

JATOIL LIMITED
ABN 31 122 826 242

ASX APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2008 and the Interim Report for the half year ended 31 December 2008 and the attached auditors' review report.

This Appendix 4D is prepared in accordance with ASX Listing Rule 4.2A.3

Reporting period: Half-year from 1 July 2008 to 31 December 2008

Previous corresponding period: Half-year from 1 July 2007 to 31 December 2007

Financial Results

Revenue from ordinary activities for the period	Up 259% to \$506,974
Loss from ordinary activities after tax for the period attributable to members	Up 39% to (\$1,808,604)
Net loss after tax for the period attributable to members	Up 39% to (\$1,808,604)

The Company does not propose to pay dividends in the current period.

The group incurred an after tax loss attributed to members of \$1,808,604 for the six months to 31 December 2008. While the group incurred a loss over the six months, it has made significant progress. The key developments were:

- *A non-cash asset impairment charge of \$1,176,699 relating to the Company's investment in its 50% owned Indonesian subsidiary and other asset impairments amounting to \$125,110;*
- *JatOil has continued to develop assets in the Vietnamese joint venture, Green Energy GSC (GEV). During this six month period GEV have:*
 - *Established a corporate headquarters in Ho Chi Minh City*
 - *Initiated a Vietnamese Centre of Excellence in Sustainable Jatropha Production through acquiring a site, planting jatropha demonstration and test crops, and developed plans for the Centre's buildings and infrastructure that are expected to be completed in early 2009.*
 - *With support from the Center for Biotechnology in Forestry, GEV planted trial plots in 12 locations in 8 different provinces*
 - *Entered an agreement with Dutch agency, SNV Vietnam for services that support capacity building of GEV staff and cooperative leaders on smallholder extension for Jatropha production, buy-back mechanisms of harvest as part of contract systems*
 - *GEV conducted a nation-wide workshop with the Vietnamese government to increase awareness and facilitate expansion of jatropha production*
- *The Board expanded to include Dr Phil Hodgson as a non-executive director who brings experience and understanding in the biofuel supply chain. Dr Hodgson subsequently moved*

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from non-executive to executive director in February as Dr Taverner moved from Executive Chairman to non-executive Chairman;

- *JatOil continued to screen new opportunities to fulfil its plans and expand its jatropa production;*
- *JatOil has engaged with international experts to develop best practices for jatropa cultivation and design research plans appropriate to its need;*
- *JatOil continues to build its presence in the global marketplace. JatOil personnel have presented at key global marketing and technology conferences to build industry contacts and to raise global awareness of the company's plans;*
- *JatOil has not proceeded with its investment plans with Indonesian based PT Biodiesel Austindo (BDAI). JatOil has endeavored to initiate both formal and informal dispute resolution processes with BDAI, however has been unable to procure from BDAI either acceptable or satisfactory outcomes, such that legal proceedings will now be commenced by JatOil. Consequently JatOil has relinquished control of this subsidiary during the reporting period – see details below*

Net Tangible Assets

	As at 31.12.2008	As at 30.06.2008
Net tangible assets per ordinary share	8.26 cents	8.38 cents

Associates and Joint Venture entities

Name	Ownership interest		Aggregate share of losses, where material		Contribution to net loss, where material	
	2008 %	2007 %	2008 \$'000	2007 \$	2008 \$'000	2007 \$
PT Biodiesel Austindo-Indonesia	50	-	55	-	55	-
Green Energy Joint Stock Co.- Vietnam	26.1	-	41	-	41	-

*** JatOil has resolved to conclude its 50% owned joint venture with BDAI, and to now commence legal proceedings against BDAI and various other parties associated with JatOil's initial investment in the Indonesian based entity. Among other things, the legal proceedings will primarily concern the recovery of funds provided to BDAI over the course of the relevant period (approximately US\$226,000), as well as a substantial claim for damages against those involved (which claim shall be reflective of the level of investment provided by JatOil to the founding members of BDAI in consideration for JatOil agreeing to invest in BDAI). Further, and given the substantial concerns of JatOil in respect of the day to day operations of BDAI, JatOil's representatives on the board of BDAI more recently elected to resign their respective positions, on account of which JatOil could no longer be said to be in a position of control in respect of the operations, direction and strategy of BDAI. Accordingly, as at 31 December 2008, JatOil has recognised a profit of \$233,562 from the deconsolidation of BDAI in its consolidated income statement.

