



**energy limited**

**ABN 38 116 834 336**

**Interim Financial Report  
for the  
Half-Year ended 31 December 2007**

**BOSS ENERGY LIMITED**  
**ABN 38 116 834 336**

**CORPORATE DIRECTORY**

**DIRECTORS**

Robert Grover  
Chairman

Joseph Obeid  
Non-Executive Director

Winton Willesee  
Non-Executive Director

**COMPANY SECRETARY**

Winton Willesee

**REGISTERED OFFICE**

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Western Australia, 6009  
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**SOLICITOR**

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

**AUDITOR**

Grant Thornton (WA) Partnership  
Level 1, 10 Kings Park Road  
West Perth  
Western Australia, 6005

**SHARE REGISTRY**

Computershare Investor Services  
45 St Georges Terrace  
Perth  
Western Australia, 6000  
Telephone: +61 (8) 9323 2000

**STOCK EXCHANGE  
LISTING**

The Company's shares are quoted  
on the Australian Securities Exchange.  
The Home Exchange is Perth.

**ASX CODE**

BOE - ordinary shares  
BOEO – listed options

**BOSS ENERGY LIMITED**  
**ABN 38 116 834 336**

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**BOSS ENERGY LIMITED**  
and its controlled entity

**DIRECTORS' REPORT**

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Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2007. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

**DIRECTORS**

The following persons held office as Directors of Boss Energy Limited during the half-year and until the date of this report:

***Robert Grover*** – *BBus*  
**Executive Chairman**

Mr Grover is a Fellow of the Australian Institute of Company Directors 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 the ASX, the London Stock Exchange's AIM and the Vancouver Stock Exchange. Mr Grover is also a director of Contact Uranium Limited and Greenvale Mining NL. Previously Mr Grover was a director of Redport Limited and Cervantes Corporation Limited.

***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 profitability. Mr Obeid has been awarded an Australia Medal for Services and Diligence.

***Winton Willesee*** – *B.Bus., DipEd., PGDipBus., MCom., FFin, CPA, MAICD*  
**Non-Executive Director & Company Secretary**

Mr Willesee has broad experience in the company administration of ASX listed companies, corporate governance and corporate finance. He 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. He is also a Director of Newera Uranium Limited, Future Corporation Australia Limited and Hawk Resources Limited and has filled the role of Company Secretary with a number of listed and unlisted public companies. He is currently also the Company Secretary of Mantle Mining Corporation Limited, Balkans Gold Limited, Newera Uranium Limited and Hawk Resources Limited.

Messes Grover and Obeid held office for the duration of the period. Mr Willesee was appointed as director on 28th November 2007. Mr Ross MacLeod resigned as a director on 28th November 2008

**REVIEW OF OPERATIONS**

The consolidated entity recorded an operating loss after income tax for the half-year ended 31 December 2007 of \$366,442 compared to an operating loss after income tax of \$118,595 for the year ended 30 June 2007.

During the half-year ended 31 December 2007 the consolidated entity incurred a total of \$586,000 (including \$500,000 acquisition consideration) on exploration expenditure. The majority of the exploration and evaluation expenditure was incurred on the consolidated entity's Latrobe Oil Shale Project.

**BOSS ENERGY LIMITED**  
and its controlled entity

**DIRECTORS' REPORT**

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**REVIEW OF OPERATIONS (Continued)**

**Corporate**

During the half year the Company completed its Initial Public Offering of shares after raising \$3,500,000 through the issue of 17.5 million shares of 20 cents each. The Company was listed on the Australian Securities Exchange and commenced trading on 25<sup>th</sup> August 2007.

On 22 October 2007, the Company lodged a prospectus for an entitlements issue of options to registered shareholders. In December the Company completed the loyalty offer of options to shareholders and granted 10,250,000 options pursuant to that offer. Those options are now quoted on ASX (ASX: BOEO)

To partly fund the acquisition of the Greenvale shares (refer below) the Company secured loan funding of \$4.5 million, and on 20 December 2007, issued 6,050,000 shares at 40 cents per share along with 1,512,500 attaching options. In events subsequent to the balance date, on 7<sup>th</sup> February 2008, the Company issued 11,512,500 shares at 40 cents per share along with 2,880,375 attaching options and on 26<sup>th</sup> February 2008 issued 2,937,500 shares at 40 cents per share along with 734,375 attaching options. At the date of this report the loan has been repaid in full.

