NEW HOLLAND MINING LTD

ACN 009 126 238

HALF-YEAR FINANCIAL REPORT
AND DIRECTORS' REPORT

31 DECEMBER 2005

CORPORATE DIRECTORY

DIRECTORS:

Alan R Fraser (Chairman)
Stuart M McGregor
Christian B Fraser

COMPANY SECRETARY:

Adrien M Wing

ADMINISTRATION OFFICE:

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500 Collins Street
MELBOURNE VIC 3000

Phone: (03) 9614 0600
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REGISTERED OFFICE:

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MELBOURNE VIC 3000

SHARE REGISTER:

Link Market Services Limited
Level 4
333 Collins Street
MELBOURNE VIC 3000

Telephone: 1300 55 44 74
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AUDITORS:

PKF
Level 11, 485 Latrobe Street
MELBOURNE VIC 3000

STOCK EXCHANGE LISTING:

Australian Stock Exchange Ltd
Level 19
91 King William Street
ADELAIDE SA 5000

ASX CODE: NHM
ABN: 50 009 126 238

CONTENTS:

DIRECTORS' REPORT

The directors present their report together with the consolidated Financial Report of the economic entity for the half-year ended 31 December 2005.

DIRECTORS

The directors of the Company in office during and since the half-year are as follows:

Alan R Fraser – Chairman and Executive Director (since December 1991)
Stuart M McGregor – Non-Executive Director (since Janaury 1993)
Christian B Fraser – Non-Executive Director (since Janaury 2002)

Directors were in office for the entire period unless otherwise stated.

REVIEW OF OPERATIONS

The consolidated loss of the economic entity for the half-year amounted to $372,218 (2004: $227,409).

During the half-year the Company raised $170,000 through the issue of 25,000,000 fully paid ordinary shares. The proceeds from the issues were applied to working capital, settlement of debt, gold exploration and to pursue opportunities in oil and gas exploration.

INDONESIAN PROJECT

As previously announced the Company is pursuing opportunities in substantially advanced oil and gas projects, or projects in production.

The Company has secured a 20% interest in a consortium that applied for a 15 year contract for the enhancement of an existing Indonesian Gas Project.

On 2nd and 6th January 2006, the Company advised that its related consortium was recommended by the Indonesian Authority to be accepted as the successful tenderor pursuant to the existing Indonesian Gas Project. The finalisation of the tender process is subject to an objection period. As at the date of this report, the consortium has not been asked to respond to any objection. The Company will inform the market immediately if such an objection is received.

HEATHCOTE GOLD TREATMENT PLANT

The gold treatment plant installed at the Heathcote mine has since cessation of mining been fully maintained in operating order by the Company.

Over the period, the Company has commenced selling off components of its gold treatment plant. To date, it has received $52,500 in cash for the sale of mining plant components.

The Company will continue to review all proposals for the full disposal of the plant or part thereto.

DIRECTORS' REPORT (continued)

CORNELLA
EL 3237 & MIN 4149 (New Holland - 51%)

The Cornella Prospect, jointly owned by New Holland Mining Ltd (51%) and Perseverance Exploration Pty Ltd (49%), covered by the Mining Licence 4149 and Exploration Licence 3237, is located 40 kilometres north of the Company's Heathcote plant.

The company has moved to consolidate the tenements into one production licence to allow for exploitation.

Review of the historic data has led to a new mineralisation model being developed based on a series of folded and faulted mineralised chert horizons, with a steep north plunging fold axis. Gold mineralisation is stronger at the hinge zones than in the limbs.

A series of north-east striking, steeply dipping cross faults cause the north-plunging folded chert beds to be brought back to the existing surface every 100 metres northwards, thus presenting an optimal mining situation.

Target parameters based on this model indicate a significant increase in previous resource estimates, based on present drilling which only intersected the western limb of the anticlinal structure. Before an Ore Resource Estimate can be made to JORC standards, a modest drill program of 600 metres is planned to test the eastern limb, and close the existing drill spacing to 12.5 x 10 metres.

References in this report to mineralisation are based on and accurately reflect information compiled by Geoffrey Robert Turner, a member of the Australian Institute of Geoscientists.

WEST VICTORIA PROJECT
Exploration Licence 4514 – Dunkeld

Subject to the renewal of the exploration licence application by the Department of Primary Industries, the Company has disposed of Exploration Licence 4514 for $20,000 to Beaconsfield Gold NL pursuant to a sale and purchase of a mining tenement agreement dated 30 January 2006.

PUBLICDEBATE.COM.AU PTY LTD (New Holland – 50%)

Publicdebate is the proprietor of the Australian current affairs internet website www.publicdebate.com.au which has topical issues available to its readers for debating and voting. The on-line voting system has proved a reliable gauge of public opinion, and the Company continued to pursue potential commercial applications.

