



**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2012**

Peninsula Energy Limited and Controlled Entities

Interim Financial Report

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Company Particulars

Directors

John (Gus) Simpson	Executive Chairman
Alf Gillman	Executive Technical Director
Warwick Grigor	Non-Executive Director
Michael Barton	Non-Executive Director
Neil Warburton	Non-Executive Director

Company Secretary

Jonathan Whyte

Registered and Principal Office

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Website

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Auditors

Somes Cooke
Chartered Accountants
1304 Hay Street
West Perth WA 6872

Share Registry

Link Market Services
Ground Floor
178 St. Georges Terrace
Perth WA 6000

Telephone: 1300 554 474
Facsimile: (02) 9287 0303

Stock Exchange

ASX Code	Shares:	PEN
	Options:	PENOC

Directors Report

Your Directors submit the financial report of the economic entity for the half-year ended 31 December 2012.

DIRECTORS

The Directors of the Company in office at any time during or since the end of the half-year are as follows. Directors were in office for this entire period unless otherwise stated.

John (Gus) Simpson	Executive Chairman
Malcolm James	Executive Director - Finance and Operations (resigned 27 February 2013)
Alf Gillman	Executive Technical Director
Warwick Grigor	Non-Executive Director
Michael Barton	Non-Executive Director
Neil Warburton	Non-Executive Director (appointed 27 February 2013)

REVIEW OF OPERATIONS

WYOMING, USA – LANCE URANIUM PROJECTS

Peninsula Energy Ltd 100%

Permit to Mine Received

On 22 November 2012 Peninsula announced that the Wyoming Department of Environmental Quality (WDEQ) had granted a Permit to Mine (PTM) to wholly-owned subsidiary Strata Energy Inc (Strata) for the Ross ISR project, the first planned production unit at the Lance Projects. The completion of this licensing action concluded a major milestone in advancing the Ross ISR project towards production.

The PTM is the second of three licenses required for advancement of the Ross ISR project. The first license was the Deep Disposal Well (DDW) license granted in April 2011. The final license required before commencement of production is the Combined Source and 11e.(2) Byproduct Material License (SML) issued by the US Nuclear Regulatory Commission (NRC). As detailed below, Strata received the draft SML for the Ross ISR project in early November 2012, a month ahead of projections.

Having concluded the PTM licensing process, Strata is now focusing its entire permitting efforts on completing the SML application process. Peninsula has commenced engineering design and civil works and is set to commence construction and the ordering of long lead-time items prior to the issuance of the SML. Construction will include installation and testing of a deep disposal well, installation of production monitoring wells, the ordering of certain components of the CPP, civil works in preparation for the CPP and CPP footings. These pre-licensing construction activities are permissible, subsequent to changes to the NRC guidelines, and will shorten the overall project development timeline.

Draft Source Materials License Received

On 9 November 2012 Peninsula announced that the NRC has issued a draft SML to Strata. This issuance is a significant milestone in Strata's progress toward approval and issuance of a final SML for the Ross ISR Project.

The NRC's on-schedule issuance of the draft SML demonstrates that the project is technically sound and that the approaches to public and environmental safety outlined in the application were robust.

The issuance of the draft SML in less than two years after application submission reflects a significantly accelerated schedule over the applications of others companies in Wyoming, which have averaged 3 years or more in receiving draft licenses. Achieving this milestone on schedule and ahead of industry standard is indicative of the completeness of Strata's application and the efficiency of the streamlined regulatory approval process.

To receive NRC approval, an application must complete three review processes: acceptance review (completed 28 June 2011); safety review, resulting in a Safety Evaluation Report (received in March 2013), as detailed below; and concurrent environmental review, resulting in a Supplemental Environmental Impact Statement (SEIS).

Directors Report

Safety Evaluation Report Received

On 6 March 2013 Peninsula announced that the NRC had issued Strata the Safety Evaluation Report (SER) for the Lance Projects Central Processing Plant and Ross Permit Area. The SER document acknowledges compliance of the Ross license application technical report with US regulations surrounding the receipt, possession and use of uranium by-product and source materials.

