



EROMANGA URANIUM LIMITED

ACN 119 031 864

AND CONTROLLED ENTITY

FINANCIAL REPORT
For the half-year ended
31 December 2008

INDEX

Directors Report	2
Auditors Independence Declaration	4
Consolidated Income Statement	5
Consolidated Balance Sheet	6
Consolidated Interim Statement of Changes in Equity	7
Consolidated Cash Flow Statement	8
Notes to the Consolidated Financial Statements	9
Directors Declaration	10
Independent Review Report	11

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2008.

Directors

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

- Mr Robert Michael Kennedy (Chairman)
- Mr Kevin James Lines
- Dr Kevin John Anson Wills
- Mr Ewan John Vickery
- Mr Adam Bannister (Alternate for E J Vickery)

Review of Operations

The Board of Eromanga Uranium Limited is very conscious of the need to adjust the Company's exploration strategy and re-align its portfolio of exploration projects at a time of significant turmoil throughout the global financial markets. We believe that the resultant uncertainties, whilst presenting the Company with new challenges, will also create new opportunities in the year ahead. The Board believes that the best interests of shareholders will be served by increasing our exposure to gold exploration while maintaining an important but reduced presence within the uranium exploration sector. The Company is very well placed to make this transition in having exploration staff with over 60 years of direct gold exploration and mining experience both in Australia and globally.

The Company's major focus during the half year has been directed at a comprehensive review of potential gold exploration properties across Australia. We believe that excellent potential exists for the discovery of economic gold deposits, particularly given the continuing strength of the Australian dollar gold price. The primary focus of the review has been directed at Central and Eastern Australia with a particular emphasis on South Australia and the Northern Territory where we believe the Company maintains the best competitive advantage.

The gold review has highlighted a number of exciting properties that conform to the Company's requirements and we expect that transactions allowing access to these opportunities will be finalised and exploration commence in the second quarter of calendar 2009.

The Company remains committed to the uranium sector and believes that the medium to longer term fundamentals for the nuclear energy sector remain very sound. Whilst the current global economic crisis may dampen shorter term demand the twin drivers of the need for increasing supplies of low cost energy and the need to address the issues of climate change support the case for uranium exploration. However, given the current economic conditions it is the Company's intention to reduce the level of exploration expenditure directed at green-fields uranium projects.

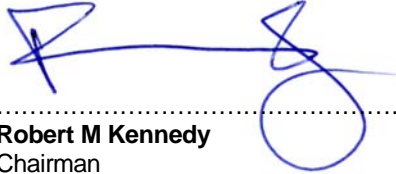
The Board is confident that the Company can not only survive, but prosper in these challenging times.

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

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 12th day of March 2009

Information in the Half-Year Financial Report that relates to exploration results or mineral resources is based on information compiled by Mr Kevin Lines, an employee of Eromanga Uranium Limited, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Lines has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lines consents to the inclusion in the report of the statements based on his information in the form and context in which it appears.



Grant Thornton

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

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 2008, I declare that, to the best of my knowledge and belief, there have been:

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

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J Gray
Partner

Signed at Wayville on this *12* day of *March*, 2009

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

**CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	31 December 2008	31 December 2007
	\$	\$
Interest Revenue	194,781	346,369
Marketing expenses	(8,520)	(10,770)
Administrative expense	(651,080)	(187,078)
Finance costs	(572)	(193)
Exploration expenses not capitalised	(82,795)	(95,619)
Exploration expenditure written off	(336,939)	-
Profit / (Loss) before income tax	(885,125)	52,709
Income tax expense	-	-
Profit / (Loss) for the period attributable to shareholders of the company	<u>(885,125)</u>	<u>52,709</u>
Basic earnings / (loss) per share (cents)	(0.71)	0.04
Diluted earnings / (loss) per share (cents)	(0.71)	0.04

