

Green Rock Energy Limited

ACN 094 551 336

**Condensed Consolidated Interim Financial Report for the Half-Year Ended
31 December 2007**

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Directors' report

The Directors of Green Rock Energy Limited ("the Company") submit herewith the condensed consolidated financial report 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:

Names of directors

The names of the Directors of the Company during and since the end of the half-year are:

Name

Adrian Larking	Managing Director
Alan Knights	Executive Director
Jorg Baumgartner	Non-Executive Director
Scott Spencer	Non-Executive Director

Directors have been in office for the entire period to the date of this report.

Review of operations

During the half year under review, the Company achieved the following:

- **An assessment by GeothermEx Inc. confirms potential of Olympic Dam Geothermal Energy Project.**

An assessment of the per-well productivity for the Olympic Dam Geothermal Energy Project, estimates the net power capacity of each production well could be as high as 7.6MWe.

This assessment was based on the conditions encountered in the hot granites in Blanche No 1 exploration well, drilled to 1.93km depth, by the Company, alongside BHP Billiton's Olympic Dam copper and uranium mine.

The results of the assessment (received in August) undertaken by GeothermEx Inc., a major United States based international geothermal consulting company, together with the large area of prospective hot granites known from previous drilling, confirms the enormous potential of this engineered geothermal project.

This assessment follows on from the recently completed tectonic analyses undertaken of the Blanche No 1 well by the CSIRO which confirmed the stress regime in the Olympic Dam hot granites is likely to be ideal for generating an optimal heat exchange reservoir.

- **Acquired 3 Geothermal Exploration Licences in Cooper Basin**

In early September the Company was granted three additional Geothermal Exploration Licences (GELs) in South Australia. This acquisition is in line with Green Rock Energy's drive to expand its strong portfolio of geothermal energy projects.

The licences granted (GEL 282, 283 and 284) cover 1,483 sq kms of land over the Patchawarra Trough in the Cooper Basin, South Australia ("Patchawarra Project").

The Patchawarra Project area contains geological formations which are prospective for high flows of hot geothermal water. These are considered potentially suitable for generation of geothermal electrical energy by pumping the hot water from existing sedimentary aquifers using conventional pumps.

The GELs are located in the Patchawarra Trough, a structure within the Cooper Basin containing thick aquifers. The prospective aquifers reach a thickness in excess of 1,200m in this location at depths in excess of 3,000m. These thick, deep aquifers have the potential to contain high temperature water flows suitable for conventional geothermal energy production.

- **Raised \$1.3 million by private placement**

In September the Company raised \$1.3 million before costs of the issue, to supplement working capital, through the private placement to professional investors of 12 million shares at 11c per share; the average price for the previous 10 days trading.

The funds were raised to support the Company's working capital pending the receipt of the claim from the World Bank and IFC implemented, Global Environmental Facility Trust Fund.

- **Advanced the finalisation of the selection of the second Hungarian project**

The Hungarian Joint Venture made significant progress in finalising the selection of its second geothermal project. The process, being undertaken by a combined team of structural geologists and hydrologists from all three joint venture companies, includes the evaluation of drilling and seismic data in the development of the tectonic models, to identify the location that contains all the required ingredients for a commercially viable project.

Hungary has enormous potential for the extraction and development of geothermal energy, given both the significant resource and fiscal regime that encourages geothermal developments. With the wealth of existing drilling and seismic data at its disposal. Green Rock Energy, in joint venture with the Hungarian oil and gas company, MOL and the Icelandic geothermal consulting and developing company, Enex hf, is finalising the location of the next Hungarian geothermal projects in areas identified by joint technical team with the objective of production testing later this year.

- **Acquired 5 Geothermal Exploration Licences in Upper Spencer Gulf**

On 16 November the Company was granted five Geothermal Exploration Licences (GELs) covering 1,938 sq kms of land around the Upper Spencer Gulf, South Australia ("Upper Spencer Gulf Project"). The licences cover the area from south of Whyalla on the Eyre Peninsula north to Pt Augusta and then south along the east coast of the Spencer Gulf to below Pt Pirie.

Green Rock Energy will evaluate the suitability of the geology for an engineered geothermal system to provide the heat source for a desalination plant using the distillation process. The aim is to produce pure desalinated water for the Upper Spencer Gulf and surrounding regions with the minimum contribution to green house gases.

- **Received from the Geofund a refund of major costs incurred in production testing the Hungarian Ortahaza project**

Towards the end of the half year a claim for a refund of the major portion of the expenditure incurred on the Ortaháza project was lodged with the World Bank who are the managers of the Global Environmental Facility Trust Fund.