The SER represents the conclusion of NRC technical review of the safety aspects of the application including:

- Site characterization
- Facility and process design
- Effluent controls and waste management
- Radiation safety plans and programs
- Groundwater protection
- Facility decommissioning and reclamation
- Accident analysis

The SER includes NRC license conditions and Strata's agreement thereto, and reflects the NRC's completion of the draft SML. The SML is now in the final format to be issued upon completion of the environmental review, which is the final step in the licensing process. The environmental review format is scheduled to be published later this month in the Draft Supplemental Environmental Impact Statement (DSEIS). The final SEIS is anticipated in Q4 2013.

Resource Upgrade

On 24 January 2013 Peninsula announced a further upgrade to the JORC-compliant Resource Estimate for the Lance Projects. This upgrade was achieved by the completion of an additional 676 rotary mud drill holes completed in the seven months subsequent to the March 2012 resource estimate.

The key objective of the 2011-12 drilling program was to increase the measured and indicated resources in preparation for commencement of mining operations at the Lance Projects. The revised JORC-compliant resource estimate of 53.7Mlbs U₃O₈ includes a further 2.5Mlbs increase in Measured and Indicated Resource since the March 2012 estimate.

The 12 month period spanning October 2011 – October 2012 has now seen in excess of 5Mlbs inferred U₃O₈ resource converted to the measured and indicated categories. This is more than twice the planned annual steady state production levels for the Lance Projects.

Lance Project Classified Resource Summary (U₃O₈) December 2012

Resource Classification	Tonnes Ore (M)	U ₃ O ₈ kg (M)	U ₃ O ₈ lbs (M)	Grade (ppm U ₃ O ₈)
Measured	4.1	2.1	4.5	495
Indicated	11.6	5.7	12.7	497
Inferred	35.5	16.6	36.5	467
Total	51.2	24.4	53.7	476

(The JORC resource is reported above a lower grade cut-off of 200ppm and a GT of 0.2).

The revised JORC-compliant resource estimate of 53.7Mlbs U₃O₈ includes a 17% increase in Measured and Indicated Resource since the previous estimate in March 2012.

Monitor Wells Installation Completed

The resource delineation and exploration drilling program was suspended at the Lance Projects in October 2012 with the rigs instead deployed to complete multiple clusters of aquifer monitoring wells as part of the Mine Permit extension process. 47 monitor wells were drilled for a total of 29,475 feet. This process was completed in December 2012 and was undertaken to include the Kendrick Production Unit in the mine planning schedule going forward.

Directors Report

Drilling Programme

Recent drilling has been focused on converting inferred resources to the indicated category in the planned Kendrick Production Unit located to the west of the Ross Production Unit.

In addition to the resource expansion drilling, Peninsula has also completed a series of diamond core holes within the existing permit area, with the results to be used for further metallurgical studies. These holes have returned thick intervals of uranium mineralisation which is indicative of the area within the Ross Production Unit.

The drilling along the Kendrick roll front system is consistently producing thick high grade intercepts which has resulted in its prioritisation due to its resource expansion potential and its proximity to the proposed site of the Lance Central Processing Plant. The drill density and continuity of mineralisation is expected to result in significant levels of inferred resources being upgraded to indicated category.

Current interpretations suggests that there is a total of at least 305 line kilometres of mineralised roll fronts in the greater Lance Projects and that the delineated mineralisation to date in the Kendrick roll fronts represent only 7% of the estimated mineralised roll front systems within this.

The latest interpretation of the existing database by Peninsula's geological team has identified and priority ranked over 500 follow-up drill targets within the Lance Projects. It is estimated that these drill targets will form the basis for on-going exploration over the next 5-10 years.

SOUTH AFRICA – URANIUM/MOLYBDENUM EXPLORATION

Peninsula Energy Ltd 74%/BEE Group 26%

Acquisition of a Substantial Uranium Portfolio in the Karoo

On 11 December 2012 Peninsula announced that it has entered into an agreement with ARSA to acquire their portfolio of uranium and molybdenum projects in the Karoo Basin of South Africa. Peninsula will acquire a 74% interest in 36 prospecting rights covering 5,820km² of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin, South Africa.

Previous exploration conducted by Esso at the projects during the late 1970's included the completion of 8,500 drill holes, bulk sampling programmes, open-cut and underground trial mining.

The acquired projects comprise several large areas of mineralisation; one of which extends over a distance of approximately 80km and forms the largest single body of known uranium-molybdenum mineralisation in the Karoo Basin.

The Karoo formations which host the uranium and molybdenum mineralisation consist of alternating units of sandstone and mudstone, with the mineralisation being largely restricted to the sandstone units. Uranium mineralisation forms within a system of inter-connected channel-controlled pods or lenses up to 200 metres in width and up to 9km long.

