



EROMANGA URANIUM LIMITED

ACN 119 031 864

AND CONTROLLED ENTITY

INTERIM FINANCIAL REPORT

For the half-year ended

31 December 2006

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**EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864**

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

Your directors submit the interim financial report of the consolidated entity for the half-year ended 31 December 2006.

Directors

The names of directors who held office during or since the end of the half-year:

- | | |
|---|---|
| • Mr Robert Michael Kennedy (Chairman) | Director & Chairman since 29 March 2006 |
| • Mr Kevin James Lines | Director since 29 March 2006 |
| • Dr Kevin John Anson Wills | Director since 29 March 2006 |
| • Mr Ewan John Vickery | Director since 29 March 2006 |
| • Mr Adam Bannister (Alternate for E J Vickery) | Alternate Director since 22 May 2006 |

Review of Operations

The Eromanga Uranium IPO was completed successfully with the company listing on the ASX on the 31 October 2006. The Directors of the company were very pleased with the broad support for the Eromanga IPO not only from shareholders of Maximus Resources Ltd and Flinders Diamonds Ltd but across the wider investment community. The IPO raised \$14.75 million.

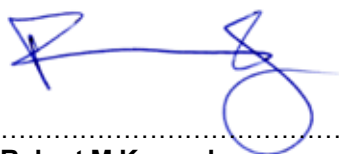
Eromanga initiated exploration with the completion, on 24 December, of a 4000 line/km airborne electromagnetic survey over the entire Marree Project. This survey utilised the new REPTM system and has provided high quality data for use in the definition of buried palaeodrainages that are potential sites for roll-front style uranium deposits. This data will undergo computer processing/enhancement/modelling before drill targets are selected for testing during the first quarter of 2007. Aboriginal heritage site clearance surveys were completed at Billa Kalina and will allow drilling to commence as soon as a suitable drill rig is available.

The company has established itself in new offices in Norwood SA and has made excellent progress with the recruitment of key personnel and the acquisition of essential items of plant and equipment.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Grant Thornton, to provide the directors of Eromanga Uranium Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is made on the following page.

Signed in accordance with a resolution of the directors.



.....
Robert M Kennedy
Chairman

Signed at Adelaide this 27 day of February 2007

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF EROMANGA URANIUM LIMITED & CONTROLLED ENTITY**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Eromanga Uranium Limited for the half-year ended 31 December 2006, 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 audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J GRAY
Partner

Signed at Adelaide this 27 day of February 2007

Level 1
67 Greenhill Road
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
DX 275 Adelaide
T (08) 8372 6666
F (08) 8372 6677
E info@gtsa.com.au
W www.grantthornton.com.au

Grant Thornton South Australian Partnership ABN 27 244 906 724

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**EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864**

**CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	31 December 2006 \$
Revenue	213,638
Marketing expenses	(184,616)
Occupancy expenses	(36,292)
Administrative expense	(330,980)
Finance costs	(1,201)
Other expenses	<u>(2,946)</u>
Loss before income tax	(342,397)
Income tax expense	<u>(287,601)</u>
Loss for the period attributable to shareholders of the company	<u><u>(629,998)</u></u>
Basic earnings / (loss) per share (cents)	(1.12)
Diluted earnings / (loss) per share (cents)	(1.12)

**The income statement is to be read in conjunction with the condensed notes to the
consolidated interim financial report.**

**EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864**

**CONSOLIDATED INTERIM BALANCE SHEET
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	31 December 2006	30 June 2006
	\$	\$
CURRENT ASSETS		
Cash & cash equivalents	13,646,010	511,100
Trade & other receivables	156,394	8,013
Other current assets	-	79,399
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	13,802,404	598,512
	<hr/>	<hr/>
NON-CURRENT ASSETS		
Property, plant & equipment	64,479	-
Exploration & evaluation expenditure	9,804,641	-
	<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS	9,869,120	-
	<hr/>	<hr/>
TOTAL ASSETS	23,671,524	598,512
	<hr/>	<hr/>
CURRENT LIABILITIES		
Trade & other payables	93,546	49,587
Short-term provisions	1,820	-
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	95,366	49,587
	<hr/>	<hr/>
TOTAL LIABILITIES	95,366	49,587
	<hr/>	<hr/>
NET ASSETS	23,576,158	548,925
	<hr/>	<hr/>
EQUITY		
Issued capital	23,543,734	581,503
Reserves	695,000	-
Retained earnings	(662,576)	(32,578)
	<hr/>	<hr/>
TOTAL EQUITY	23,576,158	548,925
	<hr/>	<hr/>

The balance sheet is to be read in conjunction with the condensed notes to the consolidated interim financial report

**EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864**

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	Issued Capital \$	Share Option Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2006	581,503	-	(32,578)	548,925
Loss for the period	-	-	(629,998)	(629,998)
Shares issued during the period	23,638,300	-	-	23,638,300
Options issued during the period	-	690,000	-	690,000
Transaction costs (net of tax)	(676,069)	5,000	-	(671,069)
Balance at 31 December 2006	23,543,734	695,000	(662,576)	23,576,158

