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EVERY DAY MINE SERVICES

EVERY DAY MINE SERVICES LIMITED

APPENDIX 4D (Rule 4.2A.3)

HALF-YEAR REPORT
For the half-year ended 31 December 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	A$'000
Revenues from ordinary activities	**16,112**
EBITDA	**(9,388)**
Profit from ordinary activities after tax attributable to members	**(10,095)**
Net profit for the period attributable to members	**(10,095)**
Net tangible assets per security	**16.5c**

Dividends

There have been no dividends paid or proposed in the half-year ended 31 December 2008 (31 December 2007: Nil). Record date for determining entitlement to dividends ï Not applicable

Additional Appendix 4D disclosure requirements can be found in the notes to the half-year financial report. This report is based on the consolidated half-year report which has been subject to a review.

HIGHLIGHTS
• **Rutherford office opening strengthens move into coal and energy sectors and provides a valuable position in the Hunter Valley**
• **Revenue up more than 60% on same period on 2007 following strong performance in the first quarter of FY09**
• **Downturn in second quarter of FY09 however results in lower utilisation of rigs, with base metals clients contributing to a majority of the decline in demand**
• **Impairment to plant and intangible assets has material impact on financial performance for the half**
• **Provisions for doubtful debts and stock obsolescence incurred following the move from metaliferous to coal and energy clients**

Half-Year Financial Report
For the half-year ended 31 December 2008

Contents

Directors' Report

Your directors submit their report for the half year ended 31 December 2008.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below.

Peter Bradfield	(Chairman/Non-Executive Director)
Ashley Pattison	(Chief Executive Officer)
Roger Jackson	(Executive Director – Technical Services)
Declan Franzmann	(Non-Executive Director)
Joshua Rogers	(Non-Executive Director)
Ashley Pattison	(Secretary)

Significant Events (subsequent to balance date)

On 5 January 2009, G.O.S. Drilling Pty Ltd (GOS) opened its head office in Rutherford, NSW. The move to the Hunter Valley is a strategic move that provides a valuable base for GOS to market it service offerings to new targets and to service its clients in the region. In addition, the move provides an opening for GOS to enter new markets such as civil geotechnical drilling.

Subsequent to the end of the period, the Company entered into binding purchase and sale agreements to divest its Sydney Office for $410,000 plus GST. This is the first agreement put in place to realise the land holdings within the Group.

Review of Operations

The impact of the current credit crisis and substantial decrease in commodity prices and demand has negatively impacted our business in this half. EDMS, like most businesses has experienced a drop off in demand for certain services. Whilst this came more quickly than anticipated, direct face-to-face marketing of our services has resulted in a number of new-business leads for new business to ensure the downside is limited.

Surface Operations

As previously advised to shareholders, EDMS commenced its diversification away from metalliferous clients early in September 2008 and had 6 surface rigs engaged in the coal and coal gasification area at 31 December 2008. Another 3 rigs have since been mobilised to clients however the down turn in coking coal and limited capital resources of one client has resulted in two rigs returning to our Rutherford Depot.

EDMS has another 2 surface rigs to be mobilised in the first week of March 2009, it has commenced marketing the smaller air core rigs to Geotechnical consulting firms around Newcastle with positive leads to date and tenders or expressions of interest submitted for a further 6 rigs that will commence work in April and May 2009 should we be successful.

Should EDMS be successful in its tenders, a good rig utilisation rate will be realised in this division.

Underground Operations

Following expansion of this division to 9 rigs in FY2008, demand for underground exploration drilling has substantially reduced in Australia. At year end, we continued to operate 4 rigs in the fleet.

The demand for these rigs is likely to come off by March 2009 and EDMS has sought to place part of this fleet offshore in New Zealand which is subject to a tender.

DTH Operations

The Company adopted a strategy of developing its position in DTH hammer drilling with a particular focus on using this technique for production drilling. This strategy was very dependent upon the base metals sector that has been impacted more than any other sector over the past nine months. As a result, the demand for this service has severely diminished.

EDMS is actively working with a number of potential clients to build up a pipeline of work. We have also tendered the underground RC rig as part of the New Zealand tender.

Fibrecrete

Increasing budget constraints in this area has seen the demand for fibrecrete diminish. Effective from 1 March 2009, the CSA batch plant will be wet hired out to a third party who has been successful in tendering the whole shotcrete process for CSA. This agreement reduces EDMSô exposure to the CSA operation whilst at the same time forms a partnership for the offering of batch plant and delivery services to other mines under a joint venture structure.

Pumps, Contracting and Labour Hire

This side of the business continues to experience solid demand with labour hire in particular increasing.

Financial review

The Company generated revenue of $16.1 million for the six months to 31 December 2008. This was negatively impacted in the second quarter by the decrease in demand for services.