Completion of the acquisition will consolidate ownership by Peninsula of most of the known uranium/molybdenum deposits in the Karoo Basin. Geological studies incorporating a vast historic database and reports have estimated a combined exploration potential at the Karoo Projects in the range of 250-350Mlbs eU₃O₈.

Directors Report

With the recent acquisition, Peninsula now has rights to 74% of a total of 42 prospecting rights covering 7,806 km² (780,596 ha) of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin of South Africa, including 322km² (32,176 ha) of freehold land. This freehold land allows Peninsula unrestricted surface rights over significant historic mineralisation which will be converted to JORC status. To this end Peninsula has announced its maiden JORC resource at the Karoo Projects (see below).

Initial JORC Resource of 50.1Mlbs at Karoo

On 5 February 2013 Peninsula announced an initial JORC-compliant Mineral Resource estimate of 50.1Mlbs eU3O8 at the Karoo Projects. This estimate includes an indicated resource of 15.7Mlbs grading 1,020ppm eU3O8 above a cut off of 600ppm eU3O8.

The estimate is based on a historical database comprising 7,163 holes and an additional 1,245 holes probed or drilled by Peninsula since 2011, including 16 diamond holes and 730 reverse circulation holes.

Previous exploration conducted by Esso, JCI and Union Carbide at the Karoo Projects in the 1970s included 1.6 million metres of drilling together with trial open-cut and trial decline mining programs. Based on the results of these programs, the previous explorers estimated approximately 99Mlbs U3O8 and 61Mlbs molybdenum (Mo).

Peninsula has focussed on bringing approximately half of this total, for which drilling data is available, to a standard suitable for reporting under the Joint Ore Reserves Committee (JORC Code 2012) guidelines. The remainder, comprising up to 48Mlbs U3O8 in historical estimates, for which drilling data is not available, will be targeted in on-going exploration with the objective of converting as much as possible to JORC Code-compliant resources.

JORC-Compliant Mineral Resource Estimate, Karoo Projects: eU3O8

Classification	eU ₃ O ₈ (ppm) cut-off	Tonnes (millions)	eU ₃ O ₈ (ppm)	eU ₃ O ₈ (million lbs)
Indicated	600	6.9	1,020	15.7
Inferred	600	14.8	1,050	34.4
Total	600	21.7	1,040	50.1

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Lance Projects is based on information compiled by Mr Jim Guilinger. Mr Guilinger is a Member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (Member of Mining and Metallurgy Society of America and SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr Guilinger is Principal of independent consultants World Industrial Minerals. Mr Guilinger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this report that relates to Exploration Results and Exploration Potential at Peninsula's Karoo projects is based on information compiled by Mr George van der Walt. Mr van der Walt is a member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (The South African Council of Natural Scientific Professions, Geological Society of South Africa). Mr van der Walt is a Director of GeoconsultInternational. Mr van der Walt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr van der Walt consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Mr Guilinger and Mr van der Walt consent to the inclusion in the report of the matters based on their information in the form and context in which it appears

Please note that in accordance with Clause 18 of the JORC (2004) Code, the potential quantity and grade of the "Mineralised Potential" in this report must be considered conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Directors Report

CORPORATE

\$36m Raised from BlackRock and Pala for Lance construction

On 10 December 2012 Peninsula announced that it has executed a series of definitive agreements with funds managed by BlackRock Financial Management, Inc. (BlackRock) providing for the issuance of US\$22 million in senior secured notes (Notes) and a placement of shares equivalent to a 10% interest in Peninsula (Shares).

The Notes will be issued by Strata Energy Inc. at an issue price of 100% of their face value, mature two years from the date of issue and have a coupon of 11%. Attached to the Note facility, Peninsula issued BlackRock 90,000,000 unlisted options exercisable at \$0.08 expiring December 5, 2017.

The drawdown of the proceeds of the Notes is conditional upon the grant of the Permit to Mine and Peninsula entering into a U3O8 sales agreement on terms satisfactory to BlackRock including a net present value equal to the principal amount of the Notes. BlackRock also has a first right of refusal on a second debt financing planned around the grant of the final SML for an amount up to US\$80M.

