed above, over the past three years Mr Willesee has held directorships of ASX Listed companies Hawk Resources Limited (now New Standard Energy Limited) and Wytomic Limited (now Sultan Corporation).

Mr Willesee has a relevant interest in 1,100,000 shares and 2,250,000 options in the Company.

Meetings of Directors

During the financial year, 11 meetings of Directors (including committees of Directors) were held. Attendances by each director during the year were as follows:

Directors	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Robert Grover	11	11
Mr Joseph Obeid	11	11
Mr Winton Willesee	7	7
Mr Ross MacLeod	4	3

The full board fills the roles of audit, nomination and remuneration committees.

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

After Balance Date Events

On 17 July 2008, the Company released 2,500,000 Fully Paid Ordinary Shares from Escrow.

On 29 July 2008, the Company issued 15,375,000 Listed Options pursuant to resolutions 3 and 4 passed at a meeting of members held on 6 May 2008.

On 1 August 2008 at an Extraordinary Meeting, members passed resolutions to remove Grant Thornton as auditors of the Company and replace it with RSM Bird Cameron Partners.

Other than disclosed above, between the end of the financial year and the date of this report there are no items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

Directors' Report continued

Future Developments, Prospects and Business Strategies

Further developments and business strategies are dependent upon the success in exploration work on EL 20/2004, the Company's ability to maximise the value of its investment in Greenvale Mining NL and in identifying and acquiring suitable complementary resource projects.

Environmental Issues

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations at all times.

The Company holds participating interests in mining and exploration tenements. The authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2008 or since.

Options

At the date of this report, there are 36,663,147 options over unissued ordinary shares of Boss Energy Limited.

During the year there were 86,853 options exercised. There have been no further options exercised since the end of the financial year to the date of this report.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

Indemnifying Officers or Auditor

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The Company has agreed to pay a premium of \$8,069 for Directors and Officers Insurance.

Non-audit Services

The Board has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including acting in a management or a decision-making capacity for the Company or acting as advocate for the Company.

During the financial period the following fees were paid or payable for services provided by the auditor:

	2008
	\$
Audit services	
RSM Bird Cameron Partners - Audit and review of financial reports under the Corporations Act 2001	15,000
Corporate Services	
RSM Bird Cameron Partners – Independent Valuation Services (service performed prior to appointment as auditor)	3,750
	<u>18,750</u>

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 15 of this annual report.

REMUNERATION REPORT

Remuneration policy

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally.

Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Performance-based remuneration

The Board recognises that Boss Energy Limited operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

The principles supporting our remuneration policy are that:

- Reward reflects the competitive global market in which we operate;
- Rewards to executives are linked to creating value for shareholders;
- Remuneration arrangements are equitable and facilitate the development of senior management across the Company; and
- Where appropriate senior managers receive a component of their remuneration in equity to align their interests with those of the shareholders.

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Directors' Report continued

Board Remuneration

The Board determines actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

Directors' Fees

Executive

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The Company has structured an executive framework that is market competitive and complementary to the reward strategy for the organisation.

The Board's policy for determining the nature and amount of remuneration for Board members and executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the Executive Directors and executives, was developed and approved by the Board. All executives receive a salary, part of which may be taken as superannuation, and from time to time, options. Options issued to Directors are subject to approval by Shareholders. The Board reviews executive packages annually by reference to the Company's performance, executives' performance and comparable information from industry sectors and other listed companies in similar industries. The Board may in its discretion establish a performance based bonus system to provide reward in addition to the base salary level to the executives on such terms as the Board may determine.

Salaried executive directors and specified executives are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

All remuneration paid to Directors and specified executives is valued at the cost to the Company and expensed. Options are valued using either the ASX trading price or the Black-Scholes methodology.

Non-Executive Remuneration

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Remuneration Committee recommends the actual payments to Directors and the Board is responsible for ratifying any recommendations, if appropriate. The maximum aggregate remuneration approved for Non-Executive Directors is currently \$300,000.

It is recognised that Non-Executive Directors' remuneration is ideally structured to exclude equity based remuneration. However, whilst the Company remains small and the full Board, including the Non-Executive Directors, are included in the operations of the Company more intimately than may be the case with larger companies the Non-Executive Directors are entitled to participate in equity based remuneration schemes.

All directors are entitled to have their indemnity insurance paid by the Company.

Profit Participation Plan

Performance incentives may be offered to Executive Directors and senior management of the Company through the operation of a profit participation plan at the ultimate discretion of the Board.

Details of remuneration for year ended 30 June 2008

	Salary, Fees and Commissions	Super- annuation Contribution	Cash Bonus	Non-cash Benefits	Options	Total	Performance related
	\$	\$	\$	\$	\$	\$	%
Directors							
Mr Robert Grover	240,000	-	-	-	84,000	324,000	26
Mr Joseph Obeid	46,000	-	-	-	84,000	130,000	65
Mr Winton Willesee*	91,500	-	-	-	84,000	175,500	48
Mr Ross MacLeod	6,000	-	-	-	-	6,000	0
	383,500	-	-	-	252,000	635,500	

*In addition, a company associated with Mr Willesee was paid fees of \$30,000 for the provision of office services.

Details of remuneration for year ended 30 June 2007

	Salary, Fees and Commissions	Super- annuation Contribution	Cash Bonus	Non-cash Benefits	Options	Total	Performance related
	\$	\$	\$	\$	\$	\$	%
Directors							
Mr Robert Grover	-	-	-	-	-	-	0
Mr Joseph Obeid	-	-	-	-	-	-	0
Mr Ross MacLeod	26,600	-	-	-	-	26,600	0
	26,600	-	-	-	-	26,600	

Options issued as part of remuneration for the period ended 30 June 2008

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date	Terms & Conditions for Each Grant		
					Exercise Price	First Exercise Date	Last Exercise Date
				\$	\$		
Key Management Person							
Mr Robert Grover	2,000,000	2,000,000	3 Jun 2008	0.042	0.20	3 Jun 2008	30 Nov 2010
Mr Joseph Obeid	2,000,000	2,000,000	3 Jun 2008	0.042	0.20	3 Jun 2008	30 Nov 2010
Mr Winton Willesee	2,000,000	2,000,000	3 Jun 2008	0.042	0.20	3 Jun 2008	30 Nov 2010
	6,000,000	6,000,000					

Options granted as part of remuneration for the year ended 30 June 2007.

