Kimberley Oil NL
ABN 75 075 760 655

AUSTRALIAN STOCK EXCHANGE
KBO000180

Friday 14 March 2003

Companies Announcement Office,
Australian Stock Exchange Ltd,
20 Bond Street,
Sydney NSW 2000.

ASX ANNOUNCEMENT

Fax 1300 300 021

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ASX Company Announcements

KBO 000180 – 31 December 2002 Half Yearly Financial Report

Please find attached Kimberley Oil NL 31 December 2002 Half Yearly Financial Report for release to the market.

Should you require further information please contact Keith Spencer on (08) 9330 9121.

Yours faithfully

A. J. Flavelle

A J Flavelle
Director

KIMBERLEY OIL NL
ABN 075 075 760 655
AND CONTROLLED ENTITIES

HALF YEAR FINANCIAL REPORT
31 DECEMBER 2002

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DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2002

Your directors submit their financial report for the consolidated entity for the half year ended 31 December 2002.

DIRECTORS

The names of the directors of the company who held office at the date of this report are:

A.J. Flavelle (Executive Director)
A.J. McClure (Executive Director)
T.V. Willsteed (Non Executive Director - appointed 26 November 2002)

The following persons also held office during the half-year:

D.C. Gallatly (Executive Director – resigned 22 November 2002)
R.F. Reiser (Executive Director - retired 22 November 2002)

REVIEW AND RESULT OF OPERATIONS

FINANCIAL

The consolidated entity recorded an operating loss after income tax for the half year ended 31 December 2002 of $1,784,247 (2001: $755,846). Included in the loss are non-cash charges of $1,127,403, write-off of development expenditure of $382,195 and provision for restoration totalling $108,772 relating to production permits within EP129.

Development expenditure write-off totalling $382,195 relates to a work-over program conducted on Blina Wells 1, 2 and 6 during 2002. Unfortunately, the results proved negative and had no impact on subsequent oil production output.

Kimberley Oil NL issued a Share Purchase Plan in October 2002 that offered members an opportunity to purchase additional shares in the Company for a price of 2.5 cents. 101 shareholders participated in the plan that raised $194,000 and resulted in the issue of 7,760,000 fully paid shares in the Company.

The Directors continue to review the carrying values of assets, and at this time have considered it prudent to adjust some of the amounts to more correctly reflect current values.

OPERATIONAL

Production and Sales

The company's total oil production for the half year ending 31 December, 2002 was 15,103 (15,672) barrels, marginally down from the previous December half year, due mainly to the continuing natural decline of the currently-producing intervals.

There were no major interruptions to crude oil production during the half year. Oil production continues from three wells in the Blina field, two wells in West Terrace field and one well in each of the Boundary, Sundown and Lloyd fields. Cash flow from production has generally benefited with improved oil prices, especially subsequent to balance date. However, results are being affected, to some extent, by a stronger Australian dollar.

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DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2002

Exploration

Ongoing review of seismic records and well logs of the Company's prospects, especially in EP129 of the Blina district, have significantly enhanced the areas prospects within the last twelve months.

The most significant result of this review effort is the recognition of a major fractured carbonate trend, designated by the Company as the Norman Fractured Carbonate Field, which has the potential to host 100-300 million barrels of oil-in-place. Fractured carbonates are economically amenable to development by horizontal drilling and it is the Company's intention to vigorously pursue farm-in partners who have the financial capacity to drill such wells.

This review process has also identified numerous other prospective targets.

Farmout Efforts

The Company has continued its efforts to farm-out the drilling of key wells in its Canning Basin acreage, particularly Yulleroo and West Boronia. The Company has now added to its Prospects Inventory of drillable targets in it acreage.

Future Plans

Business Objectives

- Kimberley Oil NL (KBO) intends to become a substantial, profitable onshore producer of oil and gas.
- A primary objective is the farm-out of the Norman Fractured Carbonate Field east of Derby.
- The secondary (but simultaneous objective) is to farm-out some of the more challenging, higher risk targets where KBO has a 100% interest. There is potential particularly for farm-out of Yulleroo, Ungani, West Boronia and Pictor prospects.