The accounts presented are not subject to any audit dispute or qualification.

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**JATOIL LIMITED
AND CONTROLLED ENTITIES
ACN 122 826 242**

**INTERIM REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

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**JATOIL LIMITED
AND CONTROLLED ENTITIES
ACN 122 826 242**

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Jatoil Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

Directors

The following persons were directors of Jatoil Limited during the whole of the half-year and up to the date of this report:

Dr Michael Taverner, Executive Chairman (Appointed 1 June 2007)

Mr Ross Kestel (Appointed 19 September 2007)

Mr Thomas Hancock (Appointed 20 August 2007)

Mr Phil Hodgson (Appointed 1 October 2008)

Principal Activities

The principal activities of Jatoil Limited are to develop and manage investments in renewable fuels with a focus on producing, processing and marketing jatropha-based products and particularly jatropha oil as a biodiesel feedstock.

Review of Operations

The group incurred an after tax loss attributed to members of \$1,808,604 for the six months to 31 December 2008. While the group incurred a loss over the six months, it has made significant progress. The key developments were:

- *A non-cash asset impairment charge of \$1,176,699 relating to the Company's investment in its 50% owned Indonesian subsidiary and other asset impairments amounting to \$125,110;*
- *Jatoil has continued to develop assets in the Vietnamese joint venture, Green Energy GSC (GEV). During this six month period GEV have:*
 - *Established a corporate headquarters in Ho Chi Minh City*
 - *Initiated a Vietnamese Centre of Excellence in Sustainable Jatropha Production through acquiring a site, planting jatropha demonstration and test crops, and developed plans for the Centre's buildings and infrastructure that are expected to be completed in early 2009.*
 - *With support from the Center for Biotechnology in Forestry , GEV planted trial plots in 12 locations in 8 different provinces*
 - *Entered an agreement with Dutch agency, SNV Vietnam for services that support capacity building of GEV staff and cooperative leaders on smallholder extension for Jatropha production, buy-back mechanisms of harvest as part of contract systems*
 - *GEV conducted a nation-wide workshop with the Vietnamese government to increase awareness and facilitate expansion of jatropha production*
- *The Board expanded to include Dr Phil Hodgson as a non-executive director who brings experience and understanding in the biofuel supply chain. Dr Hodgson subsequently moved from non-executive to executive director in February as Dr Taverner moved from Executive Chairman to non-executive Chairman;*

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**JATOIL LIMITED
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- *Jatoil continued to screen new opportunities to fulfil its plans and expand its jatropa production;*
- *Jatoil has engaged with international experts to develop best practices for jatropa cultivation and design research plans appropriate to its needs.;*
- *Jatoil continues to build its presence in the global marketplace. Jatoil personnel have presented at key global marketing and technology conferences to build industry contacts and to raise global awareness of the company's plans;*
- *Jatoil has elected not to proceed with its investment plans with Indonesian based PT Biodiesel Austindo (BDAI) on account of a number of unresolved issues concerning Jatoil's investment in BDAI and various other operational issues relevant to the joint venture. In this regard, Jatoil has endeavored to initiate both formal and informal dispute resolution processes with BDAI, however has been unable to procure from BDAI either acceptable or satisfactory outcomes. Accordingly, Jatoil has resolved to conclude its 50% owned joint venture with BDAI, and to now commence legal proceedings against BDAI and various other parties associated with Jatoil's initial investment in the Indonesian based entity. Among other things, the legal proceedings will primarily concern the recovery of funds provided to BDAI over the course of the relevant period (approximately US\$226,000), as well as a substantial claim for damages against those involved (which claim shall be reflective of the level of investment provided by Jatoil to the founding members of BDAI in consideration for Jatoil agreeing to invest in BDAI). Further, and given the substantial concerns of Jatoil in respect of the day to day operations of BDAI, Jatoil's representatives on the board of BDAI more recently elected to resign their respective positions, on account of which Jatoil could no longer be said to be in a position of control in respect of the operations, direction and strategy of BDAI. Accordingly, as at 31 December 2008, Jatoil has recognised a profit of \$233,562 from the deconsolidation of BDAI in its consolidated income statement.*

Earnings Per Security	31 Dec 2008	31 Dec 2007
Basic loss per share (cents per share)	1.35 cents	1.94 cents
Diluted loss per share (cents per share)	1.35 cents	1.94 cents
Net Tangible Asset Backing	31 Dec 2008	31 Dec 2007
Per Ordinary Security (cents per share)	8.26 cents	6.74 cents

In the half year to 31 December 2008, the group has incurred losses of \$1,808,604 and experienced net cash outflows of \$1,022,619 as shown in the income and cashflow statements in this financial report. These results are consistent with the company's strategic objectives and budget estimates.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.