No options were granted as remuneration for the year ending 30 June 2007.

Shares Issued on Exercise of Compensation Options

No options were exercised during the financial year or since.

Employment contracts of directors and senior executives

There are no Executive Services Agreements that were in place at 30 June 2008 that are still in force.

Directors' Report continued

The following Executive Services Agreements were put in place since the end of the financial year to the date of this report;

On 1 July 2008, Mr Robert Grover, entered into an Executive Services Agreement with the Company with the following key terms:

- Monthly fee of \$25,000 inclusive of superannuation;
- The term of the contract is the earlier of Mr Grover resigning as a Director of the Company or three years.

On 1 July 2008, Mr Joseph Obeid, entered into an Executive Services Agreement with the Company with the following key terms:

- Monthly fee of \$15,000 inclusive of superannuation;
- The term of the contract is the earlier of Mr Obeid resigning as a Director of the Company or three years.

On 1 July 2008, Mr Winton Willesee, entered into an Executive Services Agreement with the Company with the following key terms:

- Monthly fee of \$11,000 inclusive of superannuation;
- The term of the contract is the earlier of Mr Willesee resigning as a Director of the Company or three years.

Further on 1 July 2008 a company associated with Mr Willesee was engaged to provide office services for the Company with the following key terms:

- Monthly fees of \$4,000;
- The term of the contract is aligned to the term of the Executive Service Agreement between Mr Willesee and the Company.

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



ROBERT GROVER
Director

DATED at PERTH this 26th day of September 2008

Corporate Governance Statement

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines.

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2008.

Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Director's report.

The independent Director of the Company is Mr Winton Willesee.

When determining the independent status of a Director the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

Recommendation	Boss Energy Limited Current Practice
1.1 Companies should establish the functions reserved for the board and those delegated to senior executives and disclose those functions.	Satisfied. Board Charter is available at www.bossenergy.com in the Corporate Governance Statement.
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Satisfied. Board Performance Evaluation Policy is available at www.bossenergy.com in the Corporate Governance Statement.
2.1 A majority of the board should be independent directors.	Not Satisfied. The Shareholdings of Mr Grover and Obeid exclude them from being classed as independent under ASX guidelines. Only Mr Willesee is classed as independent under ASX guidelines. The Board considers that given the size and nature of the Company the current Board is appropriate.
2.2 The chair should be an independent director.	Not Satisfied. Given the size and nature of the Company, Mr Grover is considered the most appropriate Director to act as Chairman.

Corporate Governance Statement continued

Recommendation	Boss Energy Limited Current Practice
2.3 The roles of chair and Chief Executive Officer should not be exercised by the same individual.	<p>Not Satisfied.</p> <p>Given the size and nature of the Company, Mr Grover is considered the most appropriate Director to act as Chairman and fulfil the functions of Chief Executive Officer in his capacity as Executive Chairman.</p>
2.4 The board should establish a nomination committee.	<p>Not satisfied.</p> <p>The Board consider that given the current size of the Board (3), this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a nomination committee.</p>
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	<p>Satisfied.</p> <p>Board Performance Evaluation Policy is available at www.bossenergy.com in the Corporate Governance Statement.</p>
<p>3.1 Companies should disclose a code of conduct and disclose the code or a summary of the code as to:</p> <p>The practices necessary to maintain confidence in the company's integrity</p> <p>The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders</p> <p>The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p>	<p>Satisfied.</p> <p>The Code of conduct is available at www.bossenergy.com in the Corporate Governance Statement.</p>
3.2 Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	<p>Satisfied.</p> <p>The Trading Policy is available at www.bossenergy.com in the Corporate Governance statement.</p>
4.1 The board should establish an audit committee.	<p>Not satisfied.</p> <p>The Board consider that given the current size of the Board (3), this function is efficiently achieved with full Board participation. Accordingly, the Board has not established an audit committee.</p>
<p>4.2 The board committee should be structured so that it:</p> <p>Consists only of non-executive directors</p> <p>Consists of a majority of independent directors</p> <p>Is chaired by an independent chair, who is not chair of the board</p> <p>Has at least three members</p>	<p>Not satisfied.</p> <p>The Company has adopted a policy which includes Executive Directors as audit committee members.</p>

Recommendation	Boss Energy Limited Current Practice
4.3 The audit committee should have a formal charter.	Satisfied. Audit Committee charter is available at www.bossenergy.com in the Corporate Governance statement.
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Satisfied. Continuous disclosure policy is available at www.bossenergy.com in the Corporate Governance statement.
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of their policy.	Satisfied. Shareholders communication strategy is available at www.bossenergy.com in the Corporate Governance statement.
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Satisfied. Risk management program is available at www.bossenergy.com in the Corporate Governance statement.
7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Satisfied. The Board, including the Executive Chairman, routinely consider risk management matters.
7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Satisfied. The Board has received a section 295A declaration pursuant to the 2008 financial period.
8.1 The board should establish a remuneration committee.	Not Satisfied. The Board consider that given the current size of the Board (3), this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a remuneration committee.

