

**Uranium Resources plc ('Uranium Resources' or 'the Company')**  
**Final Results**

Uranium Resources plc, the AIM listed uranium exploration and development company, announces its results for the year ended 30 June 2008.

**Executive Director's Report**

This has been another year of progress and we were pleased to provide an update on our achievements over the period and the direction in which we are taking the Company. In the last Annual Report, we set out that 2008 would be a year of corporate reorganisation, targeted exploration and definable growth, and we are pleased to report that we believe we have delivered in all these areas.

During period under review, the Company continued its exploration programme in tandem with its ASX listed joint venture partner Western Metals Ltd ('Western Metals'), which is primarily focussed on developing the Mtonya, Ruhuhu and Ruvuma uranium licence areas in southern Tanzania.

As part of our growth strategy, we also strengthened the Board with the appointments of Alex Gostevskikh and Andrew Lewis, who as well as assisting in developing our current assets, will help identify additional projects to expand our existing portfolio.

Importantly we also maintain a healthy cash position of £1.12 million at 30 November 2008, which we believe places Uranium Resources plc and its subsidiaries ("Uranium Resources" or "URA") in a strong and stable position going forward.

**Exploration**

The Company's primary focus has been the exploration of its circa 13,000 km<sup>2</sup> uranium licence areas in southern Tanzania. The 2008 exploration programme, conducted by our joint venture farm-in partner Western Metals Limited (ASX: WMT), was completed on 15<sup>th</sup> September with 171 Reverse Circulation ('RC') holes drilled totalling 10,670m.

The programme expanded the area of uranium mineralisation around the Henri trend at the Mtonya project and continued to evaluate prospects along the Mtonya Corridor, including the Grandfather prospect. In addition they identified two new areas of uranium

mineral interest, Foxy and Eland at the Ruvuma Project and a further anomaly, Pedro at the Ruhuhu Project, which will be assessed during the 2009 drilling programme scheduled to commence during the 2<sup>nd</sup> quarter.

Encouragingly, Western Metals has achieved its farm-in target by spending AU\$4million on exploration on the farm-in tenements and accordingly has earned a 60% interest in those tenements.

### **Mtonya Project**

The focus of the 2008 drilling programme was the continued evaluation of prospects along the Mtonya Corridor in particular Grandfather, Rufus, Henri and Para Extended.

152 RC holes were drilled for a total of 9,288m into prospects along the Mtonya Corridor. Infill and extension drilling at known prospects such as Moysten, Para, Tahbilk and Henri have confirmed tenor and extended mineralisation. Encouragingly, drilling at these prospects has returned a number of significant intercepts.

Of particular interest was hole MRC235, drilled in an area of relatively low surface radiometric response between the Tahbilk and Moysten Prospects, which returned 2m at 1,320 ppm U<sub>3</sub>O<sub>8</sub> from 36 metres. Follow up of this new anomaly will be undertaken as part of the 2009 exploration programme.

Significant intercepts from results received to date from 2008 RC drilling include:

Drill Hole	Depth (metres)	Grade - ppm U <sub>3</sub> O <sub>8</sub>	From (metres)
MRC143	12	676	22
MRC143	3	690	12
MRC139	2	1,525	11
MRC116	7	263	44
MRC136	5	222	18
MRC138	2	300	22
MRC200	4	1,938	26
MRC200	4	988	34
MRC183	2	1,715	56
MRC235	2	1,320	36
MRC195	5	1,214	30
MRC180	3	833	27
MRC223	4	648	6
MRC223	2	700	19
MRC231	6	517	15
MRC131	6	420	9
MRC190	7	496	27

MRC190	7	417	10
MRC167	4	475	2
MRC189	5	364	23

## Ruvuma Project

The Ruvuma licence area spans circa 10,200 sq km, predominantly over areas of the Karoo Basin and hosts sediments similar to the Company's Mtonya Project as well as Paladin's Kayelekera Operation 300km to the west in Malawi. The geology of the region is analogous to Paladin's Kayelekera and the Mtonya Project.

