WEATHERLY
INTERNATIONAL PLC

Interim report
July to December 2011

Summary highlights

WEATHERLY
INTERNATIONAL PLC

Financial

- Profit after tax of US$13.3 million for the half year ended 31 December 2011
- Cash at bank US$7.1 million at 31 December 2011

Corporate and operational

- Profit of US$7.3 million generated by Central Operations
- Contracts restructured and appointment of new mining contractor to boost production at Otjihase
- China Africa Resources plc listed on AIM
- Sale of Berg Aukas mine to China Africa Resources generated a profit of US$4.2 million
- Payment of dividend by distribution in specie of shares in China Africa Resources worth US$1.2 million
- Investment by Namibian interests in subsidiary of Weatherly

Post half year end

- Announcement of key data from the feasibility study for the Tschudi project
- Tschudi resources statement (JORC) revised upwards
- Maiden Tschudi reserve statement (JORC) released

Contents

Chairman's and Chief Executive's statement

We are pleased to report Weatherly's results for the half year ended 31 December 2011.

During this period our Central Operations generated an operating profit before interest of US$7.3 million. There was also a profit on the disposal of the Berg Aukas mine of US$4.2 million, and a profit from the release of the section 311 creditor provision of US$5.2 million. The group recorded an unrealised exchange loss on its loans of US$1.3 million, incurred unallocated head office costs of US$1.6 million, interest on its loans of US$0.3 million, and after losses in associated companies of US$0.2 million, leaving a profit after tax of US$13.3 million.

The group generated cash from operating activities of US$5.3 million and invested US$0.8 million of this in plant and machinery, US$1.0 million in further development at the Matchless mine, and US$2.4 million in the feasibility studies for the Tschudi mine and the Tsumeb tailings. Loans were reduced by US$2.4 million, and after taking initial balances into account we were left with cash at 31 December of US$7.1 million.

Weatherly had two main objectives over the period: the consolidation of production from its Central Operations, and the progression of the Tschudi feasibility study. Despite some minor setbacks, Central Operations continue to ramp up to their target rate. The Tschudi feasibility study is running to schedule and has reinforced its position as our priority project. The project is designed to produce 15,000 tonnes of copper annually over an 11-year mine life, which will enable us to meet our strategy of establishing a business capable of producing 20,000 tonnes of copper per year.

On 1 August 2011, the ordinary shares of China Africa Resources plc were admitted to trading on AIM. East China Mineral Exploration & Development Bureau ("ECE") acquired 65% of the shares for £4.7 million, and Weatherly sold the Berg Aukas mine to China Africa Resources in return for its 35% shareholding. Weatherly distributed 10% of the shares to its shareholders as an in specie dividend. This represented the commencement of a formal relationship between Weatherly and a powerful and ambitious Chinese company in ECE.

In September 2011, an agreement was executed over the sale of a 2.5% shareholding in our Namibian subsidiary, Ongopolo Mining Limited ("OML"), to Labour Investment Holdings ("LIH"), the investment arm of the National Union of Namibian Workers. This agreement was pursuant to a Memorandum of Understanding signed with LIH in 2010, and a Weatherly initiative to promote local participation in the business through direct equity ownership. The sale price of N$ 7.2million (approximately US$0.9 million) was provided through a vendor finance facility, where the payment of the consideration is to be deferred and deducted from LIH's future dividends. The agreement also provides an option for LIH to increase its shareholding to 5% within five years at a price based on an independent valuation of OML at the time of exercise.

Weatherly continues its prudent risk management strategy of maintaining a forward copper position equivalent to approximately 35% of anticipated production over a 15-18 month period. At 31 December 2011, our hedge book had a mark to market value of US$4.9 million.

Operational update

CENTRAL OPERATIONS

We are very pleased with the performance of the Matchless mine and the operating contractor Shali Mining. The mine has achieved the target production rates set and this is expected to continue. In the second half of the financial year, the mining operations will be moving into an area of the ore body shown to be higher in grade and broader in width, and we expect this to have a positive effect on production.

