WEATHERLY
INTERNATIONAL PLC

Interim report
July to December 2010

Summary highlights

Financial

- Cash at bank US$15 million as at 31 December 2010
- Net assets of US$32.1 million as at 31 December 2010

Corporate and operational

- Successful restart at Central Operations
- US$7.0 million loan from Louis Dreyfus
- Share placement raising £4.45 million (US$ 7.0 million) in November 2010
- Sale of Kombat mine completed, US$3.2 million received in total

Post half year end

- Concentrator and the mines have now been fully commissioned and are operational
- Forward sales of approximately 20% of the output from Central Operations for first 18 months of production at average weighted price of US$9,500 per tonne
- First sales revenues expected March 2011
- Contract awarded to drill the Tsumeb tailings as prelude to a full feasibility study

Contents

Half year review

We are pleased to report Weatherly's results for the half year ended 31 December 2010.

During this period we recorded a loss of US$3.7 million comprising operating losses before depreciation of US$3.2 million associated with the cost of maintaining and redeveloping the mines, depreciation charges of US$1.6 million, and profit of US$1.1 million from disposal of Kombat and other property.

Cash in the bank at 31 December 2010 totalled US$15 million.

During this period our focus has been on the next stage of development of our Company. This involves not only returning our mines to production in accordance with our programme, but laying the foundations for further development and corporate growth.

Our plans for reopening the mines have involved the recruitment of senior staff and the strengthening of the boards of our operating companies in Namibia with some significant appointments. We have recruited Craig Thomas as Chief Operating Officer and two non-executive directors, Titus Haimbili and Frans Ndoroma, who join Cleophas Mutjavikua on the boards of our operating companies. We have been able to move quickly into production as a result of the measures taken to maintain the mines in good order since production ceased at the end of 2008.

We also entered into an off-take agreement with Louis Dreyfus Commodities Metals Suisse SA ('Louis Dreyfus Commodities') who also provided US$7.0 million of funding for the project.

With copper prices at a high level, the Board has adopted a cautious approach to risk management and has authorised forward selling of up to 35% of our output from the mines for a period of 18 months. To date we have contracted to sell approximately 20% of our projected output in two tranches: the first at US$9,260 per tonne and the second at US$9,750 per tonne. We shall continue to monitor copper prices and projections in the context of our overall strategy, which is to guarantee minimum levels of revenue from our mines, particularly during the critical start-up period.

In November we undertook a placement of our shares raising £4.45 million (US$7.0 million) which also served as a catalyst to reshape our shareholder base. We are pleased to welcome all our new shareholders. Blackrock, who participated in the placement and were allotted 12 million shares, have now taken their total holding in the Company to 65.6 million shares (12.25%) having acquired a large part of the Dundee Precious Metals Inc shareholding.

OPERATIONAL UPDATE

Central Operations

Mining at Otjihase and Matchless has been under way since January and the Company is now pleased to announce that all parts of the mine have been fully commissioned. This includes the concentrator, conveyor hoists and all of the machinery that is necessary to make the mine fully operational. Delivery of the concentrate to Walvis Bay is imminent and the first revenue is expected to be received in March. We believe that we have the right management, contractors and framework in place to sustain a viable and profitable operation which will serve as the platform for the future development of the Company.

Tsumeb tailings

We are undertaking a formal investigation into the feasibility of copper production from the old tailings at Tsumeb. We are examining this urgently as it provides the potential to exploit an existing resource and increase our copper production with relatively low investment. Accordingly, we have awarded a contract to Dump and Dune, a South African company, to mobilise at the beginning of March 2011. The Tsumeb tailings comprise residues from the old Tsumeb mining operations and contain an historical (non-compliant) resource of 16mt grading 0.71% copper. They are also known to contain significant concentrations of lead, zinc and silver. The company has engaged consultants Coffey Mining to prepare a resource statement and report that will comply with the AIM requirements. Sedgman Engineering, which is currently managing the Tschudi feasibility study, has also been engaged to determine the most suitable retreatment process that can take advantage of the existing Tsumeb concentrator and infrastructure.