As part of the Company's 2008 exploration programme, a detailed geological mapping, ground geophysical and geochemical survey was undertaken, which returned encouraging results.

At the Foxy Prospect, 19 RC holes were drilled for a total of 1,382m. Initial indications from downhole geophysical logging are that a number of holes intersected shallow, low-moderate grade uranium mineralisation.

At Eland, detailed ground radiometric and spectrometric readings were completed at the discovery site. In addition, traverses were made to the south-west to locate anomalous areas indicated on the 'informal' total count heli-borne survey carried out in 2007. Grab samples were collected from hotspots as well as a range of type samples. The radiometric data shows a clear 300 counts per second total count (Geogammer) anomaly (150 x 30m in size) along the north-east margin of the hill. The anomaly is located along the contact between equigranular syenite and a melange of syenitic rock and frosted felsic gneiss. The anomaly continues to the south-east into a zone of syenitic rubble and soil cover. Preliminary geological scout maps were also made of both the discovery area at Eland Hill and along traverses away from the hill. Reconnaissance traverses to the south-west resulted in the discovery of several patches with uranium hotspots associated with nepheline syenite and frosted altered gneiss. In addition, the outcrop was generally scattered with boulder sub-crop.

A number of rock chip samples taken from the Eland environs returned anomalous uranium, tantalum and niobium values. Of particular interest is the fact that this 'hard rock' style of mineralisation has similarities to other deposits located in Namibia and Malawi. Significant results included:

	Grade – ppm U <sub>3</sub> O <sub>8</sub>	Grade – ppm Nb	Grade – ppm Ta
A7-535	1,040	2,740	530
A7-536	370	6,480	950

A7-539	1,060	4,640	690
A7-547	1,260	5,450	870
A7-568	880	2,890	620
B0-200	1,140	4,960	860

## Ruhuhu Project

The 2008 drill programme was designed to include evaluation of regional prospects such as the Pedro project at Ruhuhu, however access issues prevented drill evaluation of the Pedro prospect. These and other prospects will be assessed during the 2009 drill programme which is scheduled to commence during the 2nd quarter of 2009.

## Operating agreements and ownership of tenements

As at 30 June 2008, the Group had three joint operating agreements covering licences for exploration of uranium and related minerals in a land area of 13,553 km<sup>2</sup> in southern Tanzania. Under each operating agreement, each participant (i.e. partner) in the agreement accounts for its proportionate share of costs, revenues, assets and liabilities of joint arrangements, except that the local partner's share of costs is borne equally by the other two main partners. The two main partners in the joint operating agreements are Uranium Resources plc and its subsidiaries and Western Metals Limited ("Western Metals"). The three operating agreements can be summarised as follows:

Project and area			Interests of participants			Land area sq km
			URA	Western Metals	Local partner	
Farm-in, Ruhuhu*	Mtonya	&	40%	60%	-	2,977
Kapinga, Bindi**	Ruvuma	&	42.5%	42.5%	15%	10,365
Makweba, Ngaka**			45%	45%	10%	211
						13,553

\* Under the Farm-in project, Western Metals was required to spend AU\$2 million to earn 40% and a further AU\$2 million to earn a further 20% interest in the project. URA was free carried until AU\$4 million was spent by Western Metals. By the year end, Western Metals had spent the required AU\$4 million and acquired a 60% interest in the project. Since the year end, both URA and Western Metals have been contributing their proportionate share of costs on the project.

\*\* In the case of these projects, the share of costs of the local partner is borne equally by URA and Western Metals

Western Metals carries out the exploration programme on behalf of the joint venture and invoices Uranium Resources for its share of these costs as well as administrative expenses. Uranium Resources pays 70% of the estimated costs at the beginning of each quarter. The remainder, which is based on actual costs relating to that period, is billed at the beginning of the next quarter.