The Otjihase mine has continued to underperform, with production in January similar to previous months. A number of actions have been taken to address the situation. We previously announced a restructuring whereby the operations at Otjihase were to be broken into three discrete contracts – mining, crushing/conveying and processing. This has now been undertaken, and the mining contract has been awarded to Shali Mining, which is currently also engaged at Matchless. The terms and conditions will be similar to the Matchless contract, whereby payment is based on tonnes of ore delivered. The changeover will take four weeks to implement, and we anticipate significant improvement in production from the second quarter of 2012.

EXPANSION OF CENTRAL OPERATIONS

Investigations are continuing into how best to exploit the remaining resources. Opportunities exist at both Otjihase and Matchless to reopen previously mined areas. A decision on the advancement of one or more of these opportunities is expected to be made in the coming months.

TSCHUDI FEASIBILITY STUDY

The feasibility study for the Tschudi project remains on track for completion before the end of the financial year. The project will be an open-pit mine, with a heap leach, solvent extraction/electro-winning ("SX/EW") processing route. This design will enable us to produce LME-grade copper cathode on site. Critical data from the lead consultant on the project, Sedgman Engineering, provides a clear picture of the project's economic fundamentals. The main item remaining before finalisation of the feasibility study is completion of confirmation test work, which is being conducted to verify the leaching kinetics that have been used in the feasibility study to date.

Chairman's and Chief Executive's statement

In early February, a revised resource statement (JORC) indicating 50.1mt at 0.86% Cu was released alongside a maiden reserve statement (JORC) of 22.2mt at 0.87% Cu. The operations are designed to produce 15,000 tonnes of copper per annum at full production with an 11-year mine life.

We are continuing to evaluate both structured debt and off-take finance options. with the expectation of having funding in place by year end.

TSUMEB TAILINGS

Investigations are continuing through our consultant Sedgman Engineering into the feasibility of copper production from the Tsumeb tailings, which contain a resource (JORC) of 12mt grading 0.48% Cu, 0.77% Pb, 0.63% Zn and 12.74g/t Ag.

CHINA AFRICA RESOURCES PLC

Weatherly has a 25% shareholding in China Africa Resources, and administers the business under the provisions of a management services agreement. The primary focus of China Africa Resources has been the progression of the Berg Aukas feasibility study.

To date Weatherly has:

- appointed consultants (geology, engineering, environmental);
- commenced a drilling program designed by consultant geologists to establish JORC resources;
- commenced metallurgical test work on samples taken from the old surface dump;
- collected historical information to establish a full 3D model of the old mine workings;
- begun environmental studies pursuant to Namibian legislation; and
- progressed studies on mine dewatering and shaft refurbishment.

Outlook

The Central Operations mines are now producing good cash flows, and the Tschudi feasibility study has to date shown that it is a project with strong economic fundamentals. We expect a continued improvement at Otjihase as a result of the recent changes to the main operating contract, and the copper market is continuing to hold up well despite the tough economic climate.

We are confident that the coming year will be significant in the development of the company and its future growth, and we embark upon this from the firm base that we have established.

John Bryant
Chairman

Rod Webster
Chief Executive Officer

27 February 2012

Independent review report to Weatherly International plc

Introduction

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 31 December 2011, which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement and related explanatory notes. We have read the other information contained in the half yearly financial report, and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in note 1.

Our responsibility

Our responsibility is to express to the company a conclusion on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information 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 International Standards on Auditing (UK and Ireland), 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 31 December 2011 is not prepared, in all material respects, in accordance with the basis of accounting described in note 1.