Tschudi feasibility study

The open pit-able resource at Tschudi remains a key element in our strategy for increased copper production. Currently the base case is to produce around 10-13,000tpa of copper over a life of at least 10 years. Metallurgical testwork is continuing at the AMDEL laboratories in Perth under the auspices of study managers, Sedgman. Results to date support the development of a stand-alone open pit operation based on either heap leaching the transitional ores followed by flotation of the primary ores, or simply flotation of both ore types. Final selection of the processing route is awaiting the results of column leachwork that has been running since last year and the latest round of flotation testwork. With high precious metal prices, the recovery of silver has become an increasingly important element in determining the preferred metallurgical route.

China Africa Resources Plc

In January we signed the Implementation Agreement with East China Mineral Exploration and Development Bureau ('ECE'), for the newly formed jointly managed company, China Africa Resources Plc ('CAR'). We are now working on the detailed documentation required for the listing. This transaction, when completed, will involve the distribution of 10% of the entire share capital in CAR to our shareholders as an in specie dividend. This will leave Weatherly with a 25% interest in a very exciting growth opportunity with an ambitious Chinese partner.

Exploration

The company intends to accelerate its planned extension drilling of the Tschudi syncline. By doing so, it may be possible to incorporate any significant increases in the resource into the feasibility study without unduly delaying the final report. Drilling of Tsumeb West and other areas contained in the exploration licence is scheduled for later in the year.

Appointments

With so many projects going forward we are now in a position to recruit top mining executives to strengthen our team across the full range of our activities. We have appointed Dominic Claridge, an experienced mining engineer, to oversee the development projects at Tsumeb, Tschudi and Berg Aukas (on behalf of CAR). With an increased focus on exploration, we shall be making a further appointment to oversee our exploration activities in Namibia. We are also recruiting an experienced mine manager for Central Operations to support the excellent work carried out by Craig Thomas, our Chief Operating Officer. These are all key appointments that will support the future development of the Company.

OUTLOOK

The Company is now back in production at an opportune time, given the current climate of high copper and precious metal prices. We have an excellent pipeline of projects and a more than capable team of people to see these projects to fruition. We shall be increasing our exploration efforts with the aim of adding to our already substantial JORC compliant inventory of 623,645 tonnes of copper. The spin-out of CAR with one of China's largest mineral groups, ECE, offers enormous opportunity and we are still hopeful that there will be an early resolution to our involvement in the Tambao manganese project in Burkina Faso. All in all, 2011 promises to be a very exciting year for the Company.

John Bryant
Chairman

Rod Webster
Chief Executive Officer

22 February 2010

Independent review report to Weatherly International plc

INTRODUCTION

We have been engaged by the Company to review the financial information in the half-yearly financial report for the six months ended 31 December 2010 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half yearly financial report which comprises the summary highlights and chairman's statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusion we have formed.

DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in Note 1.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the financial information in the half-yearly financial report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information 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 International Standards on Auditing (UK and Ireland) 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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 31 December 2010 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