As part of the transaction, Peninsula placed 293,004,848 fully paid shares to BlackRock at A\$0.04 and 152,362,521 free attaching PENOC options, raising A\$11,720,622 and a further 71,888,075 shares and 37,381,799 free attaching PENOC options to Pala, raising an additional A\$2,875,523. The proceeds from the issue of the Notes and Shares will be used to complete pre-SML construction, including deep disposal wells, monitoring wells, CPP site works, civil works, ancillary roads, plant long lead items and working capital.

\$70m Industrial Revenue Bond Wins Unanimous Support

In conjunction with and complementary to the debt facility above, Peninsula has also commenced the application process with the Wyoming Business Council for US\$70m in Industrial Development Bonds (IDB). Crook County, the issuer of the IDB's, has voted to unanimously support the application and the granted bonds would complete the debt financing requirements for the Lance Projects allowing the completion of the CPP, CPP expansion, satellite ion exchange plant and well-field development.

The Group's cash position, including commercial bills but excluding security deposits and performance bonds as at 31 December 2012 was \$15,424,793.

The Company had 2,951,926,118 shares on issue as at 31 December 2012 and also 691,371,721 listed options, 106,000,000 unlisted options and 144,300,000 performance shares.

ROUNDING OF AMOUNTS

The Consolidated Group has applied relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 9 of this report.

Signed in accordance with a resolution of the Board of Directors



John (Gus) Simpson
Executive Chairman
14 March 2013

AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Peninsula Energy Limited

As auditor for the review of Peninsula Energy Limited for the period ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the 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.



Somes Cooke



Nicholas Hollens
Perth
14 March 2013

Consolidated Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	31 December 2012 \$	31 December 2011 \$
Revenue		181,493	537,725
Employee benefits expense		(2,323,196)	(1,651,833)
Depreciation expense		(141,454)	(103,620)
Share based payment expense - Facility fee	5	(2,160,000)	-
Other share based payments expense	5	(1,285,343)	(1,647,300)
Exploration expenditure write-off		-	(163)
General and administrative expenses		(1,602,641)	(622,786)
Foreign exchange gain/(loss)		(97,006)	170,155
Other expenses from ordinary activities		(746,243)	(373,683)
LOSS BEFORE INCOME TAX		(8,174,390)	(3,691,505)
Income tax expense		-	-
LOSS AFTER INCOME TAX		(8,174,390)	(3,691,505)
Other comprehensive income:			
Exchange differences on translation of foreign controlled entities		(1,225,467)	1,485,249
TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR		(9,399,857)	(2,206,256)
EARNINGS PER SHARE			
Basic earnings per share (cents per share)		(0.31)	(0.17)
Diluted earnings per share (cents per share)		(0.31)	(0.17)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the notes.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2012

	Note	31 December 2012 \$	30 June 2012 \$
CURRENT ASSETS			
Cash and cash equivalents		15,424,793	14,155,136
Trade and other receivables		3,598,437	2,125,086
TOTAL CURRENT ASSETS		19,023,230	16,280,222
NON-CURRENT ASSETS			
Trade and other receivables		2,805,000	2,805,000
Financial assets		5,438	5,438
Property, plant and equipment		4,900,128	4,293,973
Mineral exploration evaluation and development	6	64,970,376	58,610,308
TOTAL NON-CURRENT ASSETS		72,680,942	65,714,719
TOTAL ASSETS		91,704,172	81,994,941
CURRENT LIABILITIES			
Trade and other payables		1,828,576	2,401,875
Other liabilities		-	3,125,739
Borrowings		2,805,000	-
Short-term provisions		24,491	20,269
TOTAL CURRENT LIABILITIES		4,658,067	5,547,883
NON-CURRENT LIABILITIES			
Borrowings		-	2,805,000
TOTAL NON-CURRENT LIABILITIES		-	2,805,000
TOTAL LIABILITIES		4,658,067	8,352,883
NET ASSETS		87,046,105	73,642,058
EQUITY			
Issued capital	7	126,637,743	106,522,715
Reserves		489,168	(974,241)
Accumulated losses		(40,080,806)	(31,906,416)
TOTAL EQUITY		87,046,105	73,642,058

The Consolidated Statement of Financial Position should be read in conjunction with the notes.