In late December the Company received a A\$1.3 million geological risk insurance payment from the Geothermal Energy Development Program, or Geofund. The refund to the Company represents the major costs incurred by the Company with preparation and production testing the Othaháza 3 and Othaháza 5 wells in early 2007. The Geofund is funded by the Global Environment Facility Trust Fund and implemented jointly by the World Bank and the IFC.

The net loss after accounting for income tax for the half-year ended 31 December 2007 is \$2,310,474 (2006: \$637,881).

The total number of fully paid ordinary shares on issue and the number of quoted options expiring on 18 April 2008 at 31 December 2007 were 159,689,715 and 40,194,308 respectively.

In addition there were 10,850,000 unquoted employee incentive options on issue at 31 December 2007.

Future Developments

- **Olympic Dam Geothermal Project**

Green Rock Energy will undertake a hydraulic fracturing of the granites within Blanche No 1 to determine the pressure required to fracture the hot granites. This information will be used in the design of the two deeper wells and the associated water circulation testing. These two wells will be used to drive a 3 to 5 MWe pilot plant which will complete the evaluation stage of the project. The design and development of the commercial power plant operation will then occur.

GEO-Meß-Systeme GmbH, a German company specialising in measurement of rock stresses, will undertake the hydraulic fracture testing in conjunction with CSIRO, with equipment imported from Germany. Green Rock Energy is the first geothermal company in Australia to measure in-situ rock stresses with a slim-hole testing system of this type prior to drilling and fracture stimulation to create the underground fractured reservoir. The information derived will provide the Company with valuable information to design the two deep wells and fracture stimulation before the Company embarks upon the major drilling exercise.

Water will be injected into sealed-off intervals of the Blanche No 1 well to induce tensile fractures in the rock at various depths down to the bottom of the well at 1.935 km. The existing fractures within the rock will open when the water pressure pumped into the sealed-off zone in the hot granites exceeds the in-situ stresses.

Green Rock Energy is using slim-hole, wire-line hydraulic fracturing technology developed at Ruhr-University, Germany. This technology enables "stress logging" without the need for a drill-rig and associated crew and has the added benefit of significant cost savings. The hydraulic fracture testing will be carried out in February.

To monitor the hydraulic fracturing in Blanche No 1 the Company is importing from Europe a special high temperature slim hole acoustic televiewer which is the first time such a slim hole tool has been used in Australia in geothermal energy wells.

- **Evaluation of new projects and GEL areas**

Patchawarra Project

Analysis of the data from previous drillings in the Patchawara geothermal exploration licence areas will continue over coming months with a view to selecting suitable locations to test existing wells or to drill new wells for flow testing to confirm the reservoir temperature and water flow productivity.

Upper Spencer Gulf Project

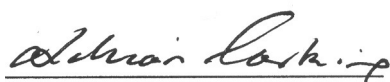
This project is aimed at using geothermal energy directly for sea water desalination using the distillation process. The Company will continue to work in conjunction with the University of Western Australia and the CSIRO to advance this project.

Auditor's independence declaration

The Auditor's independence declaration is included on page 5 of the condensed consolidated half-year financial report and forms part of this report.

Signed in accordance with a Resolution of the Directors of Green Rock Energy Limited and made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors.



Adrian Larking
Managing Director

Perth, Western Australia, Australia.
14 March 2008

14 March 2008

To the Board of Directors of Green Rock Energy Limited

Ian K Macpherson CA

Dear Sirs

Robert W Parker CA

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

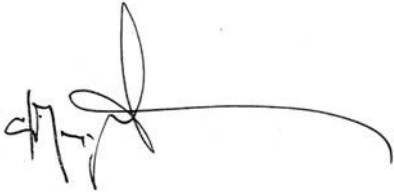
Craig A Vivian CA

I declare that, to the best of my knowledge and belief, in relation to the review for the financial period ended 31 December 2007, there have been no contraventions of:

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

Yours faithfully

ORD PARTNERS



Ian Macpherson
Partner

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Chartered Accountants

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF GREEN ROCK ENERGY LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Green Rock Energy Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year period.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Green Rock Energy Limited's financial position 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 Act 2001*. As the auditor of Green Rock 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 have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Green Rock Energy Limited on 14 March 2008, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Ian K Macpherson CA

Robert W Parker CA

Craig A Vivian CA

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Chartered Accountants

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Green Rock Energy Limited is not in accordance with the *Corporations Act 2001* including:

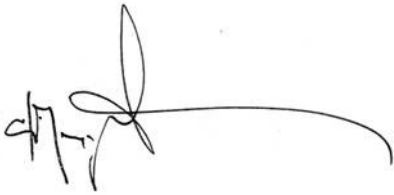
- (i) giving a true and fair view of the of the company and consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Inherent uncertainty regarding continuation as a going concern

Without qualification to the conclusion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1 "Going Concern" to the interim financial report, there is inherent uncertainty whether the Company will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they fall due and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the interim financial report. The interim financial report does not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

ORD PARTNERS

Chartered Accountants



Ian Macpherson
Partner

Perth, 14 March 2008

Directors' declaration

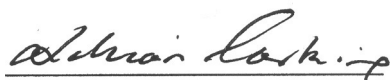
In accordance with a resolution of the directors of Green Rock Energy Limited state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity as set out on pages 9 to 17 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 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 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.

Signed in accordance with a Resolution of the Directors made pursuant to section 303 (5) of the Corporations Act 2001.

On behalf of the Directors.



Adrian Larking
Managing Director

Perth, Western Australia, Australia.
14 March 2008

Condensed Consolidated Income Statement for the Half-year ended 31 December 2007

	Notes	Consolidated	
		2007 \$	2006 \$
Revenue			
Interest income		69,982	9,028
Other income		-	30,915
Total Revenue		69,982	39,943
Expenses			
Staff costs	9	(529,553)	(339,392)
Administrative expenditure		(104,251)	(24,675)
Audit and legal fees		(68,741)	(25,928)
Corporate advisory expenses		(188,811)	(61,434)
Office rent and outgoings		(35,212)	(24,768)
Depreciation		(14,770)	(13,224)
Exchange losses		(16,232)	-
Exploration expenditure written off	6	(1,166,004)	-
Exploration expenditure expensed as incurred		(106,419)	(26,226)
Other expenses		(150,463)	(162,177)
Total expenses		(2,380,456)	(677,824)
Loss before income tax benefit		(2,310,474)	(637,881)
Income tax benefit		-	-
Loss for the period		(2,310,474)	(637,881)
Loss per share:			
Basic and diluted (per share)		(0.01)	(0.01)

Notes to the financial statements are included on pages 13 to 17.

Condensed Consolidated Balance Sheet as at 31 December 2007

		Consolidated	
		31 December 2007	30 June 2007
		\$	\$
	Notes		
Current assets			
Cash and cash equivalents		2,148,820	981,818
Other receivables		171,762	1,519,757
Other current assets		-	10,000
Total current assets		2,320,582	2,511,575
Non-current assets			
Other financial assets		105,300	105,300
Exploration & evaluation expenditure	6	8,173,323	8,953,576
Property, plant and equipment		71,326	80,722
Total non-current assets		8,349,949	9,139,598
Total assets		10,670,531	11,651,173
Current liabilities			
Trade and other payables	7	201,426	250,152
Provisions		34,160	18,842
Total current liabilities		235,586	268,994
Total liabilities		235,586	268,994
Net assets		10,434,945	11,382,179
Equity			
Issued capital	3	15,443,095	14,180,394
Reserves		328,172	227,633
Accumulated losses		(5,336,322)	(3,025,848)
Total equity		10,434,945	11,382,179

Notes to the financial statements are included on pages 13 to 17.

Condensed Consolidated Statement of Changes In Equity for the Half-year Ended 31 December 2007

For the period ended 31 December 2007	Ordinary Shares \$	Option Premium Reserve \$	Share Based Payment Reserve \$	Foreign Currency Reserves \$	Accumulated Losses \$	Total Equity \$
At beginning of period	14,180,394	158,332	69,022	279	(3,025,848)	11,382,179
Loss for the period	-	-	-	-	(2,310,474)	(2,310,474)
Total recognised expense for the period	-	-	-	-	(2,310,474)	(2,310,474)
Contributions of equity, net of transaction costs	1,262,701	-	-	-	-	1,262,701
Share-based payments	-	-	135,616	-	-	135,616
Exchange differences on translation of foreign operations	-	-	-	(35,077)	-	(35,077)
Transactions with equity holders in their capacity as equity holders	1,262,701	-	135,616	(35,077)	-	1,363,240
At end of period	15,443,095	158,332	204,638	(34,798)	(5,336,322)	10,434,945
For the period ended 31 December 2006	Ordinary Shares \$	Option Premium Reserve \$	Share Based Payment Reserve \$	Other Reserves \$	Accumulated Losses \$	Total Equity \$
At beginning of period	9,776,727	20,432	-	-	(1,573,271)	8,223,888
Loss for the period	-	-	-	-	(637,881)	(637,881)
Total recognised expense for the period	-	-	-	-	(637,881)	(637,881)
Contributions of equity, net of transaction costs	982,650	-	-	-	-	982,650
Share-based payments	-	-	183,130	-	-	183,130
Exchange differences on translation of foreign operations	-	-	-	12,420	-	12,420
Transactions with equity holders in their capacity as equity holders	982,650	-	183,130	12,420	-	1,178,200
At end of period	10,759,377	20,432	183,130	12,420	(2,211,152)	8,764,207

Notes to the financial statements are included on pages 13 to 17.