Grant Thornton UK LLP
Auditor
Gatwick

22 February 2011

Condensed consolidated statement of comprehensive income

for the period 1 July to 31 December 2010

	Note	6 months to 31 Dec 2010 US$'000 Reviewed	6 months to 31 Dec 2009 US$'000 Unaudited	Year ended 30 June 2010 US$'000 Audited
Revenue		11	145	145
Cost of sales		(2,908)	(2,699)	(5,405)
Gross loss		**(2,897)**	**(2,554)**	**(5,260)**
Other income		149	266	275
Administrative expenses		(2,080)	(2,137)	(5,819)
Gain/(loss) on sales of assets		511	7	(246)
Impairment of assets		–	3	–
Operating loss		**(4,317)**	**(4,415)**	**(11,050)**
Profit on settlement of noteholder loans		–	–	559
Settlement of compound financial instrument		–	–	469
Foreign exchange gain/(loss)		103	(26)	316
Finance costs	3	(32)	(843)	(1,291)
Finance income		8	2	19
Loss on continuing operations		**(4,238)**	**(5,282)**	**(10,978)**
Profit/(loss) from discontinued operations		559	(7,361)	20,047
(Loss)/profit for the period before taxation		(3,679)	(12,643)	9,069
Income tax expense		–	–	–
(Loss)/profit for the period after taxation		**(3,679)**	**(12,643)**	**9,069**
Other comprehensive income				
Exchange gain/(loss) on translating foreign operations		3,000	1,603	(68)
Fair value movement on investments		5,428	–	2,153
Other comprehensive income for the period		8,428	1,603	2,085
TOTAL COMPREHENSIVE INCOME FOR PERIOD		**4,749**	**(11,040)**	**11,154**
(Loss)/profit attributable to:				
Owners of the parent		(3,770)	(12,643)	9,307
Non-controlling interests		91	–	(238)
		(3,679)	**(12,643)**	**9,069**
Total comprehensive income/(loss) attributable to:				
Owners of the parent		4,665	(11,040)	11,392
Non-controlling interests		84	–	(238)
		4,749	**(11,040)**	**11,154**
Total and continuing (loss)/earning per share				
Basic (loss)/earnings per share (US cents)				
Loss from continuing activities	7	(0.98)	(1.20)	(2.43)
Earnings/(loss) from discontinued activities	7	0.12	(1.68)	4.53
		(0.86)	(2.88)	2.10
Diluted (loss)/earnings per share (US cents)				
Loss from continuing activities	7	(0.98)	(1.20)	(2.43)
Earnings/(loss) from discontinued activities	7	0.12	(1.68)	4.53
		(0.86)	(2.88)	2.10

Condensed consolidated statement of financial position

as at 31 December 2010

	Note	As at 31 Dec 2010 US$'000 Reviewed	As at 31 Dec 2009 US$'000 Unaudited	As at 30 June 2010 US$'000 Audited
Assets				
Non-current assets				
Property, plant and equipment	5	26,641	53,524	22,803
Intangible assets		–	20	3
Investments		–	263	–
		26,641	53,807	22,806
Current assets				
Investments		8,290	–	7,724
Inventories		60	2,668	52
Trade and other receivables		1,834	4,568	579
Cash and cash equivalents		15,008	1,846	6,984
		25,192	9,082	15,339
Non-current assets held for sale	6	1,253	1,961	3,764
		26,445	11,043	19,103
Total assets		**53,086**	**64,850**	**41,909**
Current liabilities				
Trade and other payables		10,353	24,079	10,574
Unsecured creditors subject to a compromise on acquisition		3,479	3,118	3,118
Loans		780	7,000	–
		14,612	34,197	13,692
Non-current liabilities				
Unsecured creditors subject to a compromise on acquisition		2,120	1,900	1,900
Loans		3,992	17,260	–
Provisions		301	–	262
		6,413	19,160	2,162
Total liabilities		**21,025**	**53,357**	**15,854**
Net assets		**32,061**	**11,493**	**26,055**
Equity				
Issued capital	4	4,569	3,860	3,860
Share premium reserve	4	5,910	73,396	–
Merger reserve		18,471	18,471	18,471
Capital redemption reserve		–	454	–
Share-based payments reserve		223	1,635	556
Other reserves		–	(469)	–
Foreign exchange reserve		(6,684)	(8,003)	(9,691)
Retained earnings		9,726	(77,851)	13,097
Equity attributable to shareholders of the parent company		32,215	11,493	26,293
Non-controlling interests		(154)	–	(238)
		32,061	**11,493**	**26,055**