On 6<sup>th</sup> March 2008 the Company announced it had entered into an exclusive memorandum of understanding for the acquisition of the Tortay oil concession in Kazakhstan. The Company also entered into a conditional Heads of Agreement (subject to due diligence) with a Hong Kong listed company whereby the listed company will fund 100% of the US\$61m acquisition costs of the field to earn an interest of between 51% and 75% in the Tortay Concession.

**Latrobe Oil Shale Project, Tasmania.**

The consolidated entity has completed its initial drilling program at its Tasmanian Latrobe oil shale project, located 10 kilometres south west of the port of Devonport.

Fourteen Reverse Circulation drill holes and two Diamond drill holes were drilled in the China Bush Plantation area, also known as China Flats, in the vicinity of Tasmanite Road at the project, near the Great Bend of the Mersey River.

The consolidated entity is presently awaiting the interpretation of the results of the drilling program.

In anticipation of that interpretation the consolidated entity has completed a proposal for a 1000 ton shale bulk sample to be taken from the China Flats area.

During the period the Company appointed Mike Blake as the company's Consultant Geologist at its Tasmanian Latrobe oil shale project. Mr Blake, a Tasmanian based geologist with almost twenty years experience in the mining and resources sector, is overseeing the geological exploration of the project.

**Appointment of Corporate Adviser**

In December 2007 the Company appointed Gravner Limited to provide corporate advisory services to the Company.

**BOSS ENERGY LIMITED**  
and its controlled entity

**DIRECTORS' REPORT**

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**REVIEW OF OPERATIONS (Continued)**

**Greenvale Mining NL**

On 20<sup>th</sup> December 2007 the Company completed the acquisition of 2,200,000 contributing shares in Greenvale Mining NL (ASX: GRVCA), under the call options entered into on 24 October 2007 and referred to in ASX releases dated 26<sup>th</sup> October 2007, 13<sup>th</sup> November 2007 and 20<sup>th</sup> December 2007.

As a result of this acquisition, Boss has acquired an interest in a company that controls oil shale projects in Queensland.

**Appointment of Director**

On 28 November 2007 Mr Winton Willesee was appointed to the Board of Directors. Mr Willesee now fills the dual role of Director and Company Secretary. Mr Ross MacLeod resigned as a director of the Company on 28 November 2007.

The Company's cash position remained strong at the end of the half-year at \$1,725,874.

**QUALIFICATION OF THE HALF YEARLY FINANCIAL REPORT**

The Directors of the Company have carefully considered the qualification with respect to the classification and assessment of the carrying value of the investment in Greenvale Mining NL. The investment in Greenvale Mining NL represents a strategic acquisition and has been acquired with a view of facilitating the exploration and ultimately exploitation of the substantial oil shale reserves that are owned by Greenvale Mining NL and Esperance Minerals NL. The identification and implementation of the appropriate technology required to exploit these tenements is a long term process and one which the board of Boss Energy are committed to assisting its associate Greenvale Mining NL in achieving. Accordingly, the acquisition of the investment is considered to be a long term proposition and not of that of a portfolio type investment.

Set out in Note 1 are the reasons which support the Directors assertion that the investment in Greenvale Mining NL meets the criteria of an associate and furthermore details of how the assessment for the recoverable amount of this investment has been assessed.

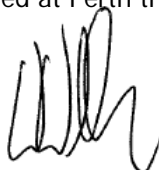
For the above reasons, the Directors are of the opinion that the basis of the preparation for the financial report is appropriate.

**AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, Grant Thornton (WA) Partnership, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2007.

This report is made and signed in accordance with a resolution of Directors.

Dated at Perth this 18 March 2008.



**Winton Willesee**  
Director

**Grant Thornton (WA) Partnership**  
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**AUDITOR'S INDEPENDENCE DECLARATION**

**TO THE DIRECTORS OF BOSS ENERGY LIMITED**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Boss Energy Limited for the half-year ended 31 December 2007, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON (WA) PARTNERSHIP



M J HILLGROVE  
PARTNER  
Perth, WA

Date: 18<sup>th</sup> March 2008

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF BOSS ENERGY LIMITED  
AND CONTROLLED ENTITY**

**Grant Thornton (WA) Partnership**  
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**Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of Boss Energy Limited (the Company) and the entity it controlled (the consolidated entity), which comprises the condensed consolidated balance sheet as at 31 December 2007, and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, a description of accounting policies, and other selected explanatory notes. The consolidated entity comprises both Boss Energy Ltd and the entity it controlled during the half-year.