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance 1 July 2011	97,847,017	(24,764,271)	5,660,029	(8,115,163)	70,627,612
Shares issued during the half-year	1,647,300	-	-	-	1,647,300
Share-based payments expense	313,625	-	-	-	313,625
Other comprehensive income	-	-	-	1,485,249	1,485,249
Loss for the half-year	-	(3,691,505)	-	-	(3,691,505)
Balance 31 December 2011	99,807,942	(28,455,776)	5,660,029	(6,629,914)	70,382,281

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance 1 July 2012	106,522,715	(31,906,416)	6,530,918	(7,505,159)	73,642,058
Shares issued during the half year	15,559,211	-	-	-	15,559,211
Share-based payments expense	1,129,800	-	155,543	-	1,285,343
Exercise of options	4,641,371	-	-	-	4,641,371
Issue of options under debt facility agreement	-	-	2,160,000	-	2,160,000
Issue of options under equity facility agreement	(373,333)	-	373,333	-	-
Transaction costs	(842,021)	-	-	-	(842,021)
Other comprehensive income	-	-	-	(1,225,467)	(1,225,467)
Loss for the half-year	-	(8,174,390)	-	-	(8,174,390)
Balance 31 December 2012	126,637,743	(40,080,806)	9,219,794	(8,730,626)	87,046,105

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

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	31 December 2012 \$	31 December 2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(4,620,455)	(2,579,055)
Interest received	181,493	537,725
Other receipts	-	14,764
NET CASH USED IN OPERATING ACTIVITIES	(4,438,962)	(2,026,566)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for mineral exploration and evaluation	(6,498,530)	(6,682,685)
Payments for mineral exploration performance bonds	(1,400,127)	-
Receipts from sale of property, plant and equipment	-	6,079
Payments for property, plant and equipment	(747,610)	(28,418)
NET CASH USED IN INVESTING ACTIVITIES	(8,646,267)	(6,705,024)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	14,610,718	-
Proceeds from exercise of options	1,515,632	313,625
Payments for capital raising costs	(842,021)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	15,284,329	313,625
Net (decrease)/increase in cash held	2,199,100	(8,417,965)
Cash and cash equivalents at the beginning of the half-year	14,155,136	26,723,024
Effects of exchange rate changes on cash	(929,443)	(56,557)
Cash and cash equivalents at the end of the half-year	15,424,793	18,248,502

The Consolidated Statement of Cash Flows should be read in conjunction with the notes.

Notes to the Consolidated Financial Statements

NOTE 1: BASIS OF PREPARATION

This general purpose interim financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The half-year report has been prepared on an accruals and historical cost basis.

This interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and operating and financing activities of the Group as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Peninsula Energy Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report was approved by the Board of Directors on 14 March 2013.

The interim financial report has been prepared on the going concern basis that contemplates normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

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

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards of Interpretations that are not yet mandatory have not been adopted early.

NOTE 2. DIVIDENDS

The Company has not paid or provided for dividends during the half-year ended 31 December 2012.

NOTE 3. OPERATING SEGMENTS

Segment Information

Identification of reportable segments

Management has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating officers) in assessing performance and determining the allocation of resources.

The Directors consider the principal activities are mineral exploration and development and are managed primarily on a project by project basis. Operating segments are therefore determined on the same basis.

Reportable segments are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

The Group's exploration projects consist of:

- Uranium
- Uranium/Molybdenum
- Gold

Notes to the Consolidated Financial Statements

Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment Assets

Segment assets are clearly identifiable on the basis of their nature and physical location.

Segment Liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

Items of revenue, expense, assets and liabilities are not allocated to operating segments if they are not considered part of the core operations of any segment.

(i) Segment Performance

The following table present information regarding the Group's operating segments for the half-year ended 31 December 2012:

31 December 2012	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	Raki Raki Fiji \$	Australia \$	Total \$
Revenue					
External Sales	-	-	-	-	-
Inter-segment sales:	-	-	-	2,019,374	2,019,374
Interest revenue:	1,949	966	-	178,578	181,493
Total Segment Revenue	1,949	966	-	2,197,952	2,200,867
Inter-Segment elimination	-	-	-	(2,019,374)	(2,019,374)
Total Segment Revenue	1,949	966	-	178,578	181,493
Expenses					
Employee benefits expense	(371,778)	(16,354)	-	(1,935,064)	(2,323,196)
Depreciation	(68,038)	-	-	(73,416)	(141,454)
Allocated Segment Expenses	(439,816)	(16,354)	-	(2,008,480)	(2,464,650)
Unallocated					
Share-based payments expense	-	-	-	-	(1,285,343)
General and administrative expenses	-	-	-	-	(1,602,641)
Facility fees	-	-	-	-	(2,160,000)
Foreign exchange loss	-	-	-	-	(97,006)
Other expenses	-	-	-	-	(746,243)
Loss before and after income tax	-	-	-	-	(8,174,390)

