GREENVALE MINING N.L AND ITS CONTROLLED ENTITY
ABN 54 000 743 555

CONSOLIDATED FINANCIAL REPORT HALF-YEAR 31 DECEMBER 2004

DIRECTORS:
Leslie L. White (Chairman)
Gabriel M. Lorentz, LL.B. (Deputy Chairman)
Elizabeth Stoliar, B.Bus., ASA

SOLICITORS:
Osborne & Associates

AUDITORS:
KPMG

SECRETARIES:
Peter G. Agoston, F.C.A.
Gary A. Douglas, F.C.A.

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The directors present their report together with the consolidated financial report for the half- year ended 31 December 2004 and the review report thereon.

Directors
The directors of the company at any time during or since the end of the half-year are :

Mr Leslie L. White Chairman	Date of Appointment 1969
Mr Gabriel M. Lorentz, LL.B., Deputy Chairman	Date of Appointment 1972
Mrs Elizabeth Stoliar, B.Bus C.P.A.	Date of Appointment 1984

Review of Operations
During the period the consolidated entity continued its mineral exploration activity and care and maintenance program on its oil shale and other leases and continued to invest its surplus funds.

Result
The operating loss after income tax for the six months ended 31 December 2004 amounted to $155,049 (six months ended 31 December 2003 - $108,379).

On 16 August 2004 as part of the consolidated entity's corporate rationalisation program, a liquidator was appointed to Onslow Mining Pty Limited, a 100% owned subsidiary.

Lead Auditors' Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditors' independence declaration is set out on page 2 and forms part of the directors' report for the half- year ended 31 December 2004

Dated at Sydney this 14th day of March, 2005

Signed in accordance with a resolution of the directors :

....
Leslie L. White
Director

LEAD AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief in relation to the review for the half -year ended 31 December 2004 there have been :

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review ; and

(ii) no contravention of any applicable code of professional conduct in relation to the review.

KPMG

Mark Epper
Partner

Sydney, 14 March, 2005

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF GREENVALE MINING N L AND ITS CONTROLLED ENTITY

Scope

The financial report and director's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration set out on pages 4 to 9 for the Greenvale Mining N.L. consolidated entity ("the Consolidated Entity"), for the half-year ended 31 December 2004. The consolidated entity comprises Greenvale Mining N.L. ("the Company") and the entity it controlled during that half-year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review in order for the Company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards Applicable to review engagements.

We performed procedures in order to state whether on the basis of the procedures described anything has come to our attention that would indicate the financial report does not present fairly, in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which were limited primarily to:

- enquiries of company personnel; and
- analytical procedures applied to the financial data.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent procedures, our review was not designed to provide assurance on internal controls.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

A review cannot guarantee that all material misstatements have been detected.

Independence

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

Statement

Based on our review, which is not an audit we have not become aware of any other matter that makes us believe the half-year financial report of Greenvale Mining N.L. in 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 2004 and of its performance for the half-year ended on the date; and

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

(b) other mandatory financial reporting requirements in Australia.

KPMG

Mark Epper
Partner

SYDNEY 14th March, 2005

DIRECTORS' DECLARATION

In the opinion of the directors of Greenvale Mining N L

1. the financial statements and notes set out on pages 5 to 9, 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 2004 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 Accounting Standard AASB 1029 "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.

Dated at Sydney this 14 day of March 2005

Signed in accordance with a resolution of the directors :

Leslie L White
Director

STATEMENT OF FINANCIAL PERFORMANCE FOR THE HALF YEAR ENDED 31 DECEMBER, 2004

	Note	Consolidated Half-Year ended 31 December 2004 $	Half-Year ended 31 December 2003 $
Total revenue from ordinary activities		18,846	24,620
Expenses from ordinary activities:			
Administration expenses		(137,473)	(99,062)
Borrowing costs		(33,334)	(33,937)
Total expenses		(170,807)	(132,999)
Share of net (losses) of associates accounted for using the equity method		(3,088)	-
(Loss) from ordinary activities before related income tax expense		(155,049)	(108,379)
Income tax (expense)/benefit relating to ordinary activities	2	-	-
Net (Loss)		(155,049)	(108,379)
		Cents	Cents
Basic & diluted (loss) per share		(0.82)	(0.57)