This report is signed in accordance with a resolution of the Board of Directors.

DATED at PERTH this 13th day of March 2003

A. J. Flavelle
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A J FLAVELLE
DIRECTOR

KIMBERLEY OIL NL
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2002

	ECONOMIC ENTITY	
	31 DEC 2002	31 DEC 2001
	$	$
Sales Revenue	476,197	387,683
Cost of Sales	(361,718)	(357,631)
Gross Profit	114,479	30,052
Other revenue from ordinary activities	18,602	35,395
Depreciation & amortisation expenses	(165,796)	(121,869)
Borrowing cost expenses	(9,780)	(2,392)
Exploration write off & abandonment expenses	(490,967)	(324,746)
Employee expenses	(117,594)	(162,296)
Other expenses from ordinary activities	(1,133,191)	(209,990)
Loss from ordinary activities before income tax expense	(1,784,247)	(755,846)
Income tax (expense) benefit relating to ordinary activities	-	-
Net loss	(1,784,247)	(755,846)
Net loos attributable to members of the parent company	(1,784,247)	(755,846)
Total changes in equity other than those resulting from transactions with owners as owners	(1,784,247)	(755,846)
Basic earnings per share (cents per share)	(1.91)	(0.96)
Diluted earnings per share (cents per share)	(1.91)	(0.96)

The accompanying notes form part of this financial report.

KIMBERLEY OIL NL
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2002

	ECONOMIC ENTITY		
	31 DEC 2002	**30 JUNE 2002**	**31 DEC 2001**
	$	**$**	**$**
CURRENT ASSETS			
Cash Assets	364,621	655,291	240,506
Receivables	87,495	175,097	3,821
Inventories	51,133	30,693	39,664
Prepayments	54,278	-	-
Other	49,522	-	13,628
TOTAL CURRENT ASSETS	**607,049**	**861,081**	**297,619**
NON-CURRENT ASSETS			
Intangible Assets	247,000	260,000	80,000
Property, Plant & Equipment	2,503,518	3,499,463	1,296,280
Exploration, Evaluation & Development Costs	2,144,160	2,272,196	1,837,082
TOTAL NON-CURRENT ASSETS	**4,894,678**	**6,031,659**	**3,213,362**
TOTAL ASSETS	**5,501,727**	**6,892,740**	**3,510,981**
CURRENT LIABILITIES			
Payables	229,002	479,075	158,117
Provisions and Accruals	168,736	13,100	15,500
Interest Bearing liabilities	203,165	203,165	-
TOTAL CURRENT LIABILITIES	**600,903**	**695,340**	**173,617**
NON-CURRENT LIABILITIES			
Provisions	711,116	602,344	493,572
TOTAL NON-CURRENT LIABILITIES	**711,116**	**602,344**	**493,572**
TOTAL LIABILITIES	**1,312,019**	**1,297,684**	**667,189**
NET ASSETS	**4,189,708**	**5,595,056**	**2,843,792**
EQUITY			
Contributed Equity	9,557,958	9,179,058	8,195,133
Reserves	2,180,000	2,180,000	
Accumulated Losses	(7,548,250)	(5,764,002)	(5,351,341)
TOTAL EQUITY	**4,189,708**	**5,595,056**	**2,843,792**

The accompanying notes form part of this financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2002

	ECONOMIC ENTITY	
	31 DEC 2002	31 DEC 2001
	$	$
CASH FLOWS FROM OPERATION ACTIVITIES		
Receipts from Customers	514,780	515,191
Payments to Suppliers & Employees	(630,793)	(761,524)
Borrowing Costs	(9,780)	-
Payments for Exploration and Development Expenditure	(281,158)	(60,727)
Interest Received	6,689	8,030
Tax Paid (GST)	-	(9,245)
NET CASH FLOWS (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(400,262)	(308,275)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Plant & Equipment	(84,408)	(3,673)
Proceeds from sale of Plant and Equipment	-	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(84,408)	(3,673)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from Issue of Shares	194,000	100,000
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	194,000	100,000
NET INCREASE/(DECREASE) IN CASH HELD	(290,670)	(211,948)
CASH AT 1 JULY 2002	655,291	452,454
CASH AT 31 DECEMBER 2002	364,621	240,506

The accompanying notes form part of this financial report.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2002

1. BASIS OF PREPARATION

The half-year condensed consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of Corporations Acts 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2002 and any public announcements made by Kimberley Oil NL and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2002 annual report.