Notes to the Consolidated Financial Statements

The following table present information regarding the Group's operating assets as at 31 December 2012:

31 December 2012	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	Raki Raki Fiji \$	Australia \$	Total \$
Segment Assets	52,866,718	10,100,713	2,002,945		64,970,376
Exploration, evaluation and development				-	
Property, plant and equipment	2,421,247	-	-	2,478,881	4,900,128
Cash and cash equivalents	95,633	21,269	-	15,307,891	15,424,793
Trade and other receivables	3,381,205	27,090	-	2,995,142	6,403,437
Available-for-sale financial assets	-	-	-	5,438	5,438
Total Assets	58,764,803	10,149,072	2,002,945	20,787,352	91,704,172

The following table presents information regarding the Group's operating segments for the half-year ended 31 December 2011:

31 December 2011	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	Raki Raki Fiji \$	Australia \$	Total \$
Revenue					
External Sales	-	-	-	-	-
Inter-segment sales:	-	-	-	1,450,512	1,450,512
Interest revenue:	3,266	-	-	534,459	537,725
Total Segment Revenue	3,266	-	-	1,984,971	1,988,237
Inter-Segment elimination	-	-	-	(1,450,512)	(1,450,512)
Total Segment Revenue	3,266	-	-	534,459	537,725
Expenses					
<i>Unallocated</i>					
Employee benefits expense	-	-	-	-	(1,651,833)
Share based payments expense	-	-	-	-	(1,647,300)
Write-off of exploration expenditure	-	-	-	-	(163)
Depreciation and amortisation	-	-	-	-	(103,620)
Foreign exchange gain	-	-	-	-	170,155
Other expenses	-	-	-	-	(996,469)
Loss before and after income tax	-	-	-	-	(3,691,505)

The following table present information regarding the Group's operating assets as at 30 June 2012:

30 June 2012	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	Raki Raki Fiji \$	Australia \$	Total \$
Segment Assets					
Exploration, evaluation and development	48,658,968	7,948,395	2,002,945	-	58,610,308
Property, plant and equipment	1,760,998	-	-	2,532,975	4,293,973
Cash and cash equivalents	122,876	167,085	-	13,865,175	14,155,136
Trade and other receivables	1,931,977	28,384	-	2,969,725	4,930,086
Available-for-sale financial assets	-	-	-	5,438	5,438
Total Assets	52,474,819	8,143,864	2,002,945	19,373,313	81,994,941

Notes to the Consolidated Financial Statements

NOTE 4. CONTINGENT LIABILITIES

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

NOTE 5. SHARE BASED PAYMENTS EXPENSES

During the half year to 31 December 2012, Peninsula Energy Limited executed a series of definitive agreements with funds managed by BlackRock Financial Management Inc. (BlackRock), which included providing for the issuance of US\$22 million in senior secured notes. Attached to the Note facility, Peninsula issued BlackRock 90,000,000 unlisted options exercisable at \$0.08 expiring 5 December 2017. The fair value of the unlisted options was determined to be \$0.024 per option using a binomial option pricing model, giving the options a total value of \$2,160,000.

Other share based payment expenses for the half year to 31 December 2012 comprises:

	\$
Performance Rights vested and converted to ordinary shares (i)	717,500
Employee incentive shares issued (ii)	412,300
Performance Rights granted (iii)	155,543
	<u>1,285,343</u>

- (i) 13,500,000 Class C Performance Rights granted in 2009 and 2010 vested and were converted into ordinary shares.
- (ii) 11,800,000 ordinary shares issued to employees under existing contracts during the period.
- (iii) On 28 November 2012, 144,300,000 Class D, E and F Performance Rights were issued. The Performance Rights are convertible into ordinary shares upon the satisfaction of various criteria which are set out in the Notice of Meeting released to the ASX on 27 October 2011. The fair value of the Performance Rights is being brought to account over their vesting periods.

All options and performance rights granted to key management personnel are convertible into ordinary shares in Peninsula Energy Limited, which confer a right of one ordinary share for every option or performance right held.