Corporate Governance Statement continued

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|---|--|
| 8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. | The structure of Directors' remuneration is disclosed in the remuneration report of the annual report. |
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Further information about the Company's corporate governance practices is set out on the Company's website at www.bossenergy.com

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



ROBERT GROVER
Director

DATED at PERTH this 26th day of September 2008

Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

RSM Bird Cameron Partners
Chartered Accountants

R 51 George Terrace Perth WA 6000
GPO Box 41266 Perth WA 6864
Tel: 8 4981 5411 Fax: 8 3251 0711
www.rsm.com.au

AUDITOR INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Boss Energy Limited for the year ended 30 June 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

Scottiff
SCOTTIFF
Partner

Perth, WA

Dated: *26 September 2008*

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Liability limited by a
scheme approved under
Professional Standards
Legislation

Yakri Offices in
Perth, Sydney, Melbourne
Adelaide, Brisbane
ABN 30 616 169 336

RSM Bird Cameron Partners is an
independent member firm of RSM
affiliated and related independent
accounting and consulting firms



Income Statement

For the Year Ended 30 June 2008

	Notes	Consolidated Group		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue	2	126,005	3,567	126,005	3,567
Employees and Consultants		(874,234)	(37,349)	(874,234)	(37,349)
Accounting and Legal		(207,345)	(29,805)	(207,345)	(29,805)
Travel and Accommodation		(170,517)	(1,368)	(170,517)	(1,368)
Financing Charges		(113,157)	(684)	(113,157)	(684)
ASX, ASIC and Associated		(57,956)	(34,159)	(57,956)	(34,159)
Occupancy and Communications		(39,302)	(13,396)	(39,302)	(13,396)
Corporate Services		(34,980)	(1,500)	(34,980)	(1,500)
Share of Profit /(Loss) of Associate	9	(24,951)	-	(24,951)	-
Other		(152,423)	(3,901)	(152,423)	(3,901)
Profit/(Loss) before income tax		(1,548,860)	(118,595)	(1,548,860)	(118,595)
Income tax	3	-	-	-	-
Profit/(Loss) after income tax expense		(1,548,860)	(118,595)	(1,548,860)	(118,595)

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2008

	Notes	Consolidated Group		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
CURRENT ASSETS					
Cash and cash equivalents	5	1,639,990	3,495,038	1,639,989	3,495,037
Trade and other receivables	6	45,553	-	45,553	-
TOTAL CURRENT ASSETS		<u>1,685,543</u>	<u>3,495,038</u>	<u>1,685,542</u>	<u>3,495,037</u>
NON CURRENT ASSETS					
Financial Assets	7	-	-	1	1
Investments accounted for using the Equity method	8	8,006,584	-	8,006,584	-
Mineral Tenement Assets	10	624,851	-	-	-
Loans to Subsidiary	11	-	-	624,851	-
Plant & Equipment	12	8,142	-	8,142	-
TOTAL NON CURRENT ASSETS		<u>8,639,577</u>	<u>-</u>	<u>8,639,578</u>	<u>1</u>
TOTAL ASSETS		<u>10,325,120</u>	<u>3,495,038</u>	<u>10,325,120</u>	<u>3,495,038</u>
CURRENT LIABILITIES					
Trade and other payables	13	323,258	212,987	323,258	212,987
TOTAL CURRENT LIABILITIES		<u>323,258</u>	<u>212,987</u>	<u>323,258</u>	<u>212,987</u>
TOTAL LIABILITIES		<u>323,258</u>	<u>212,987</u>	<u>323,258</u>	<u>212,987</u>
NET ASSETS		<u>10,001,862</u>	<u>3,282,051</u>	<u>10,001,862</u>	<u>3,282,051</u>
EQUITY					
Issued Capital	14	11,772,853	3,472,163	11,772,853	3,472,163
Associates Reserve	15	(32,019)	-	(32,019)	-
Retained Losses		(1,738,972)	(190,112)	(1,738,972)	(190,112)
TOTAL EQUITY		<u>10,001,862</u>	<u>3,282,051</u>	<u>10,001,862</u>	<u>3,282,051</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2008

Consolidated Group				
	Issued Capital	Retained Earnings	Associates Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2006	100,001	(71,517)	-	28,484
Shares issued during the year	3,610,000	-	-	3,610,000
Capital raising costs	(237,838)	-	-	(237,838)
Loss attributable to equity shareholders	-	(118,595)	-	(118,595)
Balance at 30 June 2007	<u>3,472,163</u>	<u>(190,112)</u>	<u>-</u>	<u>3,282,051</u>
Balance at 1 July 2007	3,472,163	(190,112)	-	3,282,051
Shares issued during the year	8,467,370	-	-	8,467,370
Share based payment expense	354,500	-	-	354,500
Capital raising costs	(521,180)	-	-	(521,180)
Change in Associates Value attributable to shareholders	-	-	(32,019)	(32,019)
Loss attributable to equity shareholders	-	(1,548,860)	-	(1,548,860)
Balance at 30 June 2008	<u>11,772,853</u>	<u>(1,738,972)</u>	<u>(32,019)</u>	<u>10,001,862</u>
Parent Entity				
	Issued Capital	Retained Earnings	Associates Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2006	100,001	(71,517)	-	28,484
Shares issued during the year	3,610,000	-	-	3,610,000
Capital raising costs	(237,838)	-	-	(237,838)
Loss attributable to equity shareholders	-	(118,595)	-	(118,595)
Balance at 30 June 2007	<u>3,472,163</u>	<u>(190,112)</u>	<u>-</u>	<u>3,282,051</u>
Balance at 1 July 2007	3,472,163	(190,112)	-	3,282,051
Shares issued during the year	8,467,370	-	-	8,467,370
Share based payment expense	354,500	-	-	354,500
Capital raising costs	(521,180)	-	-	(521,180)
Change in Associates Value attributable to shareholders	-	-	(32,019)	(32,019)
Loss attributable to equity shareholders	-	(1,548,860)	-	(1,548,860)
Balance at 30 June 2008	<u>11,772,853</u>	<u>(1,738,972)</u>	<u>(32,019)</u>	<u>10,001,862</u>

