

**ALTONA ENERGY PLC**  
**(formerly Altona Resources Plc)**

**Interim Report**  
**31<sup>st</sup> December 2008**

**Incorporated in England and Wales with Registered Number 5350512**

### Chairman's Statement

It gives me pleasure to make my inaugural statement to shareholders under the new name, Altona Energy Plc, which was approved at our Annual General Meeting in December 2008. The new name, Altona Energy, reflects the shift in focus of the Arckaringa coal-to-liquids and co-power generation project onto a planning and development footing, following the completion of the technical pre-feasibility studies.

During the reporting period, we were pleased to report a JORC compliant resource estimate of 1.287 billion tonnes at the Wintinna coal deposit, which is proposed to be the main opencast site to mine feedstock for the Arckaringa Project. It is important to note that this resource estimate only covered approximately 25% of the known Wintinna deposit, highlighting the huge energy potential for Arckaringa.

Positive progress on the planning and developmental stage of the Arckaringa Project continues. We are currently moving towards completion of the final stage of the Bankable Feasibility Study ('BFS') for the Arckaringa Project, working in conjunction with our Integrated Owners Team, comprising leading engineering and project management firms Enthalpy Pty Ltd and Jacobs Australia Pty Ltd.

The Owners Team has focussed on progressing key technical studies towards the BFS and on the evaluation and selection of a major engineering company for the role of Study Engineer. The extensive tender process for this role has been completed, covering a field of exceptional candidates and I hope to update shareholders with the decision on this key appointment in the near future.

As a reflection of the Company's current position and ongoing technical and financial evaluations in relation to the Arckaringa Project, Altona has reported a pre tax loss for the period ended 31 December 2008 of £828,000 (2007: loss of £330,000). Altona's cash position at 31 December 2008 was £1,207,000 (2007: £558,000).

I am looking forward to what will undoubtedly be a very important and busy period for the Company. We continue to work very closely with Tongjiang International Energy Co. Ltd, Altona's largest shareholder, whose ongoing assistance in building links into China has been invaluable. We are very pleased with the continued strong support from the South Australian government towards the Arckaringa Project, which has the potential to have a significant positive impact on the dynamics of energy supply in South Australia. I look forward to updating shareholders on further positive progress on the BFS, as well as commercial initiatives, leading towards the goal of converting the Arckaringa Project's huge potential into a world class operation.

Chris Lambert  
Chairman  
31 March 2009

**Consolidated Income Statement**  
*For the half year ended 31st December 2008*

	Notes	Unaudited Half-year ended 31 Dec 2008 £'000	Unaudited Half-year ended 31 Dec 2007 £'000	Audited Year ended 30 June 2008 £'000
Administrative expenses		(543)	(363)	(824)
Share options expensed		(334)	-	-
<b>Operating Loss</b>		<b>(877)</b>	<b>(363)</b>	<b>(824)</b>
Interest income		49	33	58
<b>Loss on ordinary activities before taxation</b>		<b>(828)</b>	<b>(330)</b>	<b>(766)</b>
Income tax expense	2	-	-	-
<b>Loss for the financial period</b>		<b>(828)</b>	<b>(330)</b>	<b>(766)</b>
Loss per share expressed in pence - Basic and diluted	4	(0.23p)	(0.12p)	(0.26p)

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**Consolidated Balance Sheet**  
*At 31<sup>st</sup> December 2008*

	Notes	Unaudited 31 Dec 2008 £'000	Unaudited 31 Dec 2007 £'000	Audited 30 June 2008 £'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	5	6,200	3,928	4,987
Plant and equipment		39	65	49
Trade and other receivables		39	39	39
		6,278	4,032	5,075
<b>Current assets</b>				
Cash and cash equivalents		1,207	558	2,720
Trade and other receivables		158	155	93
		1,365	713	2,813
<b>Total assets</b>		7,643	4,745	7,888
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		455	416	205
<b>Net assets</b>		7,188	4,329	7,683
<b>EQUITY</b>				
Issued capital		358	283	358
Share premium		6,550	3,226	6,550
Merger reserve		2,001	2,001	2,001
Share-based payments reserve		735	401	401
Foreign exchange reserve		507	117	508
Retained losses		(2,963)	(1,699)	(2,135)
<b>Total equity</b>		7,188	4,329	7,683