M.R. Taverner

Chairman

Dated this 27th Day of February 2009

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF JATOIL LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Jatoil 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 NSW
Chartered Accountants



A G Rigele
Partner

Sydney, 27 February 2009

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

	Half-year	
	31.12.2008	31.12.2007
	\$	\$
Revenue	347,881	141,242
Other income	159,093	-
Gain from loss of control of subsidiary	233,562	-
Consultancy expense	(144,366)	(381,153)
Directors remuneration	(104,640)	(51,900)
Depreciation and amortisation expense	(2,884)	-
Employee benefits	(304,224)	(60,000)
Share-based compensation	(3,236)	(289,500)
Professional fees	(264,111)	(149,977)
Travel costs	(56,963)	(195,258)
Occupancy costs	(28,166)	(23,967)
Insurance costs	(59,079)	(55,665)
Impairment of assets	(1,301,809)	-
Share of net loss of associate	(41,712)	-
Other expenses	(237,950)	(236,186)
Loss before income tax	<u>(1,808,604)</u>	<u>(1,302,364)</u>
Income tax expense	-	-
Loss for the half-year	<u>(1,808,604)</u>	<u>(1,302,364)</u>
Net loss is attributable to equity holders of Jatoil Limited	<u>(1,808,604)</u>	<u>(1,302,364)</u>
 Loss per share for loss attributable to the ordinary equity holders of the Company:		
Basic loss per share (cents per share)	1.35 cents	1.94 cents
Diluted loss per share (cents per share)	1.35 cents	1.94 cents

The above consolidated income statement should be read in conjunction with the accompanying notes.

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**JATOIL LIMITED
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**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	31.12.2008	30.06.2008
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8,947,839	10,025,334
Trade and other receivables	124,425	148,571
TOTAL CURRENT ASSETS	<u>9,072,264</u>	<u>10,173,905</u>
NON-CURRENT ASSETS		
Property, plant and equipment	27,487	38,623
Intangible assets	-	1,571,178
Financial assets	2,150,109	1,443,376
TOTAL NON CURRENT ASSETS	<u>2,177,596</u>	<u>3,053,177</u>
TOTAL ASSETS	<u>11,249,860</u>	<u>13,227,082</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	123,993	377,042
Short term provisions	29,356	29,901
TOTAL CURRENT LIABILITIES	<u>153,349</u>	<u>406,943</u>
TOTAL LIABILITIES	<u>153,349</u>	<u>406,943</u>
NET ASSETS	<u>11,096,511</u>	<u>12,820,139</u>
EQUITY		
Contributed equity	17,521,950	17,521,950
Reserves	295,432	210,458
Accumulated losses	(6,720,871)	(4,912,269)
TOTAL EQUITY	<u>11,096,511</u>	<u>12,820,139</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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

	Contributed equity	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Balance as at 1 July 2007	1,012,000	-	(105,203)	906,797
Total income and expense recognised directly in equity	-	-	-	-
Loss for period	-	-	(1,302,364)	(1,302,364)
Total income and expense recognised	-	-	(1,302,364)	(1,302,364)
Shares issued during the year	5,263,360	-	-	5,263,360
Shares issued on acquisition of subsidiary	4,000,000	-	-	4,000,000
Share options issued to directors	-	289,500	-	289,500
Minority interest	-	-	(14,402)	(14,402)
Share issue costs	(364,229)	-	-	(364,229)
Balance as at 31 December 2007	9,911,131	289,500	(1,421,969)	8,778,662
Balance as at 1 July 2008	17,521,950	210,458	(4,912,267)	12,820,141
Total income and expense recognised directly in equity	-	-	-	-
Loss for period	-	-	(1,808,604)	(1,808,604)
Total income and expense recognized	-	-	(1,808,604)	(1,808,604)
Reversal of minority interest	-	81,738	-	81,738
Share options expense	-	3,236	-	3,236
Balance as at 31 December 2008	17,521,950	295,432	(6,720,871)	11,096,511