The statement of financial performance is to be read in conjunction with the notes to the half -year financial statements set out on pages 7 to 9.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2004

	Note	Consolidated 31 December 2004 $	30 June 2004 $
CURRENT ASSETS			
Cash		11,347	28,902
Receivables		311,352	355,681
TOTAL CURRENT ASSETS		322,699	384,583
NON-CURRENT ASSETS			
Investments accounted for using the equity method	7	311,521	314,609
Other financial assets		500,366	505,066
Plant and equipment		1,778	2,028
Exploration and evaluation expenditure		1,971,903	1,519,959
TOTAL NON-CURRENT ASSETS		2,785,568	2,341,662
TOTAL ASSETS		3,108,267	2,726,245
CURRENT LIABILITIES			
Payables		78,353	59,366
TOTAL CURRENT LIABILITIES		78,353	59,366
NON-CURRENT LAIBILITIES			
Interest bearing liabilities		1,320,939	806,515
TOTAL NON-CURRENT LIABILITIES		1,320,939	806,515
TOTAL LIABILITIES		1,399,292	865,881
NET ASSETS		1,708,975	1,860,364
EQUITY			
Contributed equity	4	3,070,765	3,067,105
Reserves		4,083,610	4,083,610
Accumulated losses	5	(5,445,400)	(5,290,351)
TOTAL SHAREHOLDERS' EQUITY	6	1,708,975	1,860,364

The statement of financial position is to be read in conjunction with the notes to the half- year financial statements set out on pages 7 to 9.

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

	Consolidated Half-Year ended 31 December 2004	Half-Year ended 31 December 2003
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments in the course of operations	(96,081)	(67,061)
Interest received	8,846	24,524
Interest paid	(33,334)	(33,937)
Net cash used in operating activities	(120,569)	(76,474)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	-	96
Exploration expenditure	(451,944)	(14,939)
Advances from associated companies	491,298	59,248
Proceeds from sale of property plant and equipment	10,000	-
Proceeds from redemption of commercial bills	50,000	-
Net cash provided by investing activities	99,354	44,405
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans from related entity	-	57,131
Proceeds from issue of shares	3,660	2,894
Net cash provided by financing activities	3,660	60,025
Net (decrease)/increase in cash held	(17,555)	27,956
Cash at beginning of financial period	28,902	9,548
Cash at end of financial period	11,347	37,504

The statement of cash flows is to be read in conjunction with the notes to the half-year financial statements set out on pages 7 to 9.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Law 2001, Accounting Standard 1029 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards and authorative pronouncements of the Australian Standards Board and Urgent Issues Group consensus views. This half -year financial report is to be read in conjunction with the 30 June 2004 Annual Financial Report and any public announcements by Greenvale Mining N L, during the half- year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the economic entity and, except where there is a change in accounting policy as disclosed, are consistent with those applied in the 30 June 2004 Annual Financial Report.

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

International Financial Reporting Standards (IFRS)

The directors have approved the following steps as part of their responsibilities towards the introduction of IFRS.

Assessment and planing phase

The assessment and planning phase aims to produce a high level overview of the impacts of conversion to IFRS reporting on existing accounting and reporting policies and procedures, systems and processes, business structures and staff. This phase includes :

- high level identification of the key differences in accounting policies and disclosures that are expected to arise from adopting IFRS ;
- assessment of new information requirements affecting management in formation systems, as well as the impact on the business and its key processes;
- evaluation of the implications for staff, for example training requirements ; and
- preparation of a conversion plan for expected changes to accounting policies, reporting structures, systems, accounting and business processes and staff training.

Design phase

The design phase aims to formulate the changes required to existing accounting policies, procedures, systems and processes in order to transition to IFRS. The design phase will incorporate ;

- formulating revised accounting policies and procedures for compliance with IFRS requirements ;
- identifying potential financial impacts as at the transition date and for subsequent reporting periods prior to adoption of IFRS ;
- developing revised IFRS disclosures ;
- designing accounting and business processes to support IFRS reporting obligations ;
- identifying and planning required changes to financial reporting and business source systems ; and
- developing training programs for staff.

Implementation phase

The implementation phase will include implementation of identified changes to accounting and business procedures, processes and systems and operational training for staff. It will enable the consolidated entity to generate the required disclosures of AASB 1 as it progresses through its transition to IFRS.