The profitability of the company was however materially impacted in the period by a number of one off adjustments resulting from the deteriorating:

• Impairment charges to the carrying value of the Rig fleet and investments	$5,144,000
• Approximate costs associated with the termination of employees surplus to our ongoing requirements (downsizing from approximately 240 employees to 110 today)	$145,000
• 100% write off of intangible assets on the balance sheet	$2,142,000
• Losses realised on the sale and leaseback of the LV fleet	$243,000
• Impairment of debtors due to non-recoverability issues	$324,000
• Write down of stock	$449,000
• One off workers compensation charge primarily relating to FY08.	$399,000
TOTAL	**$8,846,000**

Whilst the above charges have had a substantial negative impact on the profit performance of the business in the first half, it is important to note that these are not recurring charges in the business.

Future outlook

The future outlook remains positive for the surface division, pumps, contracting and labour hire. We do not however expect to see a large turn around in the underground drilling divisions in the current half and have scaled the overhead in these divisions to the bare minimum.

The continued success of our efforts to diversify the revenue base of EDMS into coal and energy will be key in the short term and our move offshore into New Zealand will also seek to provide medium term benefits to EDMS.

Directors' Report

We have seen increased enquiry for new services in late January and February 2009. However these leads are yet to be converted into new contracts at this time by EDMS.

Rounding of Amounts

The amounts contained in the half-year financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Auditor's Independence Declaration

In accordance with the Audit Independence requirements of the *Corporations Act 2001*, the Directors have received and are satisfied with the ñAudit Independence Declarationò provided by the Companyõs external auditors PKF. The Audit Independence Declaration is attached to this financial report.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

For and on behalf of the Directors

Ashley Pattison
Chief Executive Officer & Executive Director

25 February 2009

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION – HALF YEAR FINANCIAL REPORT

Auditor's Independence Declaration

As lead auditor for the review of Every Day Mining Services 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.

This declaration is in respect of Every Day Mining Services Limited and the entities it controlled during the half-year.

PKF

Bruce Gordon
Partner

Sydney
25 February 2009

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Condensed Consolidated Income Statement

For the half-year ended 31 December 2008

	Note	Dec 2008 $'000	Dec 2007 $'000
Revenue	2	16,112	10,280
Cost of sales		(13,349)	(2,893)
Gross profit		2,763	7,387
Other income	2	92	75
Expenses	3	(4,925)	(7,670)
Depreciation and amortisation	3	(2,472)	(1,045)
Impairment losses	6	(7,286)	-
Finance costs	3	(285)	(292)
Loss from operations before tax		(12,113)	(1,545)
Income tax benefit/(expense)		2,018	824
Loss from operations after tax		(10,095)	(721)
Earnings per share			
Basic earnings per share (cents per share)		(11.3c)	(1.1c)
Diluted earnings per share (cents per share)		(11.3c)	(1.1c)

The accompanying notes form part of these Financial Statements.

Condensed Consolidated Balance Sheet

As at 31 December 2008

	Note	Dec 2008 $'000	Jun 2008 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		502	405
Trade and other receivables		3,397	7,693
Inventories		4,261	4,183
Non-current assets held for sale		411	-
Available-for-sale financial assets		194	1,102
Total Current Assets		8,765	13,428
Non-current Assets			
Plant and equipment	4	19,819	26,450
Intangible assets	5	-	2,142
Deferred tax assets		1,750	1,071
Total Non-current Assets		21,569	29,663
TOTAL ASSETS		30,334	43,091
LIABILITIES			
Current Liabilities			
Bank overdraft		2,537	1,042
Trade and other payables		3,937	6,242
Provisions		1,426	375
Financial liabilities		2,004	2,295
Taxation		11	197
Total Current Liabilities		9,915	10,151
Non-current Liabilities			
Financial liabilities		5,647	6,658
Deferred tax liabilities		-	1,339
Total Non-current Liabilities		5,647	7,997
TOTAL LIABILITIES		15,562	18,148
NET ASSETS		14,772	24,943
EQUITY			
Contributed equity		22,662	22,738
Accumulated losses		(7,970)	2,125
Reserves		80	80
TOTAL EQUITY		14,772	24,943

The accompanying notes form part of these Financial Statements.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2008

	Ordinary Shares $'000	Option Reserve $'000	Accumulated Losses $'000	Total $'000
Balance at 1 July 2007	9,488	80	249	9,817
Loss for the period	-	-	(721)	(721)
	9,488	80	(472)	9,096
Equity transactions:				
Issue of share capital	14,000	-	-	14,000
Costs in respect of shares issued	(886)	-	-	(886)
Deferred tax on share issue costs	(59)	-	-	(59)
Balance at 31 December 2007	**22,543**	**80**	**(472)**	**22,151**
Balance at 1 July 2008	22,738	80	2,125	24,943
Loss for the period	-	-	(10,095)	(10,095)
	22,738	80	(7,970)	14,848
Adjustment by the ATO to GST claim in respect of share issue costs	(76)	-	-	(76)
Balance at 31 December 2008	**22,662**	**80**	**(7,970)**	**14,772**

