

6 August 2009

NEW BRITAIN PALM OIL LIMITED

(“NBPOL” or the “Company”)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 (UNAUDITED)

New Britain Palm Oil Limited (LSE: NBPO), a large scale integrated industrial producer of palm oil in Australasia, today announces its unaudited interim results for the period ended 30 June 2009.

Financial highlights

- Profit before tax excluding IAS 41 (biological assets) of USD 41.9 million (H1 2008: USD 68.1 million)
- Revenue of USD 161.5 million (H1 2008: USD 175.9 million)
- Profit before tax excluding IAS 41 (biological assets) and revenue, adjusted for the late shipment of palm oil after the period end, would have been USD 49.2 million and USD 168.8 million respectively
- Basic EPS excluding IAS 41 of USD 21.2 cents per share (H1 2008: USD 35.3 cents per share)
- Strong balance sheet with cash balance of USD 48.3 million at half year end, providing opportunities for further growth
- Cash inflow from operations of USD 45.8 million (H1 2008: USD 53.8 million)

Operational highlights

- During the first half of 2009, a record total of 767,199 tonnes of fresh fruit bunches were processed up 15% (H1 2008: 667,008 tonnes)
- Total oils produced by the Company in the period was 190,187 tonnes – with 174,566 tonnes of Crude Palm Oil and 15,621 tonnes of Palm Kernel Oil (H1 2008: 154,143 tonnes and 13,939 tonnes respectively)
- CPO prices moved upwards from around \$550/tonne at the start of 2009 to levels above \$800 for a short time in April, and have since drifted back to current levels of approximately USD 700/tonne
- In the first six months the company has averaged sales of USD 730/tonne of CPO (H1 2008: USD 983/tonne)
- As at 30 June 2009, NBPOL had made sales and 'forward sales' of approximately 254,800 tonnes of all oils at an average price of USD 752/tonne
- The Company's crude palm oil extraction rate for the period was 22.75% (FY 2008: 23.1%)
- Commenced operations on our new plantation at Silovuti to the west of Kimbe
- The integrated palm oil processing facility in the UK is still on track to commence refining fully traceable and sustainable palm oil for the EU at the end of Q1 2010 with approximately half the works complete
- Good progress made in the construction of new methane capture ponds at two mill sites that will reduce reliance on mineral oil, reduce greenhouse gas emissions and produce excess electricity for sale to the grid

Commenting on the results, Mr Nick Thompson, Chief Executive Officer, said:

“New Britain Palm Oil enjoyed a good performance in the first half of 2009 but these results reflect lower world oil prices compared to the same period last year.

World CPO prices have improved from the start of the year with good demand particularly from India. Whilst the price of palm oil products, like all commodities, is difficult to predict, stocks held in the global supply chain are still relatively low at one and a half months usage and we have made good sales into the second half and also into 2010.

NBPOL's oils are fully traceable and sustainable and are well positioned to satisfy the market's requirement for these oils as well as speciality fats and oils that will also be traceable and sustainable once the Liverpool refinery commences operations early in 2010.

The Company also maintains a strong balance sheet to support further investment in, and growth of, its operations. NBPOL continues to trade in line with the board's expectations and the board remains confident of delivering further growth and progress.”

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NEW BRITAIN PALM OIL LIMITED
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 (UNAUDITED)

New Britain Palm Oil enjoyed a good performance in the first half of 2009 with profit before tax of USD 41.9 million (excluding IAS 41 (biological assets)) compared to USD 68.1 million in the same period last year and USD 106.3 million for the 2008 full year. This result reflects lower oil prices compared to the same period last year. At the end of the period approximately 34,000 tonnes of crude and refined palm oil were on hand, equating to USD 7.3 million of additional profits which will be accounted for on shipment.

CPO prices moved upwards from around \$550/tonne at the start of 2009 to levels above \$800 for a short time in April, and have since drifted back to current levels of approximately USD 700/tonne. Demand for CPO remains high as palm oil remains attractively priced versus other oils and palm oil stocks are still at relatively low levels compared to usage. During the first six months, the Company has averaged sales of USD 730/tonne of CPO compared to USD 983/tonne for the same period last year.