**The statement of changes in equity is to be read in conjunction with the condensed notes
to the consolidated interim financial report.**

**EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864**

**CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	31 December 2006 \$
CASH FLOW FROM OPERATING ACTIVITIES	
Interest received	102,693
Payments to suppliers and employees	<u>(497,026)</u>
Net cash provided by (used in) operating activities	<u>(394,333)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(64,783)
Payment for exploration activities	<u>(247,587)</u>
Net cash provided by (used in) investing activities	<u>(312,370)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	14,758,300
Capital Raising Costs	<u>(916,687)</u>
Net cash provided by (used in) financing activities	<u>13,841,613</u>
Net increase in cash held	13,134,910
Cash at beginning of period	<u>511,100</u>
Cash at end of financial period	<u><u>13,646,010</u></u>

The cash flow statement is to be read in conjunction with the condensed notes to the consolidated interim financial report

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

NOTE 1 - BASIS OF PREPARATION

Reporting entity

Eromanga Uranium Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2006 comprises the Company and its subsidiary (together referred to as the "consolidated entity").

The annual financial report of the entity as at and for the year ended 30 June 2006 is available upon request from the Company's registered office at 62 Beulah Road, Norwood SA or at www.eromangauranium.com.

Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report as at and for the year ended 30 June 2006.

Significant accounting policies

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2006.

Incorporation

The company was incorporated on 29 March 2006.

NOTE 2 - SIGNIFICANT EVENTS

On 31 October 2006 the company listed on the Australian Stock Exchange.

During the period the following shares and options were issued:

	No. on issue	\$
Ordinary Shares		
At the beginning of the period	21,972,003	581,503
Shares issued during the period		
- Prospectus preparation	80,000	10,000
- Public offer	59,033,200	14,758,300
- Acquisition of subsidiary (Note 3)	44,357,143	8,870,000
Transaction costs (net of tax)	-	(676,069)
At reporting date	<u>125,442,346</u>	<u>23,543,734</u>
Options		
At the beginning of the period	-	-
Shares issued during the period		
- Prospectus preparation	18,750,000	5,000
- Acquisition of subsidiary (Note 3)	8,035,714	690,000
At reporting date	<u>26,785,714</u>	<u>695,000</u>

EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

NOTE 3 - ACQUISITION OF SUBSIDIARY

Pursuant to a contract between the company and Maximus Resources Limited, and with the satisfaction of the conditions within the contract, on 31 October 2006 the company acquired 100% of the issued capital in Eromanga Uranium Resources Pty Ltd from Maximus. Eromanga Uranium Resources Pty Ltd holds interests in Joint Ventures in uranium exploration tenements.

The acquisition had the following effect on the consolidated entity's assets and liabilities:

			Recognised value on acquisition
			\$
Cash			1
Exploration Assets			9,626,536
Net identifiable assets and liabilities			<u>9,626,537</u>
Consideration paid:			
- Ordinary shares at fair value			8,870,000
- Options at fair value			690,000
Transaction costs on acquisition			<u>66,537</u>
Goodwill on acquisition			<u>-</u>
Purchase Consideration	No. of shares	Fair value	\$
Ordinary shares	44,357,143	\$0.20	8,870,000
Options	8,035,714	\$0.09	690,000
			<u>9,560,000</u>

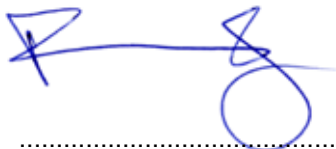
**EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864**

**DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 9, are in accordance with the Corporations Act 2001 and:
 - (a) Comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - (b) Give a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



.....
Robert M Kennedy
Director

Signed at Adelaide this 27 day of February 2007

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF EROMANGA URANIUM LIMITED & CONTROLLED ENTITY****Scope****Report on the financial report**

We have reviewed the accompanying interim financial report of Eromanga Uranium Ltd and Controlled Entity, which comprises the consolidated interim balance sheet as at 31 December 2006, the income statement, statement of changes in equity, cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' responsibility for the Financial Report

The directors' of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim 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.

Auditors' responsibility

Our responsibility is to express an opinion on the interim financial report based on our review. We conducted our review in accordance with the 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, anything has come to our attention that causes us to believe that the interim financial report is not presented fairly, in all material respects, in accordance with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. As the auditor of Eromanga Uranium Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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 Australian professional ethical pronouncements and the *Corporations Act 2001*.

Level 1
67 Greenhill Road
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
DX 275 Adelaide
T (08) 8372 6666
F (08) 8372 6677
E info@gttsa.com.au
W www.grantthornton.com.au

Grant Thornton South Australian Partnership ABN 27 244 906 724

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Eromanga Uranium Limited is not 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 2006 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*.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J GRAY
Partner

Signed at Adelaide this 27 day of February 2007