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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

	Half-year	
	31.12.2008	31.12.2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees (inclusive of goods & services tax)	(1,282,197)	(1,212,852)
Interest received	347,881	141,242
	<hr/>	<hr/>
Net cash outflow from operating activities	(934,316)	(1,071,610)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	-	(900)
Payment for subsidiary, net of cash acquired	-	49,232
Payment for investment in associate	(88,303)	-
Loan to other party	-	(125,110)
	<hr/>	<hr/>
Net cash outflow from investing activities	(88,303)	(76,778)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	5,263,360
Funds received in advance of listing	-	7,305,650
Share issue costs	-	(311,429)
	<hr/>	<hr/>
Net cash inflow from financing activities	-	12,257,581
Net increase in cash and cash equivalents	(1,022,619)	11,109,193
Cash and cash equivalents at the beginning of the half-year	9,970,458	946,545
	<hr/>	<hr/>
Cash and cash equivalents at the end of the half-year	8,947,839	12,055,738
	<hr/>	<hr/>

The above consolidated cash flow statement should be read in conjunction with the accompanying notes

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**JATOIL LIMITED
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**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting*, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Jatoil Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

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: LOSS FROM ORDINARY ACTIVITIES

All revenue and expense items that are relevant in explaining the financial performance for the interim period have been included in the Consolidated Income Statement.

NOTE 3: DIVIDENDS

No dividends have been declared or paid during the period.

NOTE 4: EQUITY SECURITIES ISSUED

	2008 Shares	2007 Shares	2008 \$	2007 \$
Issues of ordinary shares during the half-year				
Capital issued during year	-	32,896,000	-	5,263,360
Transaction costs	-	-	-	(364,229)
Shares issued on acquisition of subsidiary	-	20,000,000	-	4,000,000
	-	52,896,000	-	8,899,131

**JATOIL LIMITED
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**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

NOTE 5: SEGMENT INFORMATION

The primary business segment and the primary geographic segment within which the company operates are biodiesel and Asia Pacific respectively. For primary reporting purposes, the entity has not commenced trading and hence no segment information has been provided.

NOTE 6: CONTINGENT LIABILITIES

The parent entity and Group had no significant contingent liabilities at 31 December 2008 or at 30 June 2008.

NOTE 7: LOSS OF CONTROL OF SUBSIDIARY

On account of Jatoil resolving to conclude its 50% owned joint venture with BDAI, to now commence legal proceedings against BDAI and various other parties associated with Jatoil's initial investment in the Indonesian based entity and the substantial concerns of Jatoil in respect of the day to day operations of BDAI, Jatoil's representatives on the board of BDAI more recently elected to resign their respective positions, on account of which Jatoil could no longer be said to be in a position of control in respect of the operations, direction and strategy of BDAI. Accordingly, as at 31 December 2008, Jatoil has recognised a profit of \$233,562 from the deconsolidation of BDAI in its consolidated income statement. No contingent asset has been recognised.

NOTE 8: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Except as disclosed in the Directors report, there have been no subsequent events arising since 31 December 2008 that the Directors are aware of that would require disclosure in this report.

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

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving 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; and
- (b) there are reasonable grounds to believe that Jatoil Limited 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.

M.R. Taverner

Chairman

Sydney

Dated this 27th

Day of February 2009

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JATOIL LIMITED

We have reviewed the accompanying half-year financial report of Jatoil 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, a statement of accounting policies, other selected explanatory notes and the directors' declaration. The consolidated entity comprises both the Company and the entities it controlled at the half-year's end or from time to time during that half-year.

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 consolidated 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 consolidated entity'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.

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF JATOIL LIMITED (cont)**

Auditor's responsibility (cont)

As the auditor of Jatoil 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. 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 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 Jatoil Limited is not in accordance with the Corporations Act 2001, including:

- a giving 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; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON NSW
Chartered Accountants



A G Rigele
Partner

Sydney, 27 February 2009

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