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

EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	31 December 2008	30 June 2008
	\$	\$
CURRENT ASSETS		
Cash & cash equivalents	4,205,219	6,539,055
Trade & other receivables	305,383	469,263
TOTAL CURRENT ASSETS	<u>4,510,602</u>	<u>7,008,318</u>
NON-CURRENT ASSETS		
Property, plant & equipment	373,308	397,927
Investments accounted for using the equity method	1	1
Exploration & evaluation expenditure	18,087,248	16,859,442
TOTAL NON-CURRENT ASSETS	<u>18,460,557</u>	<u>17,257,370</u>
TOTAL ASSETS	<u>22,971,159</u>	<u>24,265,688</u>
CURRENT LIABILITIES		
Trade & other payables	85,321	514,818
Short-term provisions	44,287	24,193
TOTAL CURRENT LIABILITIES	<u>129,608</u>	<u>539,011</u>
TOTAL LIABILITIES	<u>129,608</u>	<u>539,011</u>
NET ASSETS	<u>22,841,551</u>	<u>23,726,677</u>
EQUITY		
Issued capital	23,543,734	23,543,734
Reserves	847,332	847,332
Retained earnings	(1,549,515)	(664,389)
TOTAL EQUITY	<u>22,841,551</u>	<u>23,726,677</u>

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

EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Issued Capital \$	Share Option Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2007	23,543,734	740,280	(750,223)	23,533,791
Profit / (Loss) for the period	-	-	52,709	52,709
Shares issued during the period	-	-	-	-
Options issued during the period	-	33,525	-	33,525
Transaction costs (net of tax)	-	-	-	-
Balance at 31 December 2007	<u>23,543,734</u>	<u>773,805</u>	<u>(697,514)</u>	<u>23,620,025</u>
Balance at 1 July 2008	23,543,734	847,332	(664,390)	23,726,676
Profit / (Loss) for the period	-	-	(885,125)	(885,125)
Shares issued during the period	-	-	-	-
Options issued during the period	-	-	-	-
Transaction costs (net of tax)	-	-	-	-
Balance at 31 December 2008	<u>23,543,734</u>	<u>847,332</u>	<u>(1,549,515)</u>	<u>22,841,551</u>

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

EROMANGA URANIUM LIMITED AND CONTROLLED ENTITY
ACN 119 031 864

CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	31 December 2008	31 December 2007
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Interest received	250,164	496,780
Payments to suppliers and employees	<u>(1,337,440)</u>	<u>(264,246)</u>
Net cash provided by (used in) operating activities	<u>(1,087,276)</u>	<u>232,534</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,072)	(69,513)
Payment for exploration activities	(1,239,488)	(2,958,206)
Loans to related parties	<u>-</u>	<u>(10,000)</u>
Net cash provided by (used in) investing activities	<u>(1,246,560)</u>	<u>(3,037,719)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Capital raising costs	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Net increase in cash held	(2,333,836)	(2,805,185)
Cash at beginning of period	<u>6,539,055</u>	<u>12,041,138</u>
Cash at end of financial period	<u>4,205,219</u>	<u>9,235,953</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

NOTE 1 - BASIS OF PREPARATION

Reporting Entity

Eromanga Uranium Limited (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company as at and for the half year ended 31 December 2008 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 2008 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 half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Eromanga Uranium Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies applied by the entities in the consolidated group in this half-year report are consistent with those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2008.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

NOTE 2 - CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last reporting date.

NOTE 3 - SEGMENT REPORTING

The Company operates in one business segment, being mining exploration, within Australia and as such has no reportable business segments.

NOTE 4 - EVENTS SUBSEQUENT TO REPORTING DATE

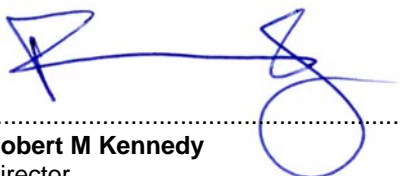
There has not arisen in the interval between 31 December 2008 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 9:
 - (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 2008 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 12th day of March 2009



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EROMANGA URANIUM LIMITED

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Eromanga Uranium Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, and other selected explanatory notes.

Directors' responsibility for the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Eromanga Uranium Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



Grant Thornton

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EROMANGA URANIUM LIMITED Cont

Auditor's responsibility Cont

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

Independence

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

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 Eromanga Uranium Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b 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 Wayville on this 12 day of March 2009