**Consolidated Cash Flow Statement**  
*For the half year ended 31st December 2008*

	Unaudited Half-year ended 31 Dec 2008 £'000	Unaudited Half-year ended 31 Dec 2007 £'000	Audited Year ended 30 June 2008 £'000
<b>Operating activities</b>			
Operating loss	(877)	(363)	(824)
Non-cash:			
Depreciation	10	-	18
Foreign exchange adjustment	50	9	101
Share options expensed	334	-	-
Working capital adjustments			
(Increase) / decrease in debtors	(65)	(90)	(28)
Increase / (decrease) in creditors	316	7	75
<b>Net cash flows used in operating activities</b>	<b>(232)</b>	<b>(437)</b>	<b>(658)</b>
<b>Investing activities</b>			
Payments to acquire tangible fixed assets	-	(59)	(61)
Payments to acquire intangible fixed assets	(1,330)	(617)	(1,656)
Interest received	49	33	58
<b>Net cash outflow from investing activities</b>	<b>(1,281)</b>	<b>(643)</b>	<b>(1,659)</b>
<b>Financing activities</b>			
Net proceeds from issue of shares	-	-	3,399
<b>Net cash inflow from financing</b>	<b>-</b>	<b>-</b>	<b>3,399</b>
<b>Increase/(decrease) in cash in period</b>	<b>(1,513)</b>	<b>(1,080)</b>	<b>1,082</b>
Cash at bank and in hand at beginning of period	2,720	1,638	1,638
<b>Cash at bank and in hand at end of period</b>	<b>1,207</b>	<b>558</b>	<b>2,720</b>

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*Consolidated Statement of Changes in Equity  
For the half year ended 31st December 2008*

	Issued capital	Share premium reserve	Merger reserve	Share based payment reserve	Foreign exchange reserve	Retained earnings	Total shareholders equity
	£'000	£'000	£'000	£'000		£'000	£'000
Opening balance at 1 July 2007	283	3,226	2,001	401	(1)	(1,369)	4,541
Currency translation differences	-	-	-	-	118	-	118
Loss for the period	-	-	-	-	-	(330)	(330)
<b>Balance at 31 December 2007</b>	<b>283</b>	<b>3,226</b>	<b>2,001</b>	<b>401</b>	<b>117</b>	<b>(1,699)</b>	<b>4,329</b>
Share capital issued	75	3,540	-	-	-	-	3,615
Cost of share issue	-	(216)	-	-	-	-	(216)
Currency translation differences	-	-	-	-	391	-	391
Loss for the period	-	-	-	-	-	(436)	(436)
<b>Balance at 30 June 2008</b>	<b>358</b>	<b>6,550</b>	<b>2,001</b>	<b>401</b>	<b>508</b>	<b>(2,135)</b>	<b>7,683</b>
Share based payments	-	-	-	334	-	-	334
Currency translation differences	-	-	-	-	(1)	-	(1)
Loss for the period	-	-	-	-	-	(828)	(828)
<b>Balance at 31 December 2008</b>	<b>358</b>	<b>6,550</b>	<b>2,001</b>	<b>735</b>	<b>507</b>	<b>(2,963)</b>	<b>7,188</b>

*Notes to the Interim Report  
For the half year ending 31<sup>st</sup> December 2008*

**1. PRESENTATION OF INTERIM RESULTS**

The unaudited condensed consolidated interim financial statements have been prepared using the recognition and measurement principles of International Accounting Standards, International Reporting Standards and Interpretations adopted for use in the European Union (collectively EU IFRSs), including IAS 34 'Interim Financial Reporting'. The principal accounting policies used in preparing the interim results are unchanged from those disclosed in the Group's Annual Report for the year ended 30 June 2008 and are expected to be consistent with those policies that will be in effect at the year end.

The condensed financial statements for the six months ended 31 December 2008 and 31 December 2007 are unaudited, and do not constitute statutory financial statements as defined by Section 240 of the Companies Act 1985. The comparative financial information for the year ended 30 June 2008 is not the company's full statutory accounts for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

The accounts have been prepared on a going concern basis. As is common with many junior mining companies, the Company raises money for exploration and capital projects as and when required. There can be no assurance that the Group's projects will be fully developed in accordance with current plans or completed on time or to budget. Future work on the development of these projects, the levels of production and financial returns arising there from may be adversely affected by factors outside the control of the Group.

This interim financial report was approved by the Board of Directors on 30 March 2009.

**2. TAXATION**

No taxation has been provided due to losses in the period.

**3. DIVIDENDS**

The Directors do not recommend the payment of a dividend.

**4. LOSS PER SHARE**

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	Unaudited 31 Dec 2008	Unaudited 31 Dec 2007	Audited 30 June 2008
	£'000	£'000	£'000
Loss for the period	(828)	(330)	(766)
Weighted average number of shares – expressed in million	358.2	283.2	294.2m
Basic loss per share – expressed in pence	(0.23p)	(0.12p)	(0.26p)

As the inclusion of the potential ordinary shares would result in a decrease in the loss per share they are considered not to be dilutive and, as such, the diluted loss per share calculation is the same as the basic loss per share.

*Notes to the Interim Report  
For the half year ending 31<sup>st</sup> December 2008*

**5. INTANGIBLE ASSET**

The Intangible Asset is in respect of the Project of Arckaringa Energy Pty Limited.