Condensed Consolidated Cash Flow Statement

For the half-year ended 31 December 2008

	Dec 2008 $'000	Dec 2007 $'000
Cash flows from operating activities		
Receipts from customers	20,166	8,974
Payments to suppliers and employees	(18,530)	(13,360)
Interest received	33	42
Interest paid	(285)	(292)
Net cash flows generated by/(utilised in) operating activities	1,384	(4,636)
Cash flows from investing activities		
Proceeds from sale of plant and equipment	1,059	-
Payments for plant and equipment	(2,509)	(5,623)
Proceeds from sale of investment properties	-	778
Net cash flows utilised in investing activities	(1,450)	(4,845)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	13,114
Repayment of finance leases	(1,377)	2,696
Payment for Capital Raising Costs	-	(421)
Net cash flows (utilised in) / generated by financing activities	(1,377)	15,389
Cash and cash equivalents at beginning of period	(592)	4,695
Net (decrease)/increase in cash and cash equivalents	(1,443)	5,908
Cash and cash equivalents at end of period	(2,035)	10,603

1. REPORTING ENTITY

Every Day Mine Services Limited (the company) is a public company listed on the Australian Stock Exchange, incorporated in Australia and operating in Australia

Every Day Mine Services Limitedô registered office and its principal place of business are as follows:

Registered office	Principal place of business
46 Brickworks Road, Cobar, NSW, 2835	46 Brickworks Road, Cobar, NSW, 2835

Every Day Mine Services Ltd is the holding company of the consolidated entity. The consolidated entity has two operating subsidiaries: GOS Drilling Pty Ltd and Every Day Mine Services Operations Pty Ltd, both of which provide contracting services to the mining industry. The financial report was approved by resolution of the Directors on 25 February, 2009.

(a) Basis of preparation

This general purpose condensed financial report for the half year ended 31 December 2008 has been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2008 and considered together with any public announcements made by Every Day Mine Services Limited during the half year ended 31 December 2008 in accordance with the continuous disclosure obligations of the *ASX listing rules*.

(b) Significant accounting policies

The accounting policies and methods of computation applied by the consolidated entity in this consolidated condensed 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 2008.

(c) Addition of new and revised accounting standards

The consolidated entity has not adopted any new Standards and Interpretations, as there are no mandatory new Standards for the half year reporting periods beginning on or after 1 July 2008

(d) Going concern

The consolidated entity has recorded a net loss from operations after taxation of $10.09 million for the six months to December 2008.

The consolidated entityô ability to continue as a going concern is dependent upon its ability to further increase its revenue base from existing activities and to diversify and expand into new areas and markets. The move into the coal industry has resulted in the consolidated entity being awarded contracts whilst still preserving its interest in traditional markets. An environmental and geophysical division is also being developed within the consolidated entity.

The Directors believe that these initiatives will ultimately be successful and ensure that the consolidated entity can continue to meet its debts as and when they become due and payable. However, if the initiatives are unsuccessful, the going concern basis may not be appropriate with the result that the consolidated entity may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report

Notes to the Financial Statements

For the half-year ended 31 December 2008

	Dec 2008 $'000	Dec 2007 $'000
2. REVENUE AND OTHER INCOME		
Revenue		
Service revenue	16,112	10,280
Interest income	32	42
Other revenue	60	33
	16,204	10,355
3. EXPENSES		
a) Finance costs		
Bank charges and interest	196	133
Finance lease charges and interest	89	159
Total finance costs	285	292
b) Depreciation and amortisation		
Depreciation of non-current assets	2,472	984
Amortisation of intangible assets	-	61
Total depreciation and amortisation	2,472	1,045
c) Employee benefits expense		
Wages and salaries	699	617
Superannuation expense	48	42
Directors remuneration	83	88
	830	747

4. PROPERTY, PLANT AND EQUIPMENT

	Dec 2008 $'000	Dec 2007 $'000
Freehold Land and Buildings		
At cost	1,200	1,598
Accumulated depreciation	(32)	(25)
	1,168	1,573
Motor Vehicles		
At cost	1,308	2,571
Accumulated depreciation	(476)	(491)
	832	2,080
Office Equipment		
At Cost	288	162
Accumulated depreciation	(56)	(27)
	232	135
Plant and equipment		
At cost	21,900	24,821
Accumulated depreciation	(4,313)	(2,159)
	17,587	22,662
Total Property, plant and equipment		
Cost	24,696	29,152
Accumulated depreciation	(4,877)	(2,702)
Total written down value	19,819	26,450