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the Year Ended 30 June 2008

	Notes	Consolidated Group		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash payments in the course of operations		(1,330,472)	(117,210)	(1,330,472)	(117,210)
Interest Received		126,005	3,567	126,005	3,567
NET CASH USED BY OPERATING ACTIVITIES		<u>(1,204,467)</u>	<u>(113,643)</u>	<u>(1,204,467)</u>	<u>(113,643)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for acquisition of prospects		(374,851)	-	(374,851)	-
Payments for acquisition of equity investments		(8,063,554)	-	(8,063,554)	-
Payments for acquisition of other fixed assets		(10,866)	-	(10,866)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>(8,449,271)</u>	<u>-</u>	<u>(8,449,271)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from share issue		7,798,690	3,582,163	7,798,690	3,582,163
Proceeds from borrowings		4,500,000	-	4,500,000	-
Repayment of borrowings		(4,500,000)	(1,251)	(4,500,000)	(1,251)
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>7,798,690</u>	<u>3,580,912</u>	<u>7,798,690</u>	<u>3,580,912</u>
NET INCREASE/(DECREASE) IN CASH HELD					
Cash at the beginning of the financial year		(1,855,048)	3,467,269	(1,855,048)	3,467,269
		3,495,038	27,769	3,495,038	27,769
CASH AT THE END OF THE FINANCIAL YEAR	5	<u>1,639,990</u>	<u>3,495,038</u>	<u>1,639,990</u>	<u>3,495,038</u>

Cash Flow Statement continued

For the Year Ended 30 June 2008

For the purpose of the cash flow statement, cash includes cash on hand and at bank and deposits. Cash as at the end of the financial year as shown in the cash flow statement is reconciled to the related item in the Balance Sheet as follows:

Notes	Consolidated Group		Parent Entity	
	2008 \$	2007 \$	2008	2007 \$
Cash at Bank and in hand	1,639,990	3,495,038	1,639,990	3,495,038
	<u>1,639,990</u>	<u>3,495,038</u>	<u>1,639,990</u>	<u>3,495,038</u>
Reconciliation of loss after related income tax to Net Cash used in operating activities-				
Operating profit/(loss)	(1,548,860)	(118,595)	(1,548,860)	(118,595)
Add/(Less) changes in assets and liabilities during the year -				
Payables	110,271	2,821	110,271	2,821
Receivables	(45,553)	2,131	(45,553)	2,131
Non-cash items -				
Share of Associate's loss	24,951	-	24,951	-
Depreciation	2,724	-	2,724	-
Share based payments	252,000	-	252,000	-
NET CASH USED BY OPERATING ACTIVITIES	<u>(1,204,467)</u>	<u>(113,643)</u>	<u>(1,204,467)</u>	<u>(113,643)</u>

The cash flow statement is to be read in conjunction with the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Boss Energy Limited and controlled entities ('Consolidated Entity') and the separate financial statements and notes of Boss Energy Limited as an individual parent entity ('Company').

The financial report was authorised for issue on 26 September 2008 by the Board of Directors.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Going Concern

As disclosed in the financial statements, the parent and consolidated entity recorded an operating loss \$1,548,860 and had cash outflows from operating activities of \$1,204,467 respectively for the year ended 30 June 2008. These factors indicate uncertainty whether the Company and consolidated entity will continue as going concerns 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 Company and consolidated entity will be able to pay its debts as and when they become due and payable and are going concerns because of the following factors:

- The ability to issue of additional shares under the Corporations Act 2001;
- The availability of a \$4 million loan facility from a private lender; and
- The ability of the Company and consolidated entity to scale back their activities to conserve cash.

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

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.

Accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Principles of consolidation

A controlled entity is any entity over which Boss Energy Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

Notes to the Financial Statements continued

For the Year Ended 30 June 2008

A list of controlled entities is contained in Note 7.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Minority interests, being that proportion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately with in the Equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

Based upon known potential to raise the additional working capital, the Directors consider it appropriate that the financial statements be prepared on a going concern basis.

b) Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are stated at nominal value. For the purpose of the Cash Flow Statement, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 90 days, net of outstanding bank overdrafts.

c) Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary difference at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probably that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the difference will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

d) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5 - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

e) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

f) Investment in Associate

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the group's share of post acquisition reserves of its associates.

g) Leases

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor are changes as expenses in the periods in which they are incurred.

h) Accounts Payable

Trade payables and other accounts are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

Notes to the Financial Statements continued

For the Year Ended 30 June 2008

i) Receivables

Trade account receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest less, where applicable, any unearned income and provision for doubtful accounts.

j) Revenue

Interest revenue is recognised using the effective interest rate methods, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of goods and services tax (GST).

k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of any asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

l) Impairment of Assets

Assets that have an infinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash generating units).

m) Recoverable Amount of Non Current Assets

The carrying amount of non-current assets is reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the market values or expected net cash flows which will be received from the assets employed and subsequent disposal. The expected net cash flows are not discounted to present values in determining recoverable amounts.

n) Critical Accounting Estimates and Assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

- *Impairment of Capitalised Exploration and Evaluation Expenditure*
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

• *Investments Accounting Using the Equity Method*

The recoverable amount of the investment in the associate – Greenvale Mining NL is based on a value – in – use calculation which uses the cash flow projections based on current expected reserves of oil shale, as identified by Greenvale Mining NL. The key assumptions used in valuing this investment are as follows:

I. Revenue

- Barrels of oil - 3.2 billion barrels;
- A yield of 25% only will apply to the above reserves;
- Expected number of years to exploit the tenements – 15 (commencing in 2 years); and
- Long term price of oil – US\$100.

II. Operating Costs

Operating costs are based on amounts assessed for expression of interest from potential joint venture partners who will provide plant and equipment to the project and in return, they will take approximately 50% of the profits.

III. Discount Rate

- probability weighting of 20% in arriving at the free cashflows;
- No discount for minority or lack of control has been provided for in relation to the joint venture arrangements given that such arrangements are within an associated company of Greenvale Mining NL known as Esperance Minerals NL; and
- A discount to the overall control value of Greenvale Mining NL of approximately 15% has been allowed for in order to arrive at a value for Boss Energy Limited's investment.

IV. Other

- Inflation rate of 3.5%;
- Corporate tax rate of 30%;
- AUD/USD exchange rate of 0.80; and
- No capital expenditure is considered as a partner intends to fund all the capital requirements of the project.