Grant Thornton UK LLP
Auditor
Gatwick

27 February 2012

Condensed consolidated statement of comprehensive income

FOR THE PERIOD 1 JULY TO 31 DECEMBER 2011

	Note	6 months to 31 December 2011 US$'000 Reviewed	6 months to 31 December 2010 US$'000 Reviewed	Year ended 30 June 2011 US$'000 Audited
Revenue		23,322	11	16
Cost of sales		(12,975)	(2,908)	(4,714)
Gross profit/(loss)		**10,347**	**(2,897)**	**(4,698)**
Distribution costs		(1,547)	–	–
Selling costs		–	–	–
Other income		218	149	184
Administrative expenses		(3,326)	(2,080)	(4,111)
Gain on sales of assets		13	511	660
Operating profit/(loss)		**5,705**	**(4,317)**	**(7,965)**
Profit on disposal of subsidiary		4,179	–	–
Release of compromise creditor provisions	9	5,187	–	–
Profit on disposal of investments		–	–	6,828
Foreign exchange (loss)/gain		(1,271)	103	227
Finance costs	3	(265)	(32)	(188)
Finance income		6	8	52
Profit/(loss) on continuing operations		**13,541**	**(4,238)**	**(1,046)**
Profit from discontinued operations		–	559	508
Profit/(loss) from operations		13,541	(3,679)	(538)
Share of losses of associated company		(244)	–	–
Profit/(loss) before tax		**13,297**	**(3,679)**	**(538)**
Income tax expense		–	–	–
Profit/(loss) for the period after taxation		**13,297**	**(3,679)**	**(538)**
Other comprehensive income				
Exchange (loss)/gain on translating foreign operations		(4,425)	3,000	2,702
Fair value movement on investments		–	5,428	4,675
Reclassification adjustment on disposal of investments		–	–	(6,828)
Other comprehensive income for the period		(4,425)	8,428	549
Total comprehensive income for the period		**8,872**	**4,749**	**11**
Profit/(loss) attributable to:				
Owners of the parent		13,466	(3,770)	(535)
Non-controlling interests		(169)	91	(3)
		13,297	(3,679)	(538)
Total comprehensive income/(loss) attributable to:				
Owners of the parent		9,041	4,665	14
Non-controlling interests		(169)	84	(3)
		8,872	4,749	11
Total and continuing earnings/(loss) per share				
Basic earnings/(loss) per share (US cents)				
Profit/(loss) from continuing activities	7	2.51	(0.98)	(0.21)
Earnings from discontinued activities	7	–	0.12	0.10
		2.51	(0.86)	(0.11)
Diluted earnings/(loss) per share (US cents)				
Profit/(loss) from continuing activities	7	2.49	(0.98)	(0.21)
Earnings from discontinued activities	7	–	0.12	0.10
		2.49	(0.86)	(0.11)

Condensed consolidated statement of financial position

AS AT 31 DECEMBER 2011

	Note	As at 31 December 2011 US$'000 Reviewed	As at 31 December 2010 US$'000 Reviewed	As at 30 June 2011 US$'000 Audited
Assets				
Non-current assets				
Property, plant and equipment	5	27,390	26,641	32,819
Intangible assets		2,841	–	414
Investments in associates		2,758	–	57
		32,989	26,641	33,290
Current assets				
Investments		–	8,290	–
Inventories		3,449	60	3,367
Trade and other receivables		5,377	1,834	2,922
Cash and cash equivalents		7,095	15,008	9,091
		15,921	25,192	15,380
Non-current assets held for sale	6	938	1,253	1,197
		16,859	26,445	16,577
Total assets		**49,848**	**53,086**	**49,867**
Current liabilities				
Trade and other payables		3,183	10,353	4,364
Unsecured creditors subject to a compromise on acquisition		–	3,479	3,223
Loans		288	780	5,548
		3,471	14,612	13,135
Non-current liabilities				
Unsecured creditors subject to a compromise on acquisition		–	2,120	1,964
Loans		9,112	3,992	6,120
Provisions		247	301	293
		9,359	6,413	8,377
Total liabilities		**12,830**	**21,025**	**21,512**
Net assets		**37,018**	**32,061**	**28,355**
Equity				
Issued capital	4	4,581	4,569	4,581
Share premium reserve	4	6,092	5,910	6,092
Merger reserve		18,471	18,471	18,471
Share-based payments reserve		408	223	303
Foreign exchange reserve		(11,414)	(6,684)	(6,989)
Retained earnings		18,859	9,726	6,138
Equity attributable to shareholders of the parent company		36,997	32,215	28,596
Non-controlling interests		21	(154)	(241)
		37,018	**32,061**	**28,355**