At 31 December 2012, the Company had on issue 691,371,721 listed options and 106,000,000 unlisted options.

Notes to the Consolidated Financial Statements

NOTE 6. MINERAL EXPLORATION, EVALUATION AND DEVELOPMENT

	Exploration and evaluation \$	Development \$	Total \$
Year to 30 June 2012			
Book value at 1 July 2011	43,572,238	-	43,572,238
Exploration and evaluation costs incurred	10,089,481	-	10,089,481
Transfer to development (Lance Projects)	(42,921,084)	42,921,084	-
Development costs incurred	-	4,033,407	4,033,407
Exploration expenditure written off	(163)	-	(163)
Foreign exchange translation	(789,198)	1,704,543	915,345
Book value at 30 June 2012	9,951,274	48,659,034	58,610,308
Half-year to 31 December 2012			
Book value at 1 July 2012	9,951,274	48,659,034	58,610,308
Exploration and evaluation costs incurred	2,152,318	-	2,152,318
Development costs incurred	-	4,503,772	4,503,772
Foreign exchange translation	-	(296,022)	(296,022)
Book value at 31 December 2012	12,103,592	52,866,784	64,970,376

Recovery of the carrying amount is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

Notes to the Consolidated Financial Statements

NOTE 7. ISSUED CAPITAL

	31 December 2012 \$	30 June 2012 \$
2,951,926,118 fully paid ordinary shares (June 2012: 2,385,447,312)	126,637,743	106,522,715
For the six months ended 31 December 2012	Number	\$
Balance at 1 July 2012	2,385,447,312	106,522,715
Share Placement - BlackRock (i)	293,004,848	11,720,194
Share Placement - Pala Securities (i)	71,888,075	2,875,523
Issued to ARSA - project acquisition (ii)	21,077,635	948,494
Performance shares vested and converted to ordinary shares (Note 5)	13,500,000	717,500
Employee incentive shares issued (Note 5)	11,800,000	412,300
Shares issued on exercise of options	154,708,248	4,641,371
Other shares issued	500,000	15,000
Capital raising fees - equity facility agreement	-	(373,333)
Capital raising fees - other	-	(842,021)
Balance as at 31 December 2012	2,951,926,118	126,637,743

- (i) On 19 December 2012, Peninsula Energy Limited placed 293,004,848 fully paid ordinary shares in the capital of the Company at 4 cents per Share and 152,362,521 free attaching listed PENOC options exercisable at 3 cents on or before 31 December 2015 to BlackRock. In addition the Company agreed to place 71,888,075 fully paid ordinary shares in the capital of the Company at 4 cents per Share and 37,381,799 free attaching listed PENOC options exercisable at 3 cents on or before 31 December 2015 to Pala Investments Holdings Limited (Pala).

The funds raised from the issue of Shares to BlackRock and Pala totalled \$14,595,717.

- (ii) In accordance with the agreement with ARSA to acquire their portfolio of uranium and molybdenum projects in the Karoo Basin of South Africa, as announced on 11 December 2012, Peninsula paid the initial consideration of USD\$1,000,000 in fully paid ordinary shares in the capital of the Company to a subsidiary of ARSA, being 21,077,635 shares (based on 30 day PEN VWAP).

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to the Consolidated Financial Statements

NOTE 8. CAPITAL AND LEASING COMMITMENTS

(a) Exploration of tenement Leases

	31 December 2012 \$	30 June 2012 \$
Exploration of tenement Leases (not greater than one year)	1,635,223	1,619,998

The consolidated group has certain obligations with respect to mining tenements and minimum expenditure requirements on areas held. For exploration licence expenditures, commitments are only expected for the following financial year. Financial commitments for subsequent periods are contingent upon future exploration results and cannot be estimated.

NOTE 9. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2012 which has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' Declaration

The directors declare that:

1. The financial statements and notes, as set out on pages 10 to 20, are in accordance with the *Corporations Act 2001*, including
 - (a) complying with Australian Accounting Standard 134; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of 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.



John (Gus) Simpson
Executive Chairman

14 March 2013

Independent Auditor's Review Report

To the members of Peninsula Energy Limited

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Peninsula Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Peninsula Energy Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report 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 Peninsula Energy Limited's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Peninsula Energy 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 have 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 Peninsula Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Peninsula Energy Limited's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Somes Cooke



Nicholas Hollens

14 March 2013

Perth
Western Australia