Condensed consolidated statement of changes in equity

for the period from 1 July to 31 December 2010

	Issued capital US$'000	Share premium US$'000	Merger reserve US$'000	Capital redemption reserve US$'000	Share-based payment reserve US$'000	Translation of foreign operations US$'000	Other reserve US$'000	Retained earnings US$'000	Subtotal US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 July 2009	**3,527**	**71,729**	**18,471**	**454**	**1,413**	**(9,606)**	**(469)**	**(65,208)**	**20,311**	**–**	**20,311**
Issue of shares	333	1,667	–	–	–	–	–	–	2,000	–	2,000
Share-based payments	–	–	–	–	222	–	–	–	222	–	222
Transactions with owners	333	1,667	–	–	222	–	–	–	2,222	–	2,222
Profit for the period	–	–	–	–	–	–	–	(12,643)	(12,643)	–	(12,643)
Other comprehensive income											
Exchange difference on translation of foreign entities	–	–	–	–	–	1,603	–	–	1,603	–	1,603
Total comprehensive income for the period	–	–	–	–	–	1,603	–	(12,643)	(11,040)	–	(11,040)
At 31 December 2009	**3,860**	**73,396**	**18,471**	**454**	**1,635**	**(8,003)**	**(469)**	**(77,851)**	**11,493**	**–**	**11,493**
Capital reduction	–	(73,396)	–	(454)	–	–	–	73,850	–	–	–
Share-based payments	–	–	–	–	92	–	–	–	92	–	92
Lapsed options and warrants	–	–	–	–	(1,171)	–	–	1,171	–	–	–
Dividend	–	–	–	–	–	–	–	(7,724)	(7,724)	–	(7,724)
Transactions with owners	–	(73,396)	–	(454)	(1,079)	–	–	67,297	(7,632)	–	(7,632)
Profit for the period	–	–	–	–	–	(17)	469	21,498	21,950	(238)	21,712
Other comprehensive income											
Exchange difference on translation of foreign entities	–	–	–	–	–	(1,671)	–	–	(1,671)	–	(1,671)
Fair value movement on investments	–	–	–	–	–	–	–	2,153	2,153	–	2,153
Total comprehensive income for the period	–	–	–	–	–	(1,688)	469	23,651	22,432	(238)	22,194
At 30 June 2010	**3,860**	**–**	**18,471**	**–**	**556**	**(9,691)**	**–**	**13,097**	**26,293**	**(238)**	**26,055**
Issue of shares	709	5,910	–	–	–	–	–	–	6,619	–	6,619
Share-based payments	–	–	–	–	66	–	–	–	66	–	66
Lapsed options and warrants	–	–	–	–	(399)	–	–	399	–	–	–
Dividend	–	–	–	–	–	–	–	(5,428)	(5,428)	–	(5,428)
Transactions with owners	709	5,910	–	–	(333)	–	–	(5,029)	1,257	–	1,257
Profit for the period	–	–	–	–	–	–	–	(3,770)	(3,770)	91	(3,679)
Other comprehensive income											
Exchange difference on translation of foreign entities	–	–	–	–	–	3,007	–	–	3,007	(7)	3,000
Fair value movement on investments	–	–	–	–	–	–	–	5,428	5,428	–	5,428
Total comprehensive income for the period	–	–	–	–	–	3,007	–	1,658	4,665	84	4,749
At 31 December 2010	**4,569**	**5,910**	**18,471**	**–**	**223**	**(6,684)**	**–**	**9,726**	**32,215**	**(154)**	**32,061**