	Unaudited 31 Dec 2008 £'000	Unaudited 31 Dec 2007 £'000	Audited 30 June 2008 £'000
<b>Exploration and evaluation</b>			
<b>Cost</b>			
At beginning of period	4,987	2,957	2,957
Deferred evaluation expenditure	1,162	862	1,622
Exchange adjustment	51	109	408
<b>Intangible Asset – Project</b>	<b>6,200</b>	<b>3,928</b>	<b>4,987</b>

The Directors undertook an impairment review as at 31 December 2008 and as a result of this review no provision was required.

**6. CALLED UP SHARE CAPITAL**

**Authorised**

	£'000
1,000,000,000 Ordinary shares of 0.1p each	1,000

**Allotted, called up and fully paid**

358,165,784 Ordinary shares of 0.1p each	358
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**Share options and warrants**

The following equity instruments have been issued by the Company and have not been exercised at 31 December 2008:

	Number of ordinary shares	Exercise price	Expires
IPO options	1,750,000	1.00p	10/03/2010
Warrant instrument	3,000,000	8.00p	02/08/2011
Warrant instrument	3,000,000	12.00p	02/08/2011
Warrant instrument	3,000,000	16.00p	02/08/2011
Director options	6,000,000	7.00p	12/10/2011
Director options	5,000,000	10.00p	12/10/2011
Director options	3,000,000	14.00p	12/10/2011
Broker options	1,500,000	4.75p	23/04/2012
Broker options	1,500,000	9.50p	23/04/2012
Director & employee options	12,375,000	5.00p	19/08/2013
Director & employee options	12,375,000	7.00p	19/08/2013



*Notes to the Interim Report*  
*For the half year ending 31<sup>st</sup> December 2008*

**7. SHARE BASED PAYMENTS**

The assessed fair value at the grant date has been determined using the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

***Directors and Employee Options***

During the period, the Company granted options to Directors and employees as tabled below. Under IFRS 2 'Share Based Payments', the Company determines the fair value of options issued to Directors and employees as remuneration and recognises the amount as an expense in the income statement with a corresponding increase in equity.

Date Granted	Number	Exercise Price	Expiry Date	Fair Value per Option	Fair Value £'000
20/08/2008	12,375,000	5p	19/08/2013	2.0p	248
20/08/2008	12,375,000	7p	19/08/2013	1.9p	235
	<u>24,750,000</u>				<u>483</u>

The fair value of the options granted to Directors and employees during the period was £483,000. The key inputs applied to the Black-Scholes Model included: the closing share price on 20 August 2008 of 3.15p; risk free interest rate of 4.49%; and expected volatility of 0.90.

The 5p options contained no vesting period and was expensed in the period. The 7p options contained a 12 month vesting period over which the option expense will be recognised. At 31 December 2008, £334,000 has been recognised, with £149,000 to be recognised in future periods.

**8. REVENUE AND SEGMENTAL INFORMATION**

The Group had no operating revenue during the period.

The Group operates in one business segment, the exploration and evaluation of coal. The Group has material interests in two geographical segments, Australia and the United Kingdom. The Group assets are substantially attributable to the exploration and evaluation of coal activities in Australia. The parent Company operates a head office based in the United Kingdom which incurred certain administration and corporate costs.

	Segment revenue 31 Dec 2008 £'000	Segment result 31 Dec 2008 £'000
<b>Continuing operations</b>		
Australia	-	(80)
United Kingdom	-	(797)
	-	(877)
Interest revenue		49
Loss before tax		(828)
Income tax expense		-
Loss after tax		<u>(828)</u>

8. REVENUE AND SEGMENTAL INFORMATION (Continued)

Segment assets and liabilities

	Assets 31 Dec 2008 £'000	Liabilities 31 Dec 2008 £'000
Australia	6,281	384
United Kingdom	1,362	71
	7,643	455

Other segment information

	Depreciation and amortisation 31 Dec 2008 £'000	Additions to non- current assets 31 Dec 2008 £'000
Australia	-	1,162
United Kingdom	10	-
	10	1,162

DIRECTORS	AUDITORS	REGISTRARS
Christopher Lambert (Executive Chairman)	Chapman Davis LLP 2 Chapel Court LONDON SE1 1HH	Share Registrars Limited Suite E, First Floor 9 Lion & Lamb Yard Farnham SURREY GU9 7LL
Christopher Schrape (Managing Director)		
Anthony Samaha (Executive Finance Director)	<b>SOLICITORS</b>	
Norman Kennedy (Non-executive Technical Director)	Watson, Farley & Williams 15 Appold Street LONDON EC2A 2HB	<b>REGISTERED OFFICE</b>
Phillip Sutherland (Non-executive Director)	Ronaldsons 55 Gower Street LONDON WC1E 6HQ	Third Floor 55 Gower Street LONDON WC1E 6HQ
Michael Zheng (Non-executive Director)		<b>WEBSITE</b>
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