NOTE 2: REVENUE

	Consolidated Group		Parent Entity	
	30-Jun 2008	30-Jun 2007	30-Jun 2008	30-Jun 2007
	\$	\$	\$	\$
Interest revenue	126,005	3,567	126,005	3,567
Total interest revenue	126,005	3,567	126,005	3,567

Notes to the Financial Statements continued

For the Year Ended 30 June 2007

NOTE 3: INCOME TAX EXPENSE

	Consolidated Group		Parent Entity	
	30-Jun 2008 \$	30-Jun 2007 \$	30-Jun 2008 \$	30-Jun 2007 \$
The prima facie tax expense/(benefit) on loss from ordinary activities before income tax is reconciled to the income tax as follows:				
Tax expense/(benefit) benefit on loss before income tax at 30%	(464,658)	(35,579)	(464,658)	(35,579)
Non-deductible/assessable items	(1,790)	-	(1,790)	-
Deferred tax asset not recognised	466,448	35,579	466,448	35,579
Income tax expenses/(benefit)	-	-	-	-
Tax losses at 30% not recognised	602,345	57,034	414,889	57,034
Deferred tax asset relating to temporary differences at 30% not recognised	54,589	71,351	54,589	71,351
Deferred tax liability relating to temporary differences at 30% not recognised	(56,236)	-	-	-

The deferred tax asset attributable to carried forward income tax losses and temporary differences has not been recognised as an asset as the company has not commenced trading and the availability of future profits to recoup these losses is not considered probable at the date of this report.

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Persons	Position
Mr Robert Grover	Executive Chairman
Mr Joseph Obeid	Executive Director
Mr Winton Willesee	Non-Executive Director & Company Secretary

a) Number of Shares Held by Key Management Personnel

Key Management Person	Balance 1.7.2007	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2008
Mr Robert Grover	5,000,001	-	-		5,000,001
Mr Joseph Obeid	5,000,000	-	-		5,000,000
Mr Winton Willesee	1,000,000	-	-		1,000,000
	11,000,001	-	-		11,000,001

b) Number of Options Held by Key Management Personnel

Key Management Person	Balance 1.7.2007	Granted as compensation	Options Exercised	Net Change Other	Balance 30.6.2008	Total Vested 30.6.2008	Total Exercisable 30.6.2008	Total Unexercisable 30.6.2008
Mr Robert Grover	-	2,000,000	-	1,250,000	3,250,000	3,250,000	3,250,000	-
Mr Joseph Obeid	-	2,000,000	-	1,250,000	3,250,000	3,250,000	3,250,000	-
Mr Winton Willesee	-	2,000,000	-	250,000	2,250,000	2,250,000	2,250,000	-
	-	6,000,000	-	2,750,000	8,750,000	8,750,000	8,750,000	-

Further information on the compensation paid to key management personnel can be found in the remuneration report section of the Directors Report in this Annual Report

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Group		Parent Entity	
	30 June 2008 \$	30 June 2007 \$	30 June 2008 \$	30 June 2007 \$
Cash at Bank	1,639,990	3,495,038	1,639,990	3,495,038
	<u>1,639,990</u>	<u>3,495,038</u>	<u>1,639,990</u>	<u>3,495,038</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

	30 June 2008 \$	30 June 2007 \$	30 June 2008 \$	30 June 2007 \$
GST Receivables	45,553	-	45,553	-
	<u>45,553</u>	<u>-</u>	<u>45,553</u>	<u>-</u>

NOTE 7: CONTROLLED ENTITY

Controlled entity consolidated

	Country of Incorporation	Percentage Owned %	
		2008	2007
Parent Entity:			
Boss Energy Limited	Aust	-	-
Subsidiary of Boss Energy Limited:			
Boss Energy (Latrobe Holdings) Pty Ltd*	Aust	100	100

*The parent entity incorporated this proprietary company on 26th February 2007 with an issued capital of \$1.00

NOTE 8: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated Group		Parent Entity	
	30-Jun 2008 \$	30-Jun 2007 \$	30-Jun 2008 \$	30-Jun 2007 \$
Associated companies	8,006,584	-	8,006,584	-
	<u>8,006,584</u>	<u>-</u>	<u>8,006,584</u>	<u>-</u>

Notes to the Financial Statements continued

For the Year Ended 30 June 2008

In the opinion of the Directors, Boss Energy's shareholding in Greenvale Mining NL is considered to be an investment in an associated entity and accordingly is accounted for using the equity method of accounting. The basis for forming the Director's opinion is as follows:

- Boss Energy is the major shareholder of Greenvale Mining NL with an interest of 10.61% shareholding;
- Boss Energy currently has two out of the four Directors of Greenvale Mining NL and is actively involved in the strategic and financial matters of Greenvale Mining NL;
- Boss Energy's Company Secretary has been appointed as joint Company Secretary of Greenvale Mining NL;
- Boss Energy has two out of the four board seats in a private company, Minga Pty Limited who has direct and indirect shareholdings in Greenvale Mining NL, East Coast Minerals NL and Esperance Minerals NL; and
- Boss Energy is involved in a number of key aspects associated with the development and ultimately exploitation of the various oil shale tenements owned by Greenvale Mining NL and its associated entity Esperance Minerals NL.