DIRECTORS' REPORT (continued)

EVENTS SUBSEQUENT TO BALANCE DATE

On 2 January 2006, the Company announced announced that the consortium of which it has a 20% interest was recommended by the Indonesian Authority as the successful tenderer for the existing L. Parigi off shore gas project. As at the date of this letter, the Company is awaiting receipt of the letter of intent from the Indonesian Authority to enable it to proceed to final contractual arrangements. This L Parigi gas project provides the Company with opportunity to move towards a positive cash flow in the future.

Since the end of the half year the Company has issued the following ordinary fully paid shares:

(i) 10,000,000 shares at an issue price of $0.01 per share for full settlement of a convertible note with face value of $100,000 .

(ii) 14,500,000 shares at an issue price of $0.0106 per share for settlement of unsecured loan/debt ($53,000) and working capital purposes ($100,700).

Additionally, the Company despatched a Share Purchase Plan ("SPP") to all shareholders on 20 February 2006. Participation in the SPP is entirely voluntary. Shareholders are eligible to apply for a parcel of ordinary shares under the SPP valued at A$2,000, A$3,000, A$4,000 or A$5,000.
The price at which the shares will be issued under the SPP is an amount equal to the lesser of:

- A$0.011 (1.1 cents); or
- 80% of the average of the daily volume weighted average share price of all ordinary shares in NHM traded on the ASX during the 5 business days immediately after the Closing Date 17 March 2006.

The Company is seeking to raise up to $1.1 million from the SPP, however the maximum number of shares that will be issued pursuant to the SPP is 150,000,000 ordinary shares. Allocations will be made on a first in first allocated basis. The SPP is scheduled to close on 17th March 2006.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this report.

Signed in accordance with a resolution of Directors.

AR Fraser
Director

Dated at Melbourne this 15th day of March 2006

15 March 2006

The Directors
New Holland Mining Limited
Level 10
500 Collins Street
MELBOURNE VIC 3000

Dear Sirs

AUDITOR'S INDEPENDENCE DECLARATION

As lead engagement partner for the review of the half-year financial report of New Holland Mining Limited, for the half year ended 31 December 2005, 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 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 New Holland Mining Lim ited and the entities it controlled during the period.

PKF
Chartered Accountants

J Pasias
Partner

CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Note	31/12/2005 $	31/12/2004 $
Revenues	3	1,950	31,845
Expenses	4	(374,168)	(259,254)
Loss before income tax expense		(372,218)	(227,409)
Income tax expense		-	-
Net loss after income income tax expense		(372,218)	(227,409)
Basic (loss) earnings per share (cents per share)		(0.06)	(0.05)
Diluted (loss) earnings per share (cents per share)		(0.06)	(0.05)

The Consolidated Income Statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2005

	Note	31/12/2005	30/06/2005
CURRENT ASSETS		$	$
Cash and cash equivelants		47,593	73,771
Trade and other receivables		8,818	56,767
Property, plant & equipment		359,916	369,645
Other		-	1,667
TOTAL CURRENT ASSETS		416,327	501,850
NON-CURRENT ASSETS			
Property, plant & equipment		13,000	13,000
Mineral exploration		270,046	270,046
Other		74,000	74,000
TOTAL NON-CURRENT ASSETS		357,046	357,046
TOTAL ASSETS		773,373	858,896
CURRENT LIABILITIES			
Trade and other payables		316,197	225,117
Short term borrowings		120,000	100,000
Provisions		124,545	118,930
		560,742	444,047
NON-CURRENT LIABILITIES			
Provisions		74,000	74,000
TOTAL NON-CURRENT LIABILITIES		74,000	74,000
TOTAL LIABILITIES		634,742	518,047
NET ASSETS		138,631	340,849
EQUITY			
Share capital	6	21,843,608	21,673,608
Asset revaluation reserve		555,146	555,146
Accumulated losses		(22,260,123)	(21,887,905)
TOTAL EQUITY		138,631	340,849

The Consolidated Balance Sheet should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	Issued Capital	*Accumulated Losses*	*Other Reserves*	*Total equity*
	$	*$*	*$*	*$*
At 1 July 2004	20,819,108	(21,008,601)	602,146	412,653
Loss for the period	-	(227,409)	-	(227,409)
Issue of shares	206,000	-	-	206,000
At 31 December 2004	21,025,108	(21,236,010)	602,146	391,244
Loss for the period	-	(698,895)	-	(698,895)
Issue of share capital	648,500	-	-	648,500
Transfer to accumulated losses from reserves	-	47,000	(47,000)	-
At 30 June 2005	21,673,608	(21,887,905)	555,146	340,849
Loss for the period	-	(372,218)	-	(372,218)
Issue of share capital	170,000	-	-	170,000
At 31 December 2005	21,843,608	(22,260,123)	555,146	138,631