### **Board Appointments**

As part of our growth strategy, we strengthened the management team with the appointment of a new Managing Director, Mr. Alex Gostevskikh, and a new Non-executive Director, Mr. Andrew Lewis. Alex and Andrew have previously developed and operated globally significant mining projects and bring a wealth of experience across a range of commodities. Both Alex and Andrew will help Uranium Resources pursue its objectives of growing the Company through the advancement of its current project portfolio in southern Tanzania and identifying further targets to expand the existing asset base. We believe that the current uncertainties in the global markets provide opportunities for companies such as Uranium Resources, which have experienced management teams to take advantage of opportunistic acquisitions and in turn build shareholder value.

### **Financial results**

In line with our expectations, the Group is reporting a loss of £60,656 for the year ended 30 June 2008. We are an exploration company and as such we are not producing revenue. We are well capitalised with a net cash position of £1,810,971 at 30 June 2008 and £1,123,570 at 30 November 2008.

### **Strategy and Future Direction**

Throughout the period under review, the Company retained a strong cash position, which places it in a solid position to advance its existing uranium projects in southern Tanzania and to generate and develop new opportunities going forward.

Uranium Resources strategy is to build upon its exploration successes and to fast track its three uranium projects, Mtonya, Ruvuma and Ruhuhu to a resource stage to realise their economic potential. Additionally, the Company is looking to identify a number of mid size precious metal targets with short development cycle requirements to expand its asset base and core offering.

The principal premise for the Company's growth is being opportunistic and open-minded, seeking high-quality early-stage opportunities that deliver the optimal combination of a cost value timeframe. A number of jurisdictions and opportunities that would complement the Company's existing portfolio are currently under review, where Uranium Resources would either seek partnerships with senior companies or pursue development independently.

During the year we have seen many positive developments for the Company. With a strengthened management team, a solid portfolio of projects being advanced with our JV partner, a clear strategy to increase the Company's asset base and a healthy cash position, We are confident that our success will continue and that the future of Uranium Resources is bright.

### **Availability of report and accounts**

Copies of the audited report and accounts will be available from the Company's registered office at, One America Square, Crosswall, London EC3N 2SG, United Kingdom and will be posted to shareholders on 23<sup>rd</sup> December 2008.

### **Annual General Meeting**

The Company's Annual General Meeting will be held at the offices of Sprecher Grier Halberstam LLP, 5th Floor, One America Square, Crosswall, London EC3N 2SG on Friday 30th January 2009 at 3.00 pm. The Notice of the Meeting, which sets out the resolutions to be proposed, accompanies the Annual Report and Accounts

Signed on behalf of the Executive Directors by:

Ross Warner  
**Director**

18 December 2008

**\*\*ENDS\*\***

For further information please visit [www.uraniumresources.co.uk](http://www.uraniumresources.co.uk) or contact:

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## Consolidated Income Statement for the year ended 30 June 2008

	Year Ended 30 June 2008 £	Year Ended 30 June 2007 £
<b>Notes</b>		
<b>Group revenue</b>	-	-
Cost of sales	-	-
<b>Gross profit</b>	-	-
Administrative expenses	(172,954)	(484,192)
Share-based payments charge	-	(1,149,879)
Total administrative expenses	(172,954)	(1,634,071)
<b>Group operating loss</b>	(172,954)	(1,634,071)
Interest receivable	112,298	43,840
<b>Loss before taxation</b>	(60,656)	(1,590,231)
Taxation	-	-
<b>Loss for the year</b>	(60,656)	(1,590,231)
<b>Attributable to:</b>		
Equity holders of the Company	(60,656)	(1,590,231)
<b>Loss per share (pence)</b>	2	
Basic	(0.02p)	(0.64p)
Diluted	(0.02p)	(0.64p)

The results shown above related entirely to continuing operations.