NOTE 9: ASSOCIATED COMPANIES

Interests are held in the following associated companies:

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying amount of Investment	
				2008 %	2007 %	2008 \$	2007 \$
Listed:							
Greenvale Mining NL	Mineral Exploration	Australia	Ordinary	10.61	-	8,006,584	-
						8,006,584	-

a) Movements during the year in equity accounted investment in associated companies

	Consolidated Group		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Balance at the beginning of the financial year	-	-	-	-
Add: New investments during the year (Greenvale Mining NL acquired on 20 December 2007)	8,063,554	-	8,063,554	-
Share of associated company's profit after income tax	(24,951)	-	(24,951)	-
Share of associated company's reserve increments arising during the year	(32,019)	-	(32,019)	-
	8,006,584	-	8,006,584	-

b) Equity accounted profits of associated are broken down as follows:

Share of associate's profits before income tax	(24,951)	-	(24,951)	-
Share of associate's income tax expense	-	-	-	-
Share of associate's profits after income tax	(24,951)	-	(24,951)	-

c) Summarised presentation of aggregate assets, liabilities and performance of associates

	Consolidated Group		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Current assets	180,065	-	180,065	-
Non-Current assets	351,637	-	351,637	-
Total assets	531,702	-	531,702	-
Current liabilities	9,764	-	9,764	-
Non-current liabilities	147,536	-	147,536	-
Total Liabilities	157,300	-	157,300	-
Net Assets	374,402	-	374,402	-
Revenues	25,643	-	25,643	-
Profit after income tax of associates	24,951	-	24,951	-

d) Market value of listed investment in associate

	2008	2007
Market value of listed investment in associate	1,319,550	-

The Directors have had regard to the carrying and market values of the investment in Greenvale Mining NL and have determined that no impairment of the investment is required, as the Directors consider the asset's value-in-use is \$8,742,856 based on the assumptions disclosed in note 1(n).

The Director's consideration is after they have made reference to an independent accounting firm's assessment of the appropriate carrying value of the investment, which advised, in summary, that the Company, as investor should:

- Account for the investee as an associate because it had significant influence over the it;
- Carry its investment as a non-current asset; and
- Not to impair its investment as its value-in-use, as disclosed above, exceeds the carrying value, thus no impairment is required under AASB 136 *Impairment of Assets*.

NOTE 10: NON CURRENT ASSETS – EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Group		Parent Entity	
	30-Jun 2008 \$	30-Jun 2007 \$	30-Jun 2008 \$	30-Jun 2007 \$
Balance at the beginning of the year	-	-	-	-
Acquisition Cost	500,000	-	-	-
Exploration Expenditure Incurred	124,851	-	-	-
Balance at the end of the year	624,851	-	-	-

The balance carried forward represents projects in the exploration and evaluation phase.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

NOTE 11: LOANS TO SUBSIDIARIES

	Parent Entity	
	30-Jun 2008 \$	30-Jun 2007 \$
Balance at the beginning of the year	-	-
Loans to Boss Energy (Latrobe Holdings) Pty Ltd (incl issue of \$250,000 in equity for the acquisition of EL20/2004)	624,851	-
Balance at the end of the year	624,851	-

This loan is an interest free loan repayable on call

Notes to the Financial Statements continued

For the Year Ended 30 June 2008

NOTE 12: PLANT AND EQUIPMENT

	Consolidated Group		Parent Entity	
	30-Jun 2008 \$	30-Jun 2007 \$	30-Jun 2008 \$	30-Jun 2007 \$
Cost	10,866	-	10,866	-
Accumulated depreciation	2,724	-	2,724	-
	<u>8,142</u>	<u>-</u>	<u>8,142</u>	<u>-</u>

NOTE 13: TRADE AND OTHER PAYABLES

	Consolidated Group		Parent Entity	
	30-Jun 2008 \$	30-Jun 2007 \$	30-Jun 2008 \$	30-Jun 2007 \$
Trade Payables	36,458	2,987	36,458	2,987
Accrual Capital Raising Costs	286,800	210,000	286,800	210,000
	<u>323,258</u>	<u>212,987</u>	<u>323,258</u>	<u>212,987</u>

All payables are on industry standard payment terms and have been paid by the date of this report

NOTE 14: ISSUED CAPITAL

	Consolidated Group		Parent Entity	
	30-Jun 2008 \$	30-Jun 2007 \$	30-Jun 2008 \$	30-Jun 2007 \$
Issued Capital – 61,586,854 (2007 – 38,500,001) fully paid ordinary shares	<u>11,772,853</u>	<u>3,472,163</u>	<u>11,772,853</u>	<u>3,472,163</u>
	<u>11,772,853</u>	<u>3,472,163</u>	<u>11,772,853</u>	<u>3,472,163</u>

At 30 June 2008 there were 21,288,147 options on issue. The options have an exercise price of 20c and expire on 30 November 2010.

	30-Jun 2008 Number	30-Jun 2008 \$
a) Ordinary Shares		
At the beginning of the reporting period	38,500,001	3,472,163
Shares issue - 17 July 2007 (escrow: 12mths)	2,500,000	250,000
Share Issue – 20 Dec 2007	6,050,000	2,420,000
Share issue - 29 Jan 2008	59,103	11,820
Placement - 7 Feb 2008	11,512,500	4,605,000
Placement - 26 Feb 2008	2,937,500	1,175,000
Exercise of options - 28 March 2008	27,750	5,550
Issue of options during the year		102,500
Share-based payment expense		252,000
Share issue costs		(521,180)
At reporting date	<u>61,586,854</u>	<u>11,772,853</u>

b) Capital Risk Management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Company does not have a defined share buy-back plan.

No dividends were paid in 2008 and no dividends are expected to be paid in 2009.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via cash reserves, equity or joint ventures with other companies.

The Company is not subject to any externally imposed capital requirements.

NOTE 15: RESERVES

The Associates Reserve represents the Company's share in the changes to the reserves in the financial report of Greenvale Mining NL.

NOTE 16: LOSS PER SHARE

	Consolidated Group	
	2008	2007
Basic loss per share (cents per share)	(3.12)	(0.011)
Diluted earnings / (loss) per share (cents per share)	(3.12)	-
Weighted average number of ordinary shares used in the calculation of the basic loss per share	49,701,847	10,295,679

NOTE 17: CONTINGENT LIABILITIES

Since the last reporting date, there has been no change of any contingent liabilities or contingent assets other than those attaching to the shares held in Greenvale Mining NL. These shares are contributing shares paid to 5 cents with 15 cents remaining unpaid at present (2,200,000 x 15 cents = \$330,000). Any calls on the unpaid portion of the shares are at the discretion of the directors of Greenvale Mining NL.