Condensed consolidated cash flow statement

for the period from 1 July to 31 December 2010

	Note	6 months to 31 Dec 2010 US$'000 Reviewed	6 months to 31 Dec 2009 US$'000 Unaudited	Year ended 30 June 2010 US$'000 Audited
Cash flows from operating activities				
Loss for the period		(3,679)	(12,643)	9,069
Adjusted by:				
Depreciation and amortisation		1,646	2,818	4,978
Profit on disposal of smelter business		–	–	(29,229)
Provisions created		–	–	262
Share-based payment expenses		65	222	314
Profit on sale of Kombat		(621)	–	–
Profit on sale of other assets		(511)	(7)	(125)
Profit on settlement of noteholder loans		–	–	(559)
Settlement of compound financial instrument		–	–	(469)
Fair value adjustment on financial instruments		–	(3)	–
FX transfer on disposal		–	–	17
Finance costs		32	2,103	1,291
Finance income		(8)	(2)	(19)
		(3,076)	**(7,512)**	**(14,470)**
Movements in working capital				
(Increase)/decrease in inventories		(8)	(788)	263
(Increase)/decrease in trade and other receivables		(1,255)	834	(1,189)
Increase in trade and other payables		47	7,162	5,557
Net cash used in operating activities		**(4,292)**	**(304)**	**(9,839)**
Cash flows used in investing activities				
Interest received		7	2	19
Payments for intangibles, property, plant and equipment		(2,170)	(1,699)	(1,750)
Proceeds from disposal of smelter business		–	544	17,370
Costs of disposing of the smelter business		–	–	(574)
Proceeds from sale of Kombat		3,201	–	–
Proceeds from sale of property, plant and equipment		806	–	–
Proceeds from sale of EML shares		–	–	260
Net cash used in investing activities		**1,844**	**(1,153)**	**15,325**
Cash flows from financing activities				
Proceeds from issue of equity shares	4	6,952	2,000	2,000
Associated costs of issue of equity shares	4	(333)	–	–
Receipts from loans		3,992	–	2,953
Interest and finance charges		(32)	(793)	(2,556)
Convertible loan note repayment		–	–	(3,000)
Net cash from financing activities		**10,579**	**1,207**	**(603)**
Increase/(decrease) in cash		**8,131**	**(250)**	**4,883**
Reconciliation to net cash				
Cash at beginning of period		6,984	2,048	2,048
Increase/(decrease) in cash		8,131	(250)	4,883
Foreign exchange gains		(107)	48	53
Net cash at end of period		**15,008**	**1,846**	**6,984**

Notes to the condensed consolidated financial statements

for the period 1 July to 31 December 2010

1a. Basis of preparation

These interim condensed consolidated financial statements are for the six months ended 31 December 2010. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2010. The information included in these interim condensed consolidated financial statements in respect of the year ended 30 June 2010 does not constitute all the information required for annual statutory accounts at that date.

These financial statements have been prepared under the historical cost convention, except for revaluation of certain properties and financial instruments.

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 June 2010.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

Comparative amounts in the statement of comprehensive income and Note 2 segmental reporting for the period ended 31 December 2009 have been restated to conform with the presentation of continued and discontinued operations given in the current period and year ended 30 June 2010.

1b. Nature of operations and general information

Weatherly International plc and its subsidiaries' ("the Group's") principal activities include the mining and sale of copper.

Weatherly International plc is the group's ultimate parent company. It is incorporated and domiciled in the United Kingdom. The address of Weatherly International plc's registered office, which is also its principal place of business, is 180 Piccadilly, London W1J 9HF. The company's shares are listed on the Alternative Investment Market of the London Stock Exchange.

Weatherly International's consolidated interim financial statements are presented in United States dollars (US$), which is also the functional currency of the parent company.

These consolidated condensed interim financial statements have been approved for issue by the Board of Directors on 22 February 2010.

The financial information for the period ended 31 December 2010 set out in this interim report does not constitute statutory accounts as defined by the Companies Act 2006. The Group's statutory financial statements for the year ended 30 June 2010 have been filed with the Registrar of Companies.

2. Segmental reporting

Business segments

The Board receives and reviews reports from each of its operating companies. Ongopolo Mining Ltd is a mining company and Namibia Custom Smelters was a smelting company. The Company currently has one operating segment, mining, under IFRS 8, having disposed of its smelting business in the previous year.

Basis for inter-segment transfer price: the transfer price was a third party arms length price based on the London Metals Exchange price, calculated by the percentage of copper in concentrate.

Segment information about these businesses is presented below.

6 months to 31 December 2010

	Mining US$'000	Smelting US$'000	Consolidated US$'000
By business			
Sales and other operating revenues			
External sales	11	–	11
Segment revenues	11	–	11

	Mining US$'000	Smelting US$'000	Consolidated US$'000
Segmental operating loss	(2,262)	–	(2,262)
Discontinued business	(559)	–	(559)
	(2,821)	–	(2,821)
Unallocated corporate expenses			(1,393)
Interest expense			(32)
Interest income			8
Loss on continuing business			(4,238)
Profit on discontinued business			559
			(3,679)
Segment assets	34,511	–	34,512
Unallocated corporate assets			18,574
Total assets			53,086