**Directors' responsibility for the half-year financial report**

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances

**Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement 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 the Company's financial position as at 31 December 2007 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 Boss Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we complied with the independence requirements of the Australian professional ethical pronouncements and the Corporations Act 2001

## Basis of Qualified Conclusion

### *Investment in Associate*

An amount of \$7,893,859 has been shown as an Investment in an Associate in the Company's balance sheet at 31 December 2007. The investment, which was purchased by an off-market transaction, is being carried at cost less the Company's share of losses in the associate since its acquisition of the investment.

As of this date, we have also not been provided with adequate evidence to support the Company's classification of this investment as an Investment in an Associate.

Further, the carrying value of these shares is significantly in excess of its market value of \$1,232,000, at 31 December 2007, as disclosed in Note 10. We have not been provided with sufficient and appropriate evidence to support the estimates and assumptions used in the calculations of the recoverable amount of the investment and the conclusions reached by the Company that the recoverable amount exceeds the carrying value.

In view of the above, as at this date, we are unable to satisfy ourselves that the Company will be able to recover the carrying value of its investment.

## Qualified Conclusion

Except for the effects of the matters mentioned in the preceding paragraph, 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 2007 and of its performance for the half-year ended on that date.
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and Corporations Regulations 2001.



GRANT THORNTON (WA) PARTNERSHIP



M J Hillgrove  
Partner  
Perth

Date: 18<sup>th</sup> March 2008 .

**BOSS ENERGY LIMITED**  
and its controlled entity

**DIRECTORS' DECLARATION**

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In accordance with a resolution of the Directors of Boss Energy Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the financial position as at 31 December 2007 and the performance for the half year ended on that date of the consolidated entity; and
  - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dated at Perth this 18 March 2008.



**Winton Willesee**  
Director

**BOSS ENERGY LIMITED**  
and its controlled entity

**CONDENSED CONSOLIDATED INCOME STATEMENT**

**For the half-year ended 31 December 2007**

	Note	Half Year ended 31 December 2007 \$	Year ended 30 June 2007 \$
Interest income		71,540	3,567
Total revenue		71,540	3,567
Employee & Consultants expenses		(129,800)	(6,200)
Corporate expenses		(78,727)	(43,854)
Company secretarial expenses		(28,000)	-
Exploration expenditure written off		-	(33,364)
Interest expense		(16,274)	-
Legal Expenses		(43,049)	(21,282)
Non-Executive Directors' fees		(15,000)	-
Travel & accommodation expenses		(75,810)	(1,368)
Other expenses		(47,138)	(16,094)
Share of loss of an associate		(4,184)	-
Loss before income tax		(366,442)	(118,595)
Income tax		-	-
Net loss attributable to members of the Company		(366,442)	(118,595)
Basic earnings/(loss) per share (cents per share)	3	(0.89)	(1.15)
Diluted earnings/(loss) per share (cents per share)	3	(0.89)	(1.15)

*The accompanying notes form an integral part of these financial statements.*

**BOSS ENERGY LIMITED**  
and its controlled entity

**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 31 December 2007

	Note	31 Dec 2007 \$	30 June 2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,725,874	3,495,038
Other receivables		35,756	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,761,630</b>	<b>3,495,038</b>
<b>NON-CURRENT ASSETS</b>			
Investment in Associate	1,10	7,889,675	-
Property, plant and equipment		2,116	-
Capitalised mineral exploration and evaluation expenditure		586,047	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,477,838</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>10,239,468</b>	<b>3,495,038</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		85,043	212,987
Interest bearing loans		4,500,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,585,043</b>	<b>212,987</b>
<b>TOTAL LIABILITIES</b>		<b>4,585,043</b>	<b>212,987</b>
<b>NET ASSETS</b>		<b>5,654,425</b>	<b>3,282,051</b>
<b>EQUITY</b>			
Contributed equity	2	6,210,979	3,472,163
Accumulated losses		(556,554)	(190,112)
<b>TOTAL EQUITY</b>		<b>5,654,425</b>	<b>3,282,051</b>