NOTE 18: COMMITMENTS

The Company hold Mineral Exploration Tenement EL20/2004 which carries expenditure requirements. The Tenement was granted on 26 November 2004 and is valid until 26 November 2009 with no reduction of area required. Expenditure requirements for the Tenement during the first two years were \$45,750 each; thereafter they are \$1,000 per km², \$700 per km² and \$1,000 per km² for the third, fourth and fifth years respectively and which are also subject to minimum annual expenditures based upon total expenditure upon the tenement. A security deposit bond for \$7,000 is in place to cover Performance and Private Land Deposits.

Exploration expenditure commitments	\$
Less than 12 months	45,750
12 months to 5 years	210,450
	106,750

Notes to the Financial Statements continued

For the Year Ended 30 June 2008

NOTE 19: SEGMENT REPORTING

Boss Energy Limited operates wholly in one business and geographical business segment being minerals exploration in Australia.

NOTE 20: AUDITORS REMUNERATION NOTE

	Consolidated Entity		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Remuneration of the auditor for:				
Auditing or reviewing the financial report (RSM Bird Cameron)	15,000	-	15,000	-
Taxation services and corporate services (RSM Bird Cameron)	3,750	-	3,750	-
Auditing or reviewing the financial report (Grant Thornton (WA) Partnership)	27,610	5,085	27,610	5,085
Taxation services and corporate services (Grant Thornton (WA) Partnership)	2,000	-	2,000	-
	48,360	5,085	48,360	5,085

NOTE 21: RELATED PARTY TRANSACTIONS

Apart from key management personnel remuneration, a company associated with Winton Willesee was paid \$30,000 for the provision of office and related services.

NOTE 22: SHARE-BASED PAYMENTS

On 17 July 2007 the Company issued 2,500,000 shares at a deemed value of 10c each to the vendors of the Exploration Tenement EL20/2004.

On 3 June 2008 the Company granted 2,000,000 listed options to each of Messer Grover, Obeid and Willesee. The options are exercisable at 20c and expire on 30 November 2010. The fair value of each option was the trading price of the option on the grant date which was 4.2 cents. The share-based payment expense recognised in the income statement for the year was \$252,000.

NOTE 23: FINANCIAL INSTRUMENTS

a) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for the Company's operations.

Derivatives are not currently used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

i. Treasury Risk Management

Senior executives of the Company meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. *Financial Risks*

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

iii. *Interest Rate Risk*

The Company does not have any debt that may be affected by interest rate risk.

iv. *Sensitivity Analysis*

At 30 June 2008, if interest rates had changed by +/- 75 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for both the Group and the parent entity would have been \$12,300 lower/higher (2007 - \$26,212 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

v. *Liquidity Risk*

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

vi. *Credit Risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

b) Fair value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company and the parent entity at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

c) Interest Rate Risk

The Company's and consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

	Floating Interest Rate		Fixed Interest Rate				Non Interest Bearing		Total		Weight Effective Interest Rate	
	2008	2007	1 Year or Less		1 to 5 Years		2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial Assets												
Cash	1,639,990	3,495,038	-	-	-	-	-	-	1,639,990	3,495,038	7.10	4.35
Trade and other receivables	-	-	-	-	-	-	45,553	-	45,553	-	N/A	N/A
Total Financial Assets	1,639,990	3,495,038	-	-	-	-	45,553	-	1,685,543	3,495,038		
Financial Liabilities												
Trade and other payables	-	-	-	-	-	-	323,259	212,987	323,259	212,987	N/A	N/A
Total Financial Liabilities	-	-	-	-	-	-	323,259	212,987	323,259	212,987		

Notes to the Financial Statements continued

For the Year Ended 30 June 2008

NOTE 24: EVENTS SUBSEQUENT TO BALANCE DATE

On 17 July 2008, the Company released 2,500,000 Fully Paid Ordinary Shares from Escrow.

On 29 July 2008, the Company issued 15,375,000 Listed Options pursuant to resolutions 3 and 4 passed at a meeting of members held on 6 May 2008.

On 1 August 2008 at an Extraordinary Meeting, members passed a resolution to remove Grant Thornton as auditors of the Company and replace it with RSM Bird Cameron Partners.

Other than disclosed above, between the end of the financial year and the date of this there are no items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 25: AUSTRALIAN ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The Director's assessment of the impact of new standards and interpretations that may affect the Group is set out below.

a) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Directors have not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

b) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Company, as the Company does not have any borrowings.

c) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Company intends to apply the revised standard from 1 July 2009.

Directors' Declaration

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

- (1) (a) the financial statements, notes and audited remuneration disclosures included in the directors' report of the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and the Group's financial position at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
 - (iii) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
 - (iv) the audited remuneration disclosures set out in the Remuneration Report of the directors' report comply with Accounting Standards AASB 124 Related Party Disclosures and the Corporations Regulations 2001.

- (2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2008.

On behalf of the Board.



ROBERT GROVER
Executive Chairman

DATED at PERTH this 26th day of September 2008.

Independent Auditor's Report

RSM Bird Cameron Partners

Chartered Accountants

9 St Georges Terrace Perth WA 6000
SFO Box 51266 Perth WA 6844
T +61 8 9221 1500 F +61 8 9221 8111
www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

BOSS ENERGY LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Boss Energy Limited ("the company"), which comprises the balance sheet as at 30 June 2008 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Liability limited by
a scheme approved under
Professional Standards
Legislation

Main Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 651 85 036

RSM Bird Cameron Partners is an
independent member firm of RSM
PricewaterhouseCoopers, an affiliate or independent
accounting and consulting firm.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Boss Energy Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report contained in the directors' report for the financial year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 306A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Boss Energy Limited for the financial year ended 30 June 2008 complies with section 306A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Stuart Hill

STUART HILL
Partner

Perth, WA

Dated: 26 September 2008

Shareholder Information

Additional information required by the Australian Securities Exchange Limited Listing Rules, and not disclosed elsewhere in this report.