Condensed Consolidated Cashflow Statement for the Half-year Ended 31 December 2007

	2007 \$	2006 \$
Cash flows from operating activities		
Payments to suppliers and employees	(990,267)	(263,854)
Interest received	69,982	9,575
Other income	-	16,675
Net cash used in operating activities	(920,285)	(237,604)
Cash flows from investing activities		
Payments for property, plant and equipment	(5,374)	(3,294)
Refund of exploration costs from World Bank	1,306,348	-
Payments for exploration and evaluation	(476,388)	(28,445)
Acquisition of subsidiary, net of cash acquired	-	15,118
Net cash provided by/(used in) investing activities	824,586	(16,621)
Cash flows from financing activities		
Proceeds from issues of equity securities	1,324,951	645,250
Payment for share issue costs	(62,250)	(30,100)
Net cash provided by financing activities	1,262,701	615,150
Net increase in cash and cash equivalents	1,167,002	360,925
Cash and cash equivalents at the beginning of the half-year	981,818	220,449
Cash and cash equivalents at the end of the half-year	2,148,820	581,374

Notes to the financial statements are included on pages 13 to 17.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2007

1. Summary of accounting policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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

Adoption of new and revised Accounting Standards

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 January 2007. It has been determined by the consolidated entity 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.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The consolidated entity has incurred a net loss after tax for the half year ended 31st December 2007 of \$2,310,474 (2006: \$637,881) and experienced net cash outflows from operating activities of \$920,285 (2006: \$237,604). As at 31st December 2007 the consolidated entity had cash and cash equivalent balances of \$2,148,820 (30 June 2007: \$981,818).

The directors recognise that the ability of the consolidated entity to continue as a going concern is dependent on the capacity of the consolidated entity to secure additional funding through either the issue of further shares, convertible notes, or a combination of both.

The directors believe that they will continue to be successful in securing additional funds through debt or equity issues as and when the need to raise working capital arises.

Should the Company and the consolidated entity be unable to continue as going concerns, they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company and the consolidated entity be unable to continue as going concerns.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2007 (cont.)

2. Subsequent events

Study confirms Patchawarra prospectivity

A study of the extensive geological, geophysical and test data derived from previous petroleum drilling has confirmed the geothermal reservoir potential of the Patchawarra Trough target formations at depths of around 3 kilometres deep. The Company was granted three Patchawarra geothermal exploration licences (totalling 1,483 sq kms) in September 2007.

These findings support previous analysis that the Company's licence areas contain thick permeable zones or aquifers which have the potential to produce high temperature water flows suitable for conventional geothermal energy production at moderate depths.

The study highlighted areas within the licences where drilling intersected thick formations at depths of around 3,000 metres with good permeabilities and which, based on the data, should have good water flow capacity and temperatures greater than 140°C. At least one location within the licences has been identified with an estimated heat flow in excess of 125 mW/m², the magnitude of the heat flow actually measured at the Olympic Dam mine and one of the highest heat flows recorded in Australia.

No other matters or circumstances have arisen since the end of the half year period which have significantly affected or may affect the operations of the Company, the results of those operations, or the state of affairs of the company in future financial periods.

3. Issuances, repurchases and repayments of securities

During the half-year reporting period, the Company completed the following transactions in its securities:

- 20 July 2007 issue of 2,000 ordinary fully paid shares at 10 cents per share as a result of the exercise of 18 April 2008 Options.
- 11 September 2007 a placement of 12,000,000 ordinary fully paid shares at 11 cents per share to sophisticated and institutional investors to raise \$1,320,000 (before costs of \$62,250).
- 17 October 2007 issue of 2 ordinary fully paid shares at 10 cents per share as a result of the exercise of 18 April 2008 Options.
- 13 November 2007 issue of 40,000 ordinary fully paid shares at 10 cents per share as a result of the exercise of 18 April 2008 Options.
- 17 December 2007 issue of 7,500 ordinary fully paid shares at 10 cents per share as a result of the exercise of 18 April 2008 Options.
- 9 August 2007 issued 1,000,000 options to acquire ordinary shares at an exercise price of 15 cents each expiring on 9 August 2010 to four consultants. These options vest on 9 August 2010.
- 9 August 2007 issued 300,000 options to acquire ordinary shares at an exercise price of 15 cents each expiring on 9 August 2010 to the Company Secretary as part of his employment contract. These options vest on 9 August 2010.
- 28 November 2007 issued 1,000,000 options to acquire ordinary shares at an exercise price of 11 cents each expiring on 25 April 2011 to a Director as part of his employment contract. Half of these options vest in April 2008 and the balance in April 2009.