Cropping levels have been in line with expectations and pleasingly crops are still high at the start of the second half of 2009. Oil production is still some 13% higher than the same period in 2008 although oil extraction rates were a little disappointing at 22.75% due largely to unusual rainfall patterns that affected harvesting rounds at various times.

The Company's balance sheet remains strong with good cashflow from operations allied to funds in hand which are being used to finance expansionary activities. The downstream palm oil processing facility that is currently being built in the UK is approximately half complete and on budget and on time. This facility will produce fully traceable and sustainable refined palm oil products for key customers in the EU at the end of Q1 2010. Key experienced staff members to operate the facility have already been employed. The Company as part of its commitment as a sustainable palm oil producer and under its obligations to the Roundtable on Sustainable Palm Oil (RSPO) is commencing work at its subsidiaries in the Solomon Islands and at Ramu Agri Industries Limited (RAIL) to have them also certified with full RSPO accreditation. Full accreditation across all operations of the Company is a key component of our long term strategy.

Excellent progress has been made integrating RAIL into NBPOL's operations since its acquisition in September 2008 including harmonisation of agricultural standards, working conditions as well as budgeting and reporting methods. Palm oil production at RAIL is increasing and irrigation options are currently being explored that ought to improve yields further. The sugar season at RAIL has been encouraging with cane production in line with expectations.

Following the receipt of the necessary permits work has commenced on our new plantation at Silovuti with felling and levelling of a temporary campsite and once the site is levelled and drained the camp will be shipped by barge and set up. Demarcation of boundaries and clearing of road traces has also commenced. A total of 250 hectares is expected to be planted in 2009 out of a total available area of approximately 4,500 hectares with the balance to be planted in the next three to four years.

On 25 July 2009, the main plantation office building in the Solomon Islands at Tetera was destroyed by fire. There was no loss of life or injury and the Company's plantation and milling operations were not affected. An investigation is currently in progress and rebuilding efforts are already successfully underway.

Results

Revenue declined by 8% over the comparative period to USD 161.5 million (H1 2008: USD 175.9 million) as prices have reduced from the high levels experienced in the same period last year. Total oils shipped in the first six months is up 6.2% with 167,221 tonnes compared to 157,311 tonnes shipped for the corresponding period last year.

Gross margin was USD 82.4 million, a decline of 18% from USD 100.6 million for the same period last year.

During the first half of 2009, a total of 767,199 tonnes of fresh fruit bunches were processed compared to 667,008 for the same period last year with fruit production up over 15% across New Britain and the Solomons Islands and with RAIL processing just over 18,000 tonnes of fresh fruit bunches compared to nothing at RAIL for the same

period last year. Harvesting rounds are generally at acceptable levels and rainfall has been more than adequate in both Papua New Guinea and the Solomon Islands.

Seed revenues were lower than expectations with USD 1.8 million compared to USD 4.3 million for the first half of 2008 as a result of low demand from Indonesia primarily caused by the global financial crisis that has restricted and continues to restrict oil palm expansion in that country. However stronger orders for later in the year are now coming in as the Indonesian buyers are returning to the market after nearly a year of almost no new plantings. Seed stocks are high enough to meet this demand.

The cost of fruit from smallholders has reduced in line with the crude palm oil price. In the first half of 2009, we have paid USD 16.6 million compared to USD 34.1 million for the same period last year. Land royalties paid to incorporated landowner groups with whom we have long-term leases were also lower than the same period last year, as they are also based on fruit prices. In the first half of 2009, a total of USD 1.5 million was paid in royalties which is a reduction of 44% from USD 2.7 million paid in the same period last year.

Operating costs have generally been contained with some good savings on fertiliser being made compared to last year although some fertiliser costs remain at historically high prices. Fuel prices have also had a pleasing impact on costs as they remained at reasonable levels. During the first half we saved USD 3.9 million on fuel for transport and power generation. Usage of fuel was lower by volume resulting from the operations of the centralised power plant. Good progress has also been made with the first two methane capture plants that once commissioned will further reduce reliance on diesel fuel for power generation as well as reducing our carbon footprint and producing electricity for sale to the grid.