**Consolidated Statement of Changes in Equity  
for the year ended 30 June 2008**

	Share capital	Share premium	Share based payments reserve	Retained losses	Total equity
	£	£	£	£	£
<b>Year ended 30 June 2007</b>					
At 1 July 2006	211,000	1,174,360	-	(386,135)	999,225
Issue of shares	80,000	1,920,000	-	-	2,000,000
Share-based payments cost	-	-	1,149,879	-	1,149,879
Loss for the year	-	-	-	(1,590,231)	(1,590,231)
	<hr/>				
At 30 June 2007	291,000	3,094,360	1,149,879	(1,976,366)	2,558,873
<b>Year ended 30 June 2008</b>					
At 1 July 2007	291,000	3,094,360	1,149,879	(1,976,366)	2,558,873
Loss for the year	-	-	-	(60,656)	(60,656)
	<hr/>				
At 30 June 2008	291,000	3,094,360	1,149,879	(2,037,022)	2,498,217

**Consolidated Balance Sheet**

**As at 30 June 2008**

	Notes	Year Ended 30 June 2008 £	Year Ended 30 June 2007 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Exploration and evaluation assets	3	708,253	509,671
<b>Current assets</b>			
Receivables		3,366	3,366
Cash and cash equivalents		1,810,971	2,071,367
		<hr/>	
		1,814,337	2,074,733
		<hr/>	
<b>Total Assets</b>		2,522,590	2,584,404

**LIABILITIES****Current liabilities**

Trade and other payables	(24,373)	(25,531)
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**Total Liabilities**

(24,373)	(25,531)
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**Net Assets**

2,498,217	2,558,873
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**EQUITY****Capital and reserves attributable to equity holders**

Share capital	291,000	291,000
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Share premium	3,094,360	3,094,360
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Share-based payments reserve	1,149,879	1,149,879
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Retained losses	(2,037,022)	(1,976,366)
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**Total Equity**

2,498,217	2,558,873
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**Consolidated Cash Flow Statement  
For The Year Ended 30 June 2008**

	<b>Year Ended 30 June 2008 £</b>	<b>Year Ended 30 June 2007 £</b>
<b>Cash flows from operating activities</b>		
Group operating loss for the year	(172,954)	(1,634,071)
Adjustments for items not requiring an outflow of funds:		
Share based payments charge	-	1,149,879
Operating loss before changes in working capital	(172,954)	(484,192)
Increase in receivables	-	(1,184)
(Decrease)/increase in payables	(1,158)	13,042
Cash used in operations	(174,112)	(472,334)
Interest received	112,298	43,840
<b>Net cash used in operating activities</b>	(61,814)	(428,494)
<b>Investing activities</b>		
Funds used for exploration and evaluation	(198,582)	(118,493)
<b>Net cash used in investing activities</b>	(198,582)	(118,493)
<b>Financing activities</b>		

Proceeds from issue of shares	-	2,000,000
<b>Net cash from financing</b>	-	2,000,000
<b>(Decrease)/increase in cash and cash equivalents</b>	(260,396)	1,453,013
Cash and cash equivalents at beginning of the year	2,071,367	618,354
<b>Cash and cash equivalents at the end of the year</b>	1,810,971	2,071,367

## **Notes to the Final Results Announcement For The Year Ended 30 June 2008**

### **General information**

Uranium Resources plc is a public limited company listed on the Alternative Investment Market ("AIM") of the London Stock Exchange and incorporated in England.

On 1 July 2007, in accordance with the rules of the AIM market, the Group adopted International Financial Reporting Standards, as adopted by the European Union ("IFRS"). The Group's financial statements for the year ended 30 June 2008, from which this financial information has been extracted, and for the comparative year ended 30 June 2007, are prepared on a going concern basis and in accordance with IFRS, including IFRS 6 "Exploration for and Evaluation of Mineral Resources" and in accordance with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

As this is the first year in which the Group has prepared its financial statements under IFRS, the comparatives have been restated from UK Generally Accepted Accounting Practice ("UK GAAP") to comply with IFRS. At the half yearly results release, the Group issued its half yearly IFRS financial information for 2007 and the reconciliations to IFRS from previously published UK GAAP financial statements. These are summarised in a note to the Group's statutory financial statements for the year ended 30 June 2008.