Issuances, repurchases and repayments of securities (cont.)

- 28 November 2007 issued 2,050,000 options to acquire ordinary shares at an exercise price of 15 cents each expiring on 26 November 2011 to Directors as part of their employment contracts. Half of these options vest in November 2008 and the balance in November 2009.

Further details of options granted and share based payments during the half-year are disclosed in note 9.

4. Segment reporting

The Company operates predominantly in two geographical segments, being Australia and Hungary, and one business segment, the development of geothermal energy projects.

For the six months ended 31 December 2007

	Australia	Hungary	Consolidated
Segment revenue	37,107	32,875	69,982
Segment result	(1,139,214)	(1, 171,260)	(2,310,474)

For the six months ended 31 December 2006

Segment revenue	21,649	18,294	39,943
Segment result	(634,947)	(2,934)	(637,881)

5. Contingent assets & liabilities

In the opinion of the Directors, there are no contingent liabilities as at 31 December 2007 and none incurred in the interval between the period end and the date of this financial report.

6. Deferred exploration costs

Deferred exploration costs at \$8,173,323 includes expenditure in relation to the Orthahaza Project in Hungary.

Total exploration costs of \$1,166,004 were written off in Green Rock (Vulcan) Energy Kft as it was deemed not recoverable.

	31 Dec 2007	31 Dec 2006
Costs brought forward	8,953,576	7,545,644
Exploration expenditure incurred	385,751	1,407,932
Exploration expenditure written off	(1,166,004)	-
Cost carried forward	8,173,323	8,953,576

7. Trade and other payables

Includes an accrued expense of \$29,090 representing a cash call made by the Company's joint venture partner MOL for exploration expenditure incurred during the period.

8. Related parties

Arrangement with related parties continue to be in place. For these details, please refer to the 30 June 2007 annual financial report.

Key management personnel continue to be remunerated by salary, post employment benefits and share based payments. Further details on share based payments made to key management personnel are in note 9.

9. Share Based Payments

Included in staff costs is an amount of \$135,616 relating to share based payments (December 2006: \$45,230).

Share based payments is the fair value of options issued and expensed over the vesting period.

On 9 August 2007, four consultants were granted options with the following details:

	Unlisted options exercisable at 15 cents per share on or before 9 August 2010
Grant date	9 August 2007
No of options issued	1,000,000
Vesting conditions	9 August 2007
Fair value at grant date	7 cents
Share price	13 cents
Exercise price	15 cents
Volatility	117.59% to 127.83%
Risk free rate	6.21%

On 9 August 2007, Nigel Hodder, the company secretary was granted options with the following details:

	Unlisted options exercisable at 15 cents per share on or before 9 August 2011
Grant date	9 August 2007
No of options issued	300,000
Vesting conditions	9 August 2007
Fair value at grant date	7 cents
Share price	13 cents
Exercise price	15 cents
Volatility	117.59% to 127.83%
Risk free rate	6.21%

On 26 November 2007, Jorg Baumgartner, a director was granted options with the following details:

	Unlisted options exercisable at 11 cents per share on or before 25 April 2011
Grant date	26 November 2007
No of options issued	1,000,000
Vesting conditions	50% vesting 25 April 2008 and 50% vesting 25 April 2009
Fair value at grant date	9.25 cents
Share price	12 cents
Exercise price	11 cents
Volatility	117.59% to 127.83%
Risk free rate	6.21%

On 26 November 2007, directors Alan Larking, Alan Knights and Scott Spencer were granted options with the following details:

	Unlisted options exercisable at 15 cents per share on or before 26 November 2011
Grant date	26 November 2007
No of options issued	A Larking: 1,000,000 A Knights: 750,000 S Spencer: 300,000
Vesting conditions	50% vesting 26 November 2008 and 50% vesting 26 November 2009
Fair value at grant date	9.68 cents
Share price	12 cents
Exercise price	15 cents
Volatility	117.59% to 127.83%
Risk free rate	6.21%