*The accompanying notes form an integral part of these financial statements.*

**BOSS ENERGY LIMITED**  
and its controlled entity

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the half-year ended 31 December 2007**

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	Half Year ended 31 December 2007 \$	Year ended 30 June 2007 \$
<b>Total equity at the beginning of the half-year</b>	<b>3,282,051</b>	28,484
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<i>Adjustments to equity:</i>		
Loss for the half-year	<b>(366,442)</b>	(118,595)
<hr/>		
Total recognised income and expense for the half-year	<b>(366,442)</b>	(118,595)
<hr/>		
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity, net of transaction costs	<b>2,738,816</b>	3,372,162
<hr/>		
	<b>2,738,816</b>	3,372,162
<hr/>		
Total equity at the end of the half-year	<b>5,654,425</b>	3,282,051
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*The accompanying notes form an integral part of these financial statements.*

**BOSS ENERGY LIMITED**  
and its controlled entity

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

**For the half-year ended 31 December 2007**

	Half Year ended 31 December 2007 \$ Inflows/(Outflows)	Year ended 30 June 2007 \$ Inflows/(Outflows)
<b>Cash flows from operating activities</b>		
Interest received	71,540	3,567
Payments to suppliers and employees	(636,274)	(117,210)
Net cash flows used in operating activities	(564,734)	(113,643)
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(336,047)	-
Payments for plant and equipment	(2,116)	-
Payment for Investment in Associated Company	(7,855,083)	-
Net cash flows used in investing activities	(8,193,246)	-
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	2,488,816	3,582,163
Proceeds from borrowings	4,500,000	-
Repayment of borrowings	-	(1,251)
Net cash flows provided by financing activities	6,988,816	3,580,912
Net (decrease)/increase in cash held	(1,769,164)	3,467,269
Cash at the beginning of the half-year	3,495,038	27,769
Cash at the end of the half-year	1,725,874	3,495,038

*The accompanying notes form an integral part of these financial statements.*

**BOSS ENERGY LIMITED**  
and its controlled entity

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2007**

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**1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS**

These general purpose half-year financial statements for the half-year ended 31 December 2007 have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including Accounting Standard AASB 134: Interim Financial Reporting and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS "Interim Financial Reporting".

It is recommended that these half-year financial statements and reports be read in conjunction with the Annual Report for the year ended 30 June 2007 and any public announcements made by Boss Energy Limited and its controlled entity during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act, 2001.

The half-year report has been prepared on the accruals basis and in accordance with the historical cost convention. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2007 annual financial report for the financial year ended 30 June 2007.

In the half-year ended 31 December 2007, the consolidated entity has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2007.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the consolidated entity's accounting policies.

As the Company was not a listed entity at 31 December 2006, there was no requirement to prepare consolidated accounts subject to audit review. As a consequence all comparatives in the half year financial statements are based on the audited numbers at 30 June 2007.

**Investments in Associates**

An associate is an entity over which the parent entity has significant influence.

In the consolidated financial statements investments in associates are accounted for using the equity method except when the investment is classified as held for sale in which case it is measured at the lower of its carrying amount and fair value less costs to sell

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 recorded in the account of the consolidated entity 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 10.1% shareholding ;
- Boss Energy currently has one 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 has one 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.

### **Equity Method of Accounting for Investments**

The equity method is a method of accounting whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the investor's share in net assets of the investee. The profit or loss of the investor includes the investor's share of the investee.

### **Recoverable Amount – Investment in Associate**

The recoverable amount of the investment in the associate – Greenvale Minerals 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 calculation for the investment are as follows:

#### 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;
- Long term price of oil – US\$100;

#### 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;

#### Discount Rate

- A pre-tax discount rate of 40%;
- 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;
- 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.

#### Other

Greenvale Mining's NL total share of the oil reserves is expected to be 1.421 billion barrels of oil, after taking into account the other joint venture partner relevant interests.

**BOSS ENERGY LIMITED**  
and its controlled entity

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2007**

	<b>31 Dec 2007</b>	<b>30 June 2007</b>
	<b>\$</b>	<b>\$</b>
<b>2. CONTRIBUTED EQUITY</b>		
<b>(a) Issued Capital</b>		
47,050,001 ordinary shares; (30 June 2007: 38,500,001 ordinary shares)	<b>6,210,979</b>	3,472,163

During the half year a total of 6,050,000 ordinary shares were issued at an issue price of 40 cents per share raising \$2,420,000 (before any capital raising expenses) to fund the purchase of the shares in Greenvale Mining NL. In addition an amount of 2,500,000 were issued at a deemed issue price of 10 cents per share in part consideration for the acquisition of EL 20/2004.