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Note	31/12/2005 $	31/12/2004 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		219	2,503
Interest paid		(2,535)	-
Payments to suppliers and employees			
• exploration and evaluation		(1,921)	(16,746)
• administration		(165,456)	(83,360)
Proceeds from sale of mining plant & equipment		52,500	-
Net cash used in operating activities		(117,193)	(97,603)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of other financial assets		-	29,342
Payments for project costs		(101,384)	(19,670)
Net cash provided by/(used in) investing activities		(101,384)	9,672
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues	6	170,000	110,000
Proceeds from over subscriptions		2,400	-
Proceeds from borrowings		20,000	-
Net cash provided by financing activities		192,400	110,000
Net (decrease) increase in cash and cash equivelents		(26,177)	22,069
Cash and cash equivelents at the beginning of the half-year		73,771	15,930
Cash and cash equivelents at the end of the half-year		47,594	37,999

The Consolidated Cash Flow Statements should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

(a) Basis of Accounting

The half-year financial report is a general purpose financial report, prepared in accordance with the requirements of the Corporation Act 2001, Accounting Standard AASB134 'Interim Financial Reporting' and other mandatory professional reporting requirements .

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

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 year.

The half-year financial report should be read in conjunction with the Annual Financial Report of New Holland Mining Limited as at 30 June 2005 which was prepared based on Australian Accounting standards applicable before 1 January 2005 ('AGAAP').

It is also recommended that the half-year financial report be considered together with any public announcements made by New Holland Mining Limited and its controlled entities during the half-year ended 31 December 2005 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The Company has prepared this half yearly financial report on the going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business at the amounts stated in the financial statements.

If the Company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than the normal course of business and at the amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

The constitution of the Company provides for the issue of shares by the directors. The Listing Rules of ASX provide for the issue by directors of a certain number of shares, and for pro-rata issues to shareholders without member approval and for the furter issues of shares with member approval.

The directors believe the Company will be able to obtain adequate additional sources of finance to fund operations for the next 12 months. Refer to Note 7 for details of $253,700 in equity raised subsequent to balance date pursuant to share placements and the share purchase plan.

(b) Statement of compliance

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first half-year financial report prepared based on AIFRS and comparatives for the half-year ended 31 December 2004 and full-year ended 30 June 2005 have been restated accordingly. A summary of the significant accounting policies of the Group under AIFRS are disclosed in Note 1 (c) below.

The impact of adoption of AIFRS is disclosed in Note 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of significant accounting policies

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of New Holland Mining Limited and its subsidiary ('the Group'). The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transaction, including unrealised profits arising form intra-group transactions have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of subsidiary, the consolidated financial statements include the results for the part of the reporting period during which New Holland Mining Limited had control.

(ii) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. The Heathcote treatment plant is carried at fair value

Items of property, plant & equipment are depreciated using a straight line method over 4 -5 years. The Heathcote treatment plant is depreciated using straight line method over 20 years

Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revaluations
Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of significant accounting policies (continued)

(iii) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to separate areas of interest, for which rights of tenure are current, are capitalised in the year in which they are incurred and are carried at cost less accumulated impairment losses where the following conditions are satisfied:

(i) the right to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met;

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration costs are reviewed each reporting date as to whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development, accumulated expenditure will be tested for impairment, transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

(iv) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(v) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of significant accounting policies (continued)

(vi) Trade and other payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

(vii) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(viii) Employee Benefits

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(ix) Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(x) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sale of goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably, Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest
Revenue is recognised as the interest accrues to the net carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of significant accounting policies (continued)

(xi) Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of significant accounting policies (continued)

(xii) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

2. IMPACT OF ADOPTION OF AIFRS

(i) AASB 1 Transitional exemptions

The Group has made its election in relation to the transitional exemptions allowed by AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' as follows:

Business combinations

AASB 3 'Business Combinations' was not applied retrospectively to past business combinations (i.e. business combinations that occurred before the date of transition to AIFRS).

Impairment of Exploration Assets

The Group has adopted the exemption available in AASB 1 for restating comparatives under AASB 6 Exploration for and Evaluation of Mineral Resources. As such, there are no AIFRS's impacts on the 30 June 2005 financial report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

2. IMPACT OF ADOPTION OF AIFRS (continued)

(ii) Impact of adoption of AIFRS

The impacts of adopting AIFRS on the total equity and result after tax as reported under Australian Accounting Standards applicable before 1 January 2005 ('AGAAP') are illustrated below.

Reconciliation of total equity as presented under AGAAP to that under AIFRS

There is no impact on total equity

Reconciliation of loss after tax under AGAAP to that under AIFRS

There is no impact on loss after tax.