Condensed consolidated statement of changes in equity

FOR THE PERIOD 1 JULY TO 31 DECEMBER 2011

	Issued capital US$'000	Share premium US$'000	Merger reserve US$'000	Share-based payment reserve US$'000	Translation of foreign operationd US$'000	Other reserves US$'000	Retained earnings US$'000	Subtotal US$'000	Non-controlling interests US$'000	Total equity US$'000
At 30 June 2010	**3,860**	**–**	**18,471**	**556**	**(9,691)**	**–**	**13,097**	**26,293**	**(238)**	**26,055**
Issue of shares	709	5,910	–	–	–	–	–	6,619	–	6,619
Share-based payments	–	–	–	66	–	–	–	66	–	66
Lapsed options and warrants	–	–	–	(399)	–	–	399	–	–	–
Dividend	–	–	–	–	–	–	(5,428)	(5,428)	–	(5,428)
Transactions with owners	709	5,910	–	(333)	–	–	(5,029)	1,257	–	1,257
Profit for the period	–	–	–	–	–	–	(3,770)	(3,770)	91	(3,679)
Other comprehensive income										
Exchange difference on translation of foreign entities	–	–	–	–	3,007	–	–	3,007	(7)	3,000
Fair value movement on investments	–	–	–	–	–	–	5,428	5,428	–	5,428
Total comprehensive income for the period	–	–	–	–	3,007	–	1,658	4,665	84	4,749
At 31 December 2010	**4,569**	**5,910**	**18,471**	**223**	**(6,684)**	**–**	**9,726**	**32,215**	**(154)**	**32,061**
Issue of shares	12	182	–	–	–	–	–	194	–	194
Share-based payments	–	–	–	85	–	–	–	85	–	85
Lapsed options and warrants	–	–	–	(5)	–	–	5	–	–	–
Dividend	–	–	–	–	–	–	753	753	–	753
Transactions with owners	12	182	–	80	–	–	758	1,032	–	1,032
Profit for the period	–	–	–	–	–	–	3,235	3,235	(94)	3,141
Other comprehensive income										
Exchange difference on translation of foreign entities	–	–	–	–	(305)	–		(305)	7	(298)
Fair value movement on investments	–	–	–	–	–	–	(753)	(753)	–	(753)
Recycling of investment fair value through profit and loss	–	–	–	–	–	–	(6,828)	(6,828)	–	(6,828)
Total comprehensive income for the period	–	–	–	–	(305)	–	(4,346)	(4,651)	(87)	(4,738)
At 30 June 2011	**4,581**	**6,092**	**18,471**	**303**	**(6,989)**	**–**	**6,138**	**28,596**	**(241)**	**28,355**
Share-based payments	–	–	–	105	–	–	–	105	–	105
Dividend	–	–	–	–	–	–	(1,200)	(1,200)	–	(1,200)
Sale of minority share of subsidiary	–	–	–	–	–	–	455	455	431	886
Transactions with owners	–	–	–	105	–	–	(745)	(640)	431	(209)
Profit for the period	–	–	–	–	–	–	13,466	13,466	(169)	13,297
Other comprehensive income										
Exchange difference on translation of foreign entities	–	–	–	–	(4,425)	–	–	(4,425)	–	(4,425)
Total comprehensive income for the period	–	–	–	–	(4,425)	–	13,466	9,041	(169)	8,872
At 31 December 2011	**4,581**	**6,092**	**18,471**	**408**	**(11,414)**	**–**	**18,859**	**36,997**	**21**	**37,018**