6 months to 31 December 2009

	Mining US$'000	Smelting US$'000	Consolidated US$'000
By business			
Sales and other operating revenues			
External sales	145	21,272	21,417
Discontinued business	–	(21,272)	(21,272)
Segment revenues	145	–	145

	Mining US$'000	Smelting US$'000	Consolidated US$'000
Segmental operating loss	(3,200)	(6,214)	(9,414)
Discontinued business	227	6,214	6,441
	(2,973)	–	(2,973)
Unallocated corporate expenses			(1,468)
Interest expense			(843)
Interest income			2
Loss on continuing business			(5,282)
Loss before tax of discontinued businesses			(7,361)
Net loss before tax			(12,643)
Segment assets	27,632	33,531	61,163
Unallocated corporate assets			3,687
Total assets			64,850

12 months to 30 June 2010

	Mining US$'000	Smelting US$'000	Consolidated US$'000
By business			
Sales and other operating revenues			
External sales	145	25,451	25,596
Discontinued business	–	(25,451)	(25,451)
Segment revenues	145	–	145

	Mining US$'000	Smelting US$'000	Consolidated US$'000
Segmental operating loss	(6,788)	(7,616)	(14,404)
Discontinued business	438	7,616	8,054
	(6,350)	–	(6,350)
Unallocated corporate expenses			(3,356)
Interest expense			(1,291)
Interest income			19
Loss on continuing business			(10,978)
Loss from discontinued smelting segment			(9,182)
Profit from disposal of smelting segment			29,229
			9,069
Segment assets	27,497	–	27,497
Unallocated corporate assets			14,412
Total assets			41,909

3. Finance costs

	6 months to 31 Dec 2010 US$'000 Reviewed	6 months to 31 Dec 2009 US$'000 Unaudited	Year ended 30 June 2010 US$'000 Audited
Convertible loan note interest	–	778	1,218
Other interest	32	65	73
Total finance costs – continuing operations	**32**	**843**	**1,291**

4. Share issues

During the period to 31 December 2010, 89,178,381 shares were issued for US$6.6 million in cash.

6 months ended 31 December 2010

	Number	US$'000
At 1 July 2010	445,893,427	3,860
Share options exercised	155,501	7
Issue of shares	89,022,880	6,612
At 31 December 2010	535,071,808	10,479

6 months ended 31 December 2009

	Number	US$'000
At 1 July 2009	405,425,427	75,256
Issue of shares	40,468,000	2,000
At 31 December 2009	445,893,427	77,256

Year ended 30 June 2010

	Number	US$'000
At 1 July 2009	405,425,427	75,256
Issue of shares	40,468,000	2,000
Capital reduction	–	(73,396)
At 30 June 2010	445,893,427	3,860

5. Property, plant and equipment

	Freehold property US$'000	Plant and machinery US$'000	Assets under construction US$'000	Development costs US$'000	Total US$'000
Six months ended 31 December 2010					
Cost or valuation:					
At 1 July 2010	20,051	18,870	–	–	38,921
Additions	–	1,788	–	382	2,170
Disposals	–	–	–	–	–
Exchange adjustment	3,011	5,738	–	27	8,776
At 31 December 2010	23,062	26,396	–	409	49,867
Depreciation:					
At 1 July 2010	(4,891)	(11,227)	–	–	(16,118)
Provided during the period	(580)	(1,063)	–	–	(1,643)
Disposals	–	–	–	–	–
Exchange adjustment	(1,117)	(4,348)	–	–	(5,465)
At 31 December 2010	(6,588)	(16,638)	–	–	(23,226)
Net book value at 31 December 2010	16,474	9,758	–	409	26,641
Six months ended 31 December 2009					
Cost or valuation:					
At 1 July 2009	36,258	31,889	1,044	40,395	109,586
Additions	–	–	1,699	–	1,699
Disposals	–	–	–	(40,395)	(40,395)
Exchange adjustment	2,207	4,076	125	–	6,408
At 31 December 2009	38,465	35,965	2,868	–	77,298
Depreciation:					
At 1 July 2009	(5,401)	(12,266)	–	(40,395)	(58,062)
Provided during the period	(1,157)	(1,645)	–	–	(2,802)
Disposals	–	–	–	40,395	40,395
Exchange adjustment	(463)	(2,842)	–	–	(3,305)
At 31 December 2009	(7,021)	(16,753)	–	–	(23,774)
Net book value at 31 December 2009	31,444	19,212	2,868	–	53,524
Year ended 30 June 2010					
Cost or valuation:					
At 1 July 2009	36,258	31,889	1,044	40,395	109,586
Additions	–	32	1,718	–	1,750
Transfer to current assets	(1,985)	(3,053)	–	–	(5,038)
Disposals	(15,521)	(12,193)	(2,802)	(40,395)	(70,911)
Exchange adjustment	1,299	2,195	40	–	3,534
At 30 June 2010	20,051	18,870	–	–	38,921
Depreciation:					
At 1 July 2009	(5,401)	(12,266)	–	(40,395)	(58,062)
Provided during the year	(1,983)	(2,962)	–	–	(4,945)
Transfer to current assets	500	2,689	–	–	3,189
Disposals	2,303	2,790	–	40,395	45,488
Exchange adjustment	(310)	(1,478)	–	–	(1,788)
At 30 June 2010	(4,891)	(11,227)	–	–	(16,118)
Net book value at 30 June 2010	15,160	7,643	–	–	22,803