Potential impact of IFRS

Exploration Expenditure

The AASB has approved AASB 6 *Exploration for* and *Evaluation of Mineral Resources*. It is anticipated that there could be certain changes to the nature and amount of costs which will qualify for capitalisation compared to current practice under AASB 1022. Management is yet to assess the impact of potential changes.

Financial Instruments

Financial instruments must be recognised in the statement of financial position and all derivatives and most financial assets must be carried at fair value. This will result in an increase in total assets and total liabilities.

	Consolidated	
	Half-Year ended 31 December 2004	Half-Year ended 31 December 2003
2. INCOME TAX	$	$
Income Tax (Benefit)		
Prima facie income tax (benefit) calculated at 30% on operating (loss) from ordinary activities	(46,515)	(32,513)
Share of associated net loss at 30 %	926	-
Non deductible expenses	7,864	-
Tax losses not brought to account	37,725	32,513
	46,515	32,513
Income tax expense / (benefit)	-	-

3. SEGMENT INFORMATION

	BUSINESS SEGMENTS					
	FINANCE/INVESTMENT		MINING AND MINERAL EXPLORATION		CONSOLIDATED TOTAL	
	31 December 2004 $	31 December 2003 $	31 December 2004 $	31 December 2003 $	31 December 2004 $	31 December 2003 $
Segment revenue	18,846	24,620	-	-	18,846	24,620
Segment operating (loss)	(155,049)	(108,379)	-	-	(155,049)	(108,379)

The consolidated entity does not engage in inter-segment transactions nor does it carry on business outside Australia. All revenue, operating profit/(losses) and segment assets relate to operations in Australia, except for the consolidated entity investments in Austral Pacific Energy & Resources Corporation which is incorporated in the United States of America. Intra-group investments and advances have been eliminated from the segment assets shown above.

	Consolidated	
	31 December 2004	30 June 2004
4. CONTRIBUTED EQUITY	$	$
9,955,310 (June 2004 – 9,931,360) ordinary shares fully paid	2,506,599	2,501,672
9,012,240 (June 2004 – 9,036,640) ordinary shares paid to 5 cents	564,166	565,433
	3,070,765	3,067,105

Partly paid shares are 15 cents uncalled and rank equally with fully paid shares for dividend and voting purposes.

Holders of ordinary shares are entitled to receive dividends as declared from time to time to time and are entitled to one vote per Share at shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

	Half year ended 31 December 2004	Half year ended 31 December 2003
5. ACCUMULATED LOSSES		
Accumulated losses at beginning of the half-year	(5,290,351)	(5,233,459)
Loss for the year	(155,049)	(108,379)
Accumulated losses at end of the half-year	(5,445,400)	(5,341,838)
6. TOTAL EQUITY RECONCILIATION		
Total equity at beginning of the half-year	1,860,364	1,910,611
Transactions with owners as owners:		
Contributions of equity	3,660	2,894
Total changes in interest in equity recognised in statement of financial performance	(155,049)	(108,379)
Total equity at end of the half-year	1,708,975	1,805,126

7. MATERIAL INTEREST IN ENTITY WHICH ARE NOT CONTROLLED

The consolidated entity has a material interest in the following entity :

Name	Principal Activities	Place of Incorporation	Diurect and Indirect Interest		Carrying amount Equity Accounted	
			31 December 2004	30 June 2004	31 December 2004	30 June 2004
Equity accounted associates			%	%	$	$
Minga Pty Ltd	Finance Company	AUST	49.7	49.7	311,521	314,609
Esperance Minerals N.L.	Mineral Exploration	AUST	17.5	17.5	-	-
Alpha Resources Pty Limited	Mineral Exploration	AUST	52.2	52.2	-	-
Austral Pacific Energy & Resources Corporation	Oil & Gas Exploration	USA	26.1	26.1	-	-
Texas Energy Corporation N.L.	Mining	AUST	52.2	52.2	-	-
					311,521	314,609

8. COMMITMENTS AND CONTINGENT LIABILITIES

Since 30 June 2004, there have been no material changes in contingent liabilities, contingent assets or commitments.

9. CONTROLLED ENTITY

On 16 August 2004, as part of the consolidated entity's corporate rationalisation program a liquidator was appointed to Onslow Mining Pty Limited, a 100% owned subsidiary.