SHAREHOLDINGS

At the date of this report three shareholders had lodged substantial shareholder notices with the Company.

- a) on 26 July 2007 a substantial shareholder notice was received by the Company notifying the Company that Pacific Finance and Securities Pty Ltd as trustee for the Paladin Private Pension Fund was a substantial shareholder holding a relevant interest in 5,000,000 shares representing 12.2% of the voting power.
- b) on 26 July 2007 a substantial shareholder notice was received by the Company notifying the Company that Joseph Obeid was a substantial shareholder holding a relevant interest in 5,000,000 shares representing 12.2% of the voting power.
- c) on 21 May 2008 a substantial shareholder notice was received by the Company notifying the Company that Bejjal Pty Ltd <Bejjal Super Fund> was a substantial shareholder holding a relevant interest in 4,000,000 shares representing 9.97% of the voting power.

CLASS OF SHARES AND VOTING RIGHTS

The voting rights attached to the Fully Paid Ordinary Shares of the Company are:

- a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

Options do not carry any voting rights.

DISTRIBUTION OF SHAREHOLDERS (as at 18 September 2008)

Spread of Holdings	Number of Holders	Units	% of Issued Capital
1 - 1,000	18	3,500	0.01
1,001 - 5,000	48	159,065	0.26
5,001 - 10,000	179	1,729,954	2.81
10,001 - 100,000	183	7,682,848	12.47
100,001 - over	58	52,011,487	84.45
	486	61,586,854	100.00

There were 56 shareholders holding less than a marketable parcel at 18 September 2008.

There are currently 19,000,001 shares subject to escrow. The date on which these are to be released from escrow is 20 July 2009.

There is no current on-market buy back taking place.

During the reporting year the Company used its cash and assets in a manner consistent with its business objectives.

DISTRIBUTION OF LISTED OPTIONHOLDERS (as at 18 September 2008)

Spread of Holdings	Number of Optionholders	Units	% of Issued Capital
1 - 1,000	10	5,753	0.02
1,001 - 5,000	155	416,707	1.14
5,001 - 10,000	27	194,832	0.53
10,001 - 100,000	80	3,011,795	8.21
100,001 - over	24	33,034,060	90.10
	296	36,663,147	100.00

TWENTY LARGEST SHAREHOLDERS (as at 18 September 2008)

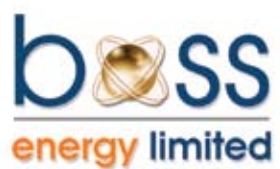
Name	Number of ordinary shares held	Percentage of capital held
TRADE THRUST PTE LTD	10,000,000	16.24%
MR JOSEPH OBEID <SUPER FUND A/C>	5,000,000	8.12%
PACIFIC FINANCE AND SECURITIES PTY LTD <THE PALADIN PRIVATE PENSION FUND A/C>	5,000,000	8.12%
BEJJAL PTY LTD <BEJJAL SUPER FUND A/C>	4,000,000	6.49%
CONTINENTAL CAPITAL LIMITED	3,750,000	6.09%
WESTBLADE PTY LTD	3,750,000	6.09%
MONTANA MINING LIMITED	2,500,000	4.06%
BEDFORD RESOURCES HOLDINGS LIMITED	2,000,000	3.25%
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	1,725,000	2.80%
MR PAUL GABRIEL SHARBANEE <THE SCORPIAN FUND A/C>	1,027,500	1.67%
AZALEA FAMILY HOLDINGS PTY LTD <NO 2 A/C>	1,000,000	1.62%
MR MICHAEL GLADWIN GROVE <MICHAEL GLADWIN-GROVE FAMILY A/C>	750,000	1.22%
CONSORT PRIVATE LIMITED	670,000	1.09%
APOLLO MINERALS LIMITED	625,000	1.01%
ARTEMIS RESOURCES LIMITED	625,000	1.01%
AYL PTY LTD <SUPERANNUATION FUND A/C>	500,000	0.81%
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	500,000	0.81%
MS ANNE KHOURI	500,000	0.81%
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	400,000	0.65%
MS SALLY GLADWIN-GROVE	375,000	0.61%
	44,697,500	72.57%

Shareholder Information continued

TWENTY LARGEST OPTIONHOLDERS (Listed Options) (as at 18 September 2008)

Name	Number of ordinary shares held	Percentage of capital held
GMAX CAPITAL PTY LTD	15,375,000	41.94%
MR JOSEPH OBEID <SUPERFUND A/C>	3,250,000	8.86%
PACIFICE FINANCE AND SECURITIES PTY LTD <THE PALADIN PRIVATE PENSION FUND A/C>	3,250,000	8.86%
TRADE THRUST PTE LTD	2,500,000	6.82%
AZALEA FAMILY HOLDINGS PTY LTD <NO 2 A/C>	2,250,000	6.14%
CONTINENTAL CAPITAL LIMITED	937,500	2.56%
WESTBLADE PTY LTD	937,500	2.56%
MR DAMIAN ANTONY CONBOY	875,587	2.39%
MONTANA MINING LIMIED	625,000	1.70%
ZERO NOMINEES PTY LTD	600,000	1.64%
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	484,375	1.32%
EXCHANGE MINERALS LIMITED	207,420	0.57%
MR MICHAEL GLADWIN GROVE <MICHAEL GLADWIN-GROVE FAMILY A/C>	187,500	0.51%
BEJJAL PTY LTD <BEJJAL SUPERFUND A/C>	175,587	0.48%
CONSORT PRIVATE LIMITED	167,500	0.46%
HARTKON INVESTMENTS PTY LTD <HARTKON IOANNOU FAMILY A/C>	160,466	0.44%
APOLLO MINERALS LIMITED	156,250	0.43%
ARTEMIS RESOURCES LIMITED	156,250	0.43%
MR ALLAN FRASER + MRS BARBARA FRASER	150,000	0.41%
AYL PTY LTD <SUPERANNUATION FUND A/C>	125,000	0.34%
	32,570,935	88.86%

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