**(b) Options**

During the half year a total of 10,250,000 options were issued to existing shareholders on a 1 for 4 basis on the number of ordinary shares held at the time for an issue price of 1 cent per option. These loyalty options, have an exercise price of 20 cents and may be exercised any time prior to 31 November 2010, as noted in the Rights Issue Prospectus and as foreshadowed in the IPO Prospectus.

Associated with the placement of 6,050,000 ordinary shares as detailed above there were 1,512,500 options granted to applicants on the basis of one option for every four shares issued.

**3. EARNINGS/(LOSS) PER SHARE**

The following reflects the loss and share data used in the calculations of basic and diluted (loss) per share:

(Loss) used in calculating basic and diluted (loss) per share	<b>(366,442)</b>	(118,595)
	<b>Number of Shares</b>	<b>Number of Shares</b>
	<b><u>31 Dec 2007</u></b>	<b><u>30 June 2007</u></b>
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share: <i>Effect of dilutive securities</i>	<b>41,131,422</b>	10,295,679
Share options*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	<b>41,131,422</b>	10,295,679

**BOSS ENERGY LIMITED**  
and its controlled entity

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2007**

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**\*Non-dilutive securities**

As at balance date, 11,762,500 listed options (which represent 11,762,500 potential ordinary shares) (30 June 2007: Nil) which represent potential ordinary shares were not dilutive as they would decrease the loss per share.

**4. DIVIDENDS**

No dividend has been declared or paid during the half-year ended 31 December 2007.

**5. EVENTS SUBSEQUENT TO BALANCE DATE**

Since 31 December 2007, no event, other than those disclosed in the Directors Report included in this Interim Financial Report, has arisen that would be likely to materially affect the operations of the consolidated entity, the results of the consolidated entity or the state of affairs of the consolidated entity other than;

Share Issues: On 7<sup>th</sup> February 2008, the Company issued 11,512,500 shares at 40 cents per share along with 2,880,375 attaching options and on 26<sup>th</sup> February 2008 issued 2,937,500 shares at 40 cents per share along with 734,375 attaching options. Further on 6<sup>th</sup> March 2008 the company announced that it proposed to undertake a rights issue to existing shareholders. The offer is proposed to be on offer of one share for every share held on the record date at an issue price of 40 cents per share along with one free attaching option for every four shares subscribed for under the offer.

Loan Repayment: At the date of this report the loan has been repaid in full.

Merger and Acquisition: On 6<sup>th</sup> March 2008 the Company announced it had entered into an exclusive memorandum of understanding for the acquisition of the Tortay oil concession in Kazakhstan. The Company also entered into a conditional Heads of Agreement (subject to due diligence) with a Hong Kong listed company whereby the listed company will fund 100% of the US\$61m acquisition costs of the field to earn an interest of between 51% and 75% in the Tortay Concession. There are no current financial obligations at the date of this report for the above matters.

**6. CONTINGENT ASSETS AND 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.

**7. SEGMENT INFORMATION**

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

**8. COMPARATIVE FIGURES**

Boss Energy Limited listed on 20 July 2007, and therefore was not a disclosing entity at 31 December 2006. No half yearly accounts were prepared as at 31 December 2006. Comparatives

reflected in the financial statement of the half year ended 31 December 2007 relate to the full year ended 30 June 2007.

**9. FINANCING FACILITIES**

Boss Energy Limited has been provided a line of credit facility of \$4,000,000. At the date of this report that facility has not been drawn.

**10. INVESTMENT IN ASSOCIATE**

The closing price on ASX of contributing shares in Greenvale Mining NL (ASX: GRVCA) at 31 December 2007 was 56 cents. Boss' holding of 2,200,000 contributing shares multiplied by the closing price of GRVCA shares on ASX at 31 December 2007 equals \$1,232,000. It is noted that Greenvale Mining NL's contributing shares are thinly traded and illiquid. In the opinion of the Directors, the share price is not an appropriate basis in which to value Boss Energy's strategic investment in Greenvale Mining NL.