The financial information contained in this announcement does not constitute full statutory accounts within the meaning of Section 240 of the Companies Act 1985. The figures are extracted from the audited financial statements for the year ended 30 June 2008, which will be filed with the Registrar of Companies, sent to shareholders and will be available on the Company's website at [www.uraniumresources.co.uk](http://www.uraniumresources.co.uk). This announcement, including the Group's consolidated financial information, was authorised for issue by the board of directors and agreed with the auditors on 18 December 2008.

The comparative figures for the year ended 30 June 2007 are not the statutory accounts for that financial period. Those accounts, which were prepared under UK GAAP, have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

These financial statements consolidate the accounts of Uranium Resources plc and all its subsidiary

undertakings draw up to 30 June each year.

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been applied to all years presented, unless otherwise stated below.

## 1. **Accounting policies**

A full listing of accounting policies is shown in the Group financial statements. The significant accounting policies are detailed below:

### 1.1 **Going concern**

During the year ended 30 June 2008 the Group made a loss of £60,656 (2007 - £1,590,231). At the balance sheet date the Group had net assets of £2,498,217 (2007 - £2,558,873) and cash balances of £1,810,971. As set out in note 5 below, the Group has expected exploration expenditure of £485,000 due within one year from the balance sheet date and a further £295,000 due between one and two years. It should be noted that these are not contractual commitments required to maintain the licences, since such commitments do not exist: rather, they are intentions, which may change with the changes in the exploration programme and financial priorities of the Group.

The operations of the Group are currently being financed from funds which the Company raised from private and public placings of its shares in the prior years. The Group has not yet earned revenue as it is still in the exploration phase of its business. The Group is reliant on the continuing support from its existing and future shareholders.

Management believes that they have appropriate levels of financing and that the Group will have sufficient cash to fund its activities and to continue its operations for the foreseeable future and for the Group to continue to meet its liabilities as they fall due, and for at least the next twelve months from the date of approval of these financial statements. The financial statements have, therefore, been prepared on the going concern basis.

### 1.2 **Basis of consolidation**

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries and have been prepared by using the principles of acquisition accounting ("the purchase method"), which includes the results of the subsidiaries from their dates of acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

### 1.3 **Exploration and evaluation expenditure**

All licence acquisitions and exploration and evaluation costs incurred or acquired on the acquisition of subsidiary undertaking are accumulated in respect of each identifiable project area. These costs, which are classified as intangible assets are only carried forward to the extent that they are expected to be recouped through the successful development of the areas or where activities in the areas have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves (successful efforts). Pre-licence costs are written off immediately. Other costs are also written off unless commercial reserves have been established or the determination process has not been completed. Accumulated costs in relation to an abandoned area are written off in full against results in the year in which the decision to abandon the area is made.

When production commences the accumulated costs for the relevant area of interest are transferred from intangible assets to tangible assets as “Developed Uranium Assets” and amortised over the estimated life of the commercial reserves on a unit of production basis, as discussed in note 1.6 below.

**1.4 Impairment of exploration and evaluation expenditure**

The carrying value of unevaluated areas is assessed on at least an annual basis or when there has been an indication that impairment in value may have occurred. The impairment of unevaluated prospects is assessed as based on the Directors’ intention with regard to future exploration and development of individual significant areas and the ability to obtain funds to finance such exploration and development.

**1.5 Impairment of developed uranium assets**

When events or changes in circumstances indicate that the carrying amount of developed uranium assets included within tangible assets may not be recoverable from future net revenues from uranium reserves attributable to that asset, a comparison between the net book value of the asset and the discounted future cash flows from the estimated recoverable uranium reserves is undertaken. To the extent that the carrying amount exceeds the recoverable amount, the asset is written down to its recoverable amount, with the write off charged to the income statement.

**1.6 Amortisation of developed uranium assets**

Developed uranium assets are amortised on a unit of production basis using the ratio of uranium production in the period to the estimated quantity of commercial reserves at the end of the period plus production in the period. Changes in estimates of commercial reserves or future development costs are dealt with prospectively.

**1.7 Decommissioning costs**

Where a material liability for the removal of production facilities and site restoration at the end of the field life exists, a provision for decommissioning is recognised. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. An asset of an amount equivalent to the provision is also created and depreciated on a unit of production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated asset.