Condensed consolidated cash flow statement

FOR THE PERIOD 1 JULY TO 31 DECEMBER 2011

	Note	6 months to 31 December 2011 US$'000 Reviewed	6 months to 31 December 2010 US$'000 Reviewed	Year ended 30 June 2011 US$'000 Audited
Cash flows from operating activities				
Profit/(loss) for the period		13,297	(3,679)	(538)
Adjusted by:				
Depreciation and amortisation		2,262	1,646	3,714
Reverse impairment of development expenditure		–	–	(2,240)
Profit on disposal of discontinued business		–	–	(621)
Profit on disposal of Dundee Precious Metal shares		–	–	(6,828)
Share-based payment expenses		105	65	153
Profit on sale of Kombat		–	(621)	–
Profit on sale of other assets		(13)	(511)	(660)
Profit on disposal of China Africa Resources Namibia (pty) Ltd		(4,179)	–	–
Profit on disposal of minority share of subsidiary undertaking		–	–	–
Loss of associated company		244	–	–
Release of provision for section 311 creditors		(5,187)	–	–
Movement on payment guarantee		101	–	–
Finance costs		265	32	188
Finance income		(6)	(8)	(52)
		6,889	(3,076)	(6,884)
Movements in working capital				
(Increase)/decrease in inventories		(82)	(8)	(3,315)
(Increase)/decrease in trade and other receivables		(1,568)	(1,255)	(2,343)
Increase in trade and other payables		105	47	1,434
Net cash generated by/(used in) operating activities		**5,344**	**(4,292)**	**(11,108)**
Cash flows used in investing activities				
Interest received		6	7	52
Payments for intangibles, property, plant and equipment		(1,851)	(2,170)	(9,294)
Payments for evaluation of feasibility studies		(2,427)	–	(414)
Proceeds from disposal of discontinued businesses		–	3,202	3,202
Investment in associates		–	–	(57)
Proceeds from sale of property, plant and equipment		88	805	1,398
Net cash (used in)/recovered from investing activities		**(4,184)**	**1,844**	**(5,113)**
Cash flows from financing activities				
Proceeds from issue of equity shares	4	–	6,952	6,813
Associated costs of issue of equity shares	4	–	(333)	–
Receipts of loans		167	3,992	11,668
Repayment of working capital loans		(2,435)	–	–
Interest and finance charges		(265)	(32)	(188)
Payment guarantee		–	–	(1,340)
Net cash (repaid)/from financing activities		**(2,533)**	**10,579**	**16,953**
(Decrease)/increase in cash		**(1,373)**	**8,131**	**732**
Reconciliation to net cash				
Cash at beginning of period		7,751	6,984	6,984
(Decrease)/increase in cash		(1,373)	8,131	732
Foreign exchange (losses)/gains		(522)	(107)	35
Net cash at end of period		**5,856**	**15,008**	**7,751**
Cash balance for cash flow purposes		5,856	15,008	7,751
Cash held for payment guarantees		1,238	–	1,340
Cash in balance sheet		**7,094**	**15,008**	**9,091**

Notes to the condensed consolidated financial statements

FOR THE PERIOD 1 JULY TO 31 DECEMBER 2011

1a. Basis of preparation

These interim condensed consolidated financial statements are for the six months ended 31 December 2011. They do not include all of the information required for full annual financial statements within the meaning of Section 434 of the Companies Act 2006, and should be read in conjunction with the consolidated financial statements of the group for the year ended 30 June 2011. The information included in these interim condensed consolidated financial statements in respect of the year ended 30 June 2011 does not constitute all the information required for annual statutory accounts at that date.

These financial statements have been prepared under the historical cost convention, except for revaluation of certain properties and financial instruments.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 June 2011.

The accounting policies have been applied consistently throughout the group for the purposes of preparation of these condensed consolidated interim financial statements.

1b. Nature of operations and general information

Weatherly International plc and its subsidiaries' ("the group") principal activities include the mining and sale of copper.

Weatherly International plc is the group's ultimate parent company. It is incorporated and domiciled in the United Kingdom. The address of Weatherly International plc's registered office, which is also its principal place of business, is 180 Piccadilly, London W1J 9HF. The company's shares are listed on the Alternative Investment Market of the London Stock Exchange.

Weatherly International's consolidated interim financial statements are presented in United States dollars (US$), which is also the functional currency of the parent company.

These consolidated condensed interim financial statements have been approved for issue by the board of directors on 27 February 2011.

The financial information for the period ended 31 December 2011 set out in this interim report does not constitute statutory accounts as defined by the Companies Act 2006. The group's statutory financial statements for the year ended 30 June 2011 have been filed with the Registrar of Companies.