	Dec 2008 $'000	Jun 2008 $'000
Reconciliation		
Freehold Land and buildings		
Opening carrying value	1,573	816
Additions	13	778
Transfer to non-current assets held for sale	(411)	-
Depreciation expense	(7)	(21)
Written down value at end of period	1,168	1,573
Motor Vehicles		
Opening carrying value	2,080	788
Additions	121	1,689
Disposals	(1,087)	(17)
Depreciation expense	(282)	(380)
Written down value at end of period	832	2,080
Office Equipment		
Opening carrying value	135	50
Additions	126	109
Depreciation expense	(29)	(24)
Written down value at end of period	232	135
Plant and Equipment		
Opening carrying value	22,662	7,321
Additions	2,249	17,661
Disposals	(26)	(566)
Impairment	(5,144)	-
Depreciation expense	(2,154)	(1,804)
Written down value at end of period	17,587	22,662
Total Property, Plant and Equipment	19,819	26,450

Impairment

In accordance with AASB 136 the consolidated entity has calculated the recoverable amount of each cash- generating unit, and where the recoverable amount of the cash generating unit is lower than its carrying value the cash generating unit has been impairment to its recoverable amount.

For the purposes of impairment testing each individual rig is considered a cash generating unit.

The recoverable amount of the cash generating unit has been based on the higher of its fair value less costs to sell and value in use. Fair value less costs to sell has been based on similar market transactions. Value in use has been calculated using a discounted cash flow forecast, the discounted cash flow forecast has been prepared for two years and a discount rate of 10% has been used to determine the net present value of the future cash flows.

As a result of the above, impairment losses, amounting to $5.1m, were recognised in the period to 31 December 2008. The impairment losses have been disclosed in plant and equipment above.

	Dec 2008 $'000	Jun 2008 $'000
5. INTANGIBLES		
Trademark		
Opening balance	3	3
Impairment losses	(3)	-
Closing balance	-	3
Customer Contracts		
Opening balance	475	612
Amortisation	-	(137)
Impairment losses	(475)	-
Closing balance	-	475
Goodwill		
Opening balance	1,664	1,664
Impairment losses	(1,664)	-
	-	1,664

Impairment loss

Intangible assets have been tested for impairment on the same basis as plant and equipment. As a result of the impairment testing, impairment losses amounting to $2.1m have been recognised in the current period.

6. IMPAIRMENT LOSS

Impairment loss on intangibles	(2,142)	-
Impairment loss on plant and equipment	(5,144)	-
	(7,286)	-

Impairment losses have been recognised as a result of impairment testing described in notes 4 and 5 above.

7. SEGMENTAL REPORTING

The consolidated entity operates in one business and geographic segment, being contracting services to the mining industry in Australia.

8. COMMITMENTS FOR EXPENDITURE

There are no commitments for expenditure as at 31 December 2008.

9. CONTINGENCIES

There are no contingencies as at 31 December 2008.

10. SUBSEQUENT EVENTS

Subsequent to the end of the period, the Company entered into binding purchase and sale agreements to divest its Sydney Office for $410,000 plus GST. This is the first agreement put in place to realise the land holdings within the Group.

In the opinion of the directors of Every Day Mine Services Limited (“the Company”):

1) The financial statements and notes set out on pages 7 to 14, are in accordance with the *Corporations Act 2001* including:

   a. giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash-flows 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; and

2) 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 directors.

Signed at Rutherford this 25th day of February 2009.

Ashley Pattison
Executive Director

INDEPENDENT AUDITOR'S REVIEW REPORT

PKF
Chartered Accountants
& Business Advisers

To the members of Every Day Mine Services Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Every Day Mine Services Limited, which comprises the consolidated 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, other selected explanatory notes and the directorsô declaration.

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 Engagements (ASRE) 2410 *Review of 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Every Day Mine Services Limitedøs 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 Every Day Mine Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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

We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Every Day Mine Services Limited on 31 December 2008, would be in the same terms if provided to the directors as at the date of this auditorøs review report.

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PKF
Chartered Accountants
& Business Advisers

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 Every Day Mine Services Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entityôs financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1(d) in the financial report which indicates that the consolidated entity incurred an operating loss of $10,363m for the half-year ended 31 December 2008.

The ongoing viability of the consolidated entity and the recoverability of its non-current assets is dependent on the successful penetration of new markets and increase in revenues from current operations. The Directors believe that initiatives detailed in note 1(d) will ultimately be successful and that the non-current assets are included in the Financial Report at less than or equal to their recoverable amount.

This condition indicates the existence of a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

PKF

Sydney

Bruce Gordon

Date: 25 February 2009

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