**1.8 Share based payments**

The Company has made share-based payments to certain directors and employees by way of share options. The fair value of these payments is calculated by the Company using the Black Scholes option pricing model, as the Directors believe that the options are likely to be exercised nearer their expiry dates. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company’s best estimate of shares that will eventually vest.

**1.9 Foreign currencies**

*(i) Functional and presentational currency*

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The Directors consider the Pound Sterling to be the Group's functional and presentational currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Transactions in the accounts of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. All differences are taken to the income statement.

**1.10 Turnover**

The Group has not yet commenced commercial production from its exploration sites and therefore had no turnover in the year.

**1.11 Critical accounting judgements and estimates**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRS also require management to exercise its judgement in the process of applying the Group's accounting policies.

The prime areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, are as follows:

*Impairment of intangible assets*

Determining whether intangible assets are impaired requires an estimation of whether there are any indications that its carrying value is not recoverable.

**2. Loss per share**

The basic loss per ordinary share has been calculated using the loss for the financial year of £60,656 (2007: £1,590,231) and the weighted average number of ordinary shares in issue of 291,000,000 (2007: 247,848,219).

The diluted loss per share has been calculated using a weighted average number of shares in issue and to be issued of 302,415,094 (2007: 260,552,740). The diluted loss per share has been kept the same as the basic loss per share as the conversion of share options decreases the basic

loss per share, thus being anti-dilutive.

3. **Exploration and evaluation assets**

<b>Group</b>	<b>Exploration and evaluation expenditure £</b>
<b>Cost</b>	
At 1 July 2006	391,178
Additions for 2007	118,493
	-----
At 1 July 2007	509,671
Additions for 2008	198,582
	-----
At 30 June 2008	708,253
	-----
<b>Amortisation and impairment</b>	
At 1 July 2006	-
Charge for 2007	-
	-----
At 1 July 2007	-
Charge for 2008	-
	-----
At 30 June 2008	-
	-----
<b>Net book value</b>	
At 30 June 2008	708,253
	=====
At 30 June 2007	509,671
	=====

The exploration and evaluation (“E & E”) asset represents costs incurred in relation to the Group’s Tanzanian licences. These amounts have not been written off to the income statement as exploration expenses, as commercial reserves have not yet been established or the determination process has not been completed, and there are no indicators of impairment. The outcome of ongoing exploration and evaluation, and therefore whether the carrying value of E & E assets will ultimately be recovered, is inherently uncertain. The Directors have assessed the value of the uranium exploration and evaluation expenditure carried as intangible assets and in their opinion no provision for impairment is currently necessary.

4. **Decommissioning expenditure**

The Directors have considered the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation and the Group's licence obligations. In their view, no provision is necessary at 30 June 2008, for any future costs of decommissioning or any environmental damage.

**5. Future exploration expenditure**

The Group has expected exploration expenditure, as set out below. It should be noted that these are not contractual commitments required to maintain the Group's licences, as such commitments do not exist. Rather, they are intentions, which may change with the changes in the exploration programme and financial priorities of the Group.

	<b>30 June 2008</b>		<b>30 June 2007</b>	
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at the balance sheet date the expected aggregate amount is:				
Within not more than one year	485,000	485,000	267,215	267,215
Between one and two years	295,000	295,000	649,538	649,538
	<u>780,000</u>	<u>780,000</u>	<u>916,753</u>	<u>916,753</u>

**6. Events after the balance sheet date**

There were no significant events subsequent to 30 June 2008, except that the Company granted 34 million share options to the two new directors appointed on 24 July 2008 at exercise prices ranging from 5p to 35p with expiry date of 23 July 2013.

**7. Dividends**

No dividends are proposed in respect of the current financial year.

**8. Related party transactions**

John Bottomley, the secretary of the Company is an employee of Sprecher Grier Halberstam LLP, a firm of solicitors. This partnership was paid a sum of £39,155 (2007: £24,758) in respect of legal and secretarial services to the Company during the year ended 30 June 2008.