2. Segmental reporting

BUSINESS SEGMENTS

The board receives and reviews reports from each of its operating companies. Ongopolo Mining Ltd is a mining company and Namibian Custom Smelters was a smelting company. The company currently has one operating segment, mining, under IFRS 8, having disposed of its smelting business in the previous year.

Basis for inter-segment transfer price: the transfer price was a third party arm's length price based on the London Metals Exchange price, calculated by the percentage of copper in concentrate.

Segment information about these businesses is presented below.

6 months to 31 December 2011

	Mining US$'000	Consolidated US$'000
By business		
Sales and other operating revenues		
External sales	23,322	23,322
Segment revenues	23,322	23,322

	Mining US$'000	Consolidated US$'000
Segmental operating profit	7,305	7,305
	7,305	7,305
Profit on release of compromise creditors		5,187
Profit on disposal of Berg Aukas mine		4,179
Unallocated corporate expenses		(1,600)
Foreign exchange (loss)/gain		(1,271)
Interest expense		(265)
Interest income		6
Profit from operations		13,541
Segment assets	41,204	41,204
Unallocated corporate assets		8,644
Total assets		49,848

6 months to 31 December 2010

	Mining US$'000	Consolidated US$'000
By business		
Sales and other operating revenues		
External sales	11	11
Discontinued business	–	–
Segment revenues	11	11

	Mining US$'000	Consolidated US$'000
Segmental operating loss	(2,262)	(2,262)
Discontinued business	(559)	(559)
	(2,821)	(2,821)
Unallocated corporate expenses		(1,393)
Interest expense		(32)
Interest income		8
Loss on continuing business		(4,238)
Profit of discontinued businesses		559
Net loss before tax		(3,679)
Segment assets	34,511	34,512
Unallocated corporate assets		18,574
Total assets		53,086

12 months to 30 June 2011

	Mining US$'000	Consolidated US$'000
By business		
Sales and other operating revenues		
External sales	16	16
Segment revenues	16	16

	Mining US$'000	Consolidated US$'000
Segmental operating loss	(4,112)	(4,112)
Discontinued business	(508)	(508)
	(4,620)	(4,620)
Unallocated corporate expenses		3,710
Interest expense		(188)
Interest income		52
Loss on continuing business		(1,046)
Loss from discontinued business		(113)
Profit from disposal of discontinued business		621
		(538)
Segment assets	41,922	41,922
Unallocated corporate assets		7,945
Total assets		49,867

3. Finance costs

	6 months to 31 December 2011 US$'000 Reviewed	6 months to 31 December 2010 US$'000 Reviewed	Year ended 30 June 2011 US$'000 Audited
Bank	63	–	46
Other	202	32	142
Total finance costs	**265**	**32**	**188**

4. Share issues

There were no shares issued in the 6-month period ending 31 December 2011.

	Number	US$'000
At 1 July 2010	445,893,427	3,860
Share options exercised	155,501	7
Issue of shares	89,022,880	6,612
At 31 December 2010	535,071,808	10,479
Share options exercised	1,500,000	194
At 30 June 2011 and 31 December 2011	536,571,808	10,673