Explanation of material adjustment to cash flow statements

There are no material differences between the cash flow statements presented under AIFRS and those presented under AGAAP.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	31/12/2005 $	31/12/2004 $
NOTE 3 REVENUE		
Non-Operating Activities		
Interest	1,950	2,503
Proceeds on disposal of shares	-	29,342
Total revenues	1,950	31,845

NOTE 4 EXPENSES AND LOSSES (GAINS)

	31/12/2005 $	31/12/2004 $
Carrying value of shares disposed	-	20,028
Consultants	66,720	34,091
Depreciation of plant and equipment	9,730	11,000
Directors remuneration	76,300	76,300
Employee remuneration	28,833	12,153
Exploration costs	1,921	1,562
Interest	4,202	10,012
Project costs	101,384	19,670
Provision for employee benefits	3,351	3,351
Rental on operating leases	18,245	14,545
Administration expenses	63,482	56,542
Total expenses	374,168	259,254

NOTE 5 SEGMENT INFORMATION

Business segment	**Oil & Gas**		**Gold Exploration**		**Consolidated**	
	2005 $	**2004 $**	**2005 $**	**2004 $**	**2005 $**	**2004 $**
Segment revenue	-	-	-	-	-	-
Unallocated revenue					1,950	31,845
					1,950	31,845
Segment result	(101,384)	(19,670)	(1,921)	(16,746)	(103,305)	(36,416)
Unallocated result					(268,913)	(190,993)
					(372,218)	(227,409)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	31/12/2005	30/6/2005
	$	$
NOTE 6 SHARE CAPITAL		
Issued and Paid Up Capital		
Fully paid ordinary shares	21,843,608	21,673,608

25,000,000 shares were issued during the half year to 31 December 2005 at an issue price of $0.0068 per share raising $170,000.

NOTE 7 EVENTS SUBSEQUENT TO BALANCE DATE

On 2 January 2006, the Company announced that the consortium of which it has a 20% interest was recommended by the Indonesian Authority as the successful tenderer for the existing L. Parigi off shore gas project. As at the date of this letter, the Company is awaiting receipt of the letter of intent from the Indonesian Authority to enable it to proceed to final contractual arrangements. This L Parigi gas project provides the Company with opportunity to move towards a positive cash flow in the future.

Since the end of the half year the Company has issued the following ordinary fully paid shares:

(i) 10,000,000 shares at an issue price of $0.01 per share for full settlement of a convertible note with face value of $100,000 .
(ii) 14,500,000 shares at an issue price of $0.0106 per share for settlement of unsecured loan/debt ($53,000) and working capital purposes ($100,700).

Additionally, the Company despatched a Share Purchase Plan ("SPP") to all shareholders on 20 February 2006. Participation in the SPP is entirely voluntary. Shareholders are eligible to apply for a parcel of ordinary shares under the SPP valued at A$2,000, A$3,000, A$4,000 or A$5,000.
The price at which the shares will be issued under the SPP is an amount equal to the lesser of:

- A$0.011 (1.1 cents); or
- 80% of the average of the daily volume weighted average share price of all ordinary shares in NHM traded on the ASX during the 5 business days immediately after the Closing Date 17 March 2006.

The Company is seeking to raise up to $1.1 million from the SPP, however the maximum number of shares that will be issued pursuant to the SPP is 150,000,000 ordinary shares. Allocations will be made on a first in first allocated basis. The SPP is scheduled to close on 17th March 2006.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of New Holland Mining Ltd, I state that:
In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position as at 31 December 2005 and the performance for the half-year ended on that date of the consolidated entity; and

  (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors.

AR Fraser
Director

Dated at Melbourne this 15th day of March 2006

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF NEW HOLLAND MINING LIMITED

Scope

We have reviewed the financial report of New Holland Mining Limited for the half-year ended 31 December 2005 as set out in pages 5 to 18. The financial report includes the consolidated financial statements of the consolidated entity comprising New Holland Mining Limited and the entities it controlled at the end of the half-year or from time to time during the half-year. The consolidated entity'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 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's 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 given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed the applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. The auditor's independence declaration given to the directors would be in the same terms if it had been given at the time the review report was made.

Statement

Based on our review, which is not an audit, we have not become aware of any matters that makes us believe that the half-year financial report of New Holland Mining Limited 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 2005 and its performance for the half-year ended on that date; and
  (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the statement above, attention is drawn to the following matter. As a result of the matters described in Note 1(a) the company is dependent on further capital raising or adequate alternative sources of finance to enable it to continue as a going concern. In the event that the company cannot raise further sources of finance, it may not realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

PKF
Chartered Accountants

J Pasias
Partner

15 March 2006
Melbourne