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

The consolidated entity has incurred a loss during the period of $1,784,247 and its available cash at 31 December 2002 is $364,621. The financial statements have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The directors believe this to be appropriate for the following reasons:

- Since the end of the half year the Company is proceeding with the disposal of surplus equipment;
- The process directed toward the reduction of overhead costs is continuing;
- Discussions are continuing with interested parties to farm-in to its Canning Basin acreage, and,
- Negotiations for a capital funding program are proceeding.

All of the above reasons give your directors confidence that the consolidated entity will be able to continue its operations into the foreseeable future. However, should alternative funding not become available the Company may not be able to pay its debts as and when they fall due and may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2002

	31 DEC 2002 $	31 DEC 2001 $
2. LOSS FROM ORDINARY ACTIVITIES		
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Provision for restoration costs	(108,772)	(108,772)
Amortisation of development costs	(40,000)	(37,818)
Provision for diminution in value of exploration costs	-	(215,974)
Write-off production workover expenditure – EP129	(382,195)	-
Special write-down of fixed assets	(944,557)	-

3. EVENTS SUBSEQUENT TO BALANCE DATE

Since 31 December 2002 the shares issued as a result of the Company's Share Purchase Program have been listed on the ASX.

The financial effect of the above transaction has been brought to account in the economic entity financial statements for the half-year ended 31 December 2002.

4. CONTINGENT LIABILITIES

Former directors of the Company, who resigned prior to 31 December 2002, have submitted claims for outstanding leave entitlements estimated at $46,000. The Company disputes the claims as it believes there is no genuine basis to support them.

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

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 4 to 8.

   (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2002 and 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.

DATED at PERTH this 13th day of March 2003

G. J. Flavelle

A J FLAVELLE
Director

Hall Chadwick
Chartered Accountants & Business Advisers

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INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF KIMBERLEY OIL NL

SCOPE

We have reviewed the financial report, being the Condensed Statement of Financial Performance, Condensed Statement of Financial Position, Condensed Statement of Cash Flows, Notes to the financial statements and Directors' Declaration of Kimberley Oil NL for the half year ended 31 December 2002. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half year or from time to time during the half year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of Kimberley Oil NL's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

STATEMENT

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 Kimberley Oil NL is not in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance for the half year ended on that date; and

  (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.

INHERENT UNCERTAINTY REGARDING CONTINUATION AS A GOING CONCERN

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1, the ability of the company to continue as a going concern is dependent upon the various capital raising initiatives currently being undertaken by the directors. Consequently, there is uncertainty whether the company will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Hall Chadwick
Chartered Accountants & Business Advisers

INHERENT UNCERTAINTY REGARDING THE CARRYING VALUE OF INTANGIBLE ASSET.

Without qualification to the statement above, attention is drawn to the following matter. Included in the Statement of Financial Position under the description of Intangible Asset is the oil spill technology owned by Kimberley Oil Remediation Pty Ltd which has a written down value of $247,000. The recoverable amount of the oil spill technology is dependent upon;

(a) The ability of the company to raise further capital to fund the costs of future research and development; and
(b) The successful commercialisation of the technology; or
(c) The sale of the asset for at least book value.

The outcome of the above points cannot presently be determined, as such, there is uncertainty as to the ultimate recoverable amount of the oil spill technology in Kimberley Oil Remediation Pty Ltd.

Hall Chadwick

HALL CHADWICK
Chartered Accountants

PETER TORRE
Partner

DATED at PERTH this 14th day of March 2003