5. Property, plant and equipment

	Freehold property US$'000	Plant and machinery US$'000	Assets under construction US$'000	Development costs US$'000	Totals US$'000
Six months ended 31 December 2011					
Cost or valuation:					
At 1 July 2011	22,133	27,878	–	6,941	56,952
Additions	–	814	–	1,037	1,851
Disposals	–	–	–	–	–
Exchange adjustment	(3,509)	(7,365)	–	(1,173)	(12,047)
At 31 December 2011	18,624	21,327	–	6,805	46,756
Depreciation:					
At 1 July 2011	(6,935)	(17,198)	–	–	(24,133)
Provided during the period	(542)	(1,092)	–	(628)	(2,262)
Disposals	–	–	–	–	–
Exchange adjustment	1,514	5,471	–	44	7,029
At 31 December 2011	(5,963)	(12,819)	–	(584)	(19,366)
Net book value at 31 December 2011	12,661	8,508	–	6,221	27,390
Six months ended 31 December 2010					
Cost or valuation:					
At 1 July 2010	20,051	18,870	–	–	38,921
Additions	–	1,788	–	382	2,170
Disposals	–	–	–	–	–
Exchange adjustment	3,011	5,738	–	27	8,776
At 31 December 2010	23,062	26,396	–	409	49,867
Depreciation:					
At 1 July 2010	(4,891)	(11,227)	–	–	(16,118)
Provided during the period	(580)	(1,063)	–	–	(1,643)
Disposals	–	–	–	–	–
Exchange adjustment	(1,117)	(4,348)	–	–	(5,465)
At 31 December 2010	(6,588)	(16,638)	–	–	(23,226)
Net book value at 31 December 2010	16,474	9,758	–	409	26,641
Year ended 30 June 2011					
Cost or valuation:					
At 1 July 2010	20,051	18,870	1,044	–	39,965
Additions	–	4,593	1,718	4,701	11,012
Reverse impairment	–			2,240	2,240
Disposals	(323)	(44)	(2,802)	–	(3,169)
Exchange adjustment	2,405	4,459	40	–	6,904
At 30 June 2011	22,133	27,878	–	6,941	56,952
Depreciation:					
At 1 July 2010	(4,891)	(11,227)	–	–	(16,118)
Provided during the year	(1,163)	(2,551)	–	–	(3,714)
Disposals	23	44	–	–	67
Exchange adjustment	(904)	(3,464)	–	–	(4,368)
At 30 June 2011	(6,935)	(17,198)	–	–	(24,133)
Net book value at 30 June 2011	15,198	10,680	–	6,941	32,819

6. Assets held for sale

	Freehold property US$'000	Plant and machinery US$'000	Total US$'000
Six months ended 31 December 2011			
Balance at 30 June 2011	1,197	–	1,197
Disposals	(75)	–	(75)
Exchange differences	(184)	–	(184)
Balance at 31 December 2011	938	–	938
Six months ended 31 December 2010			
Balance at 30 June 2010	3,403	361	3,764
Disposals	(2,487)	(388)	(2,875)
Exchange differences	337	27	364
Balance at 31 December 2010	1,253	–	1,253
Year ended 30 June 2011			
Balance at 30 June 2010	3,403	361	3,764
Disposals	(2,615)	(405)	(3,020)
Exchange differences	409	44	453
Balance at 30 June 2011	1,197	–	1,197

7. Profit/(loss) per share

The calculation of the basic profit/(loss) per share is based on the profit/(loss) attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. Shares held in employee share trusts are treated as cancelled for the purposes of this calculation.

The calculation of diluted profit/(loss) per share is based on the basic profit/(loss) per share, adjusted to allow for the issue of shares and the post-tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the profit/(loss) and weighted average number of shares used in the calculations are set out below.

	6 months to 31 December 2011 US$'000 Reviewed	6 months to 31 December 2010 US$'000 Reviewed	Year ended 30 June 2011 US$'000 Audited
Continuing profit/(loss) attributable to parent company	13,466	(4,312)	(1,038)
Profit/(loss) attributable to discontinued operations	–	542	503
Profit/(loss) for the period attributable to owners of parent	13,466	(3,770)	(535)
Weighted average number of ordinary shares in issue during the period – basic earnings per share	536,571,808	438,594,919	507,547,250
Total and continuing earnings/(loss) per share			
Basic earnings/(loss) per share (US cents)			
Earnings/(loss) from continuing activities	2.51	(0.98)	(0.21)
Earnings from discontinued activities	–	0.12	0.10
	2.51	(0.86)	(0.11)
Diluted earnings/(loss) per share (US cents)			
Earnings/(loss) from continuing activities	2.49	(0.98)	(0.21)
Earnings from discontinued activities	–	0.12	0.10
	2.49	(0.86)	(0.11)

Where a loss has been incurred for the period, the diluted loss per share does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33.

8. Contingent liabilities

One of the group's subsidiaries is engaged in a legal dispute with a former contractor. The court ruled in favour of the group during the 6-month period but the contractor is appealing against the ruling. The contractor is claiming the equivalent of US$492,000 while the group has provided for the amount it believes is payable, equivalent to US$246,000.

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W G Martinick (Non-executive)
A J Stephens (Non-executive)

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