6. Assets held for sale

	Freehold property US$'000	Plant and machinery US$'000	Total US$'000
Six months ended 31 December 2010			
Balance at 30 June 2010	3,403	361	3,764
Disposals	(2,487)	(388)	(2,875)
Exchange differences	337	27	364
Balance at 31 December 2010	1,253	–	1,253
At 30 June 2010	1,253	(0)	1,253
Six months ended 31 December 2009			
Balance at 30 June 2009	2,368	–	2,368
Disposals	(509)	–	(509)
Exchange differences	102	–	102
Balance at 31 December 2009	1,961	–	1,961
Year ended 30 June 2009			
Balance at 30 June 2009	2,368	–	2,368
Transfers from property, plant and equipment	1,485	364	1,849
Disposals	(509)	–	(509)
Exchange differences	59	(3)	56
Balance at 30 June 2010	3,403	361	3,764

7. Loss per share

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. Shares held in employee share trusts are treated as cancelled for the purposes of this calculation.

The calculation of diluted loss per share is based on the basic loss per share, adjusted to allow for the issue of shares and the post-tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the loss and weighted average number of shares used in the calculations are set out below.

	6 months to 31 Dec 2010 US$'000 Unaudited	6 months to 31 Dec 2009 US$'000 Unaudited	Year ended 30 June 2010 US$'000 Audited
Continuing loss attributable to parent company	(4,312)	(5,282)	(10,740)
Profit/(loss) attributable to discontinued operations	542	(7,361)	20,047
(Loss)/profit for the period attributable to owners of parent	**(3,770)**	**(12,643)**	**9,307**
Weighted average number of ordinary shares in issue during the period – basic earnings per share	438,594,919	438,594,919	442,456,419
Effect of share options in issue	10,527,778	–	–
Weighted average number of ordinary shares fully diluted at end of the period – diluted earnings per share	**449,122,697**	**438,594,919**	**442,456,419**
Total and continuing earnings/(loss) per share			
Basic earnings/(loss) per share (US cents)			
Loss from continuing activities	(0.98)	(1.20)	(2.43)
Earnings/(loss) from discontinued activities	0.12	(1.68)	4.53
	(0.86)	(2.88)	2.10
Diluted earnings/(loss) per share (US cents)			
Loss from continuing activities	(0.98)	(1.20)	(2.43)
Earnings/(loss) from discontinued activities	0.12	(1.68)	4.53
	(0.86)	(2.88)	2.10

Where a loss has been incurred for the period, the diluted loss per share does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33.

8. Contingent liabilities

One of the Group's subsidiaries is engaged in a legal dispute with a former contractor. The contractor is claiming US$588,000 while the Group has provided for the amount it believes is payable, US$262,000.

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A Stephens (Non-executive)

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