Distribution costs excluding RAIL are 5% lower than the corresponding period last year, reflecting lower freight costs. Administrative expenses rose significantly from USD 16.8 million in H1 2008 to USD 26.0 million in H1 2009 due mainly to inclusion of RAIL administrative expenses in 2009 of USD 5.2 million, although salaries were also higher with a higher bonus payment to senior staff in H1 2009.

Operating profit including IAS 41 was USD 94.5 million compared to USD 74.4 million for the comparative period reflecting the effect of IAS 41 gains in the year to date being USD 52.9 million compared to USD 8.2 million in H1 2008.

Interest income on the Company's cash balances has been lower than H1 2008 as the group has utilised funds for expansion combined with lower interest rates. Interest expense has increased to \$1.4 million compared to \$0.5 million in the corresponding period last year due to the inclusion of RAIL's loans in the group's position this period.

Tax expense for the period was USD 27.7 million compared to USD 20.4 million for the same period last year.

Profit after tax for the period was USD 67.1 million including IAS 41 and USD 30.1 million excluding IAS 41 compared to H1 2008 of USD 56.0 million including IAS 41 and USD 50.2 million excluding IAS 41. Profit after tax for the whole of 2008 excluding IAS 41 was USD 76.4 million. At the end of June there were 34,041 tonnes of oil in stock that had there been a ship in June to take the oil, would have added an additional profit of \$7.3 million for the period.

Earnings per share for the six months ended 30 June 2009 including the effects of IAS 41 improved from 37.4 cents in H1 2008 to US 46.1 cents for H1 2009. This reflects the higher IAS 41 effect at the end of June 2009. Earnings per share excluding IAS 41 were US 21.2 cents compared to US 35.3 cents for the same period last year reflecting the drop in CPO prices from the very high levels experienced in H1 2008.

'Other comprehensive income' of USD (8,573) are movements that under accounting convention were previously included in statement of changes in equity under reserves, now however they are included in the Group Statement of Comprehensive Income but are not included in calculating EPS.

Balance sheet

The Company's balance sheet remains strong with cash reserves of \$48.3 million and total borrowings of USD 56.4 million of which USD 40.3 million came with the addition of RAIL. NBPOL generates significant free cash flow which is being used mainly to fund expansion both in terms of processing capacity and new plantations.

Trade and other receivables are lower at USD 58.2 million compared to USD 62.3 for the first half of 2008. This reflects the lower value of sales and also the timing of shipments. Trading terms, being tied to standard Federation of Oils, Seeds and Fats Associations Ltd ("FOSFA International") contracts, remain unchanged.

Inventories increased by 70% to USD 54.0 million compared to USD 31.7 million at the end June 2008, reflecting mainly the high oil stocks as well as the addition of RAIL which has high spare parts inventories as well as sugar stocks together totalling USD 19.1 million.

Derivative financial instruments showed significant reductions both in current and non current liabilities. The current liability amount of derivative financial instruments reduced from USD 16.2 million to USD 0.3 million while the non current liability reduced from USD 10.1 million to USD 0.2 million. These reductions are due to fact that there is little exposure on our hedge book compared to the same period last year.

Cashflow and capital expenditure

Net cash inflow from operating activities was USD 45.8 million compared to USD 53.8 million for the same period last year. Investing activities increased from USD 22.2 million for H1 2008 to USD 43.1 million this year as a result of increased capital expenditure including upgrading Mosa and Kumbango mills as well as building the downstream processing plant in the UK. The net cash movement after financing activities including payment of the May dividend of USD 20.1 million was a reduction of USD 18.0 million compared to an increase to June 2008 of USD 9.7 million as the company continues to expand. The Company ended the period with USD 40.0 million net cash in hand (H1 2008: USD 144.7 million) having started the year with net cash balances of USD 54.9 million.

Outlook

World CPO prices have improved from the start of the year with good demand particularly from India. Whilst the prices of palm oil products, like all commodities, is difficult to predict, stocks held in the global supply chain are still relatively low at one and a half months usage and we have made good sales into the second half and also into 2010. NBPOL is still well positioned to benefit from the continued strong demand for palm oil products, and in particular the increasing requirement for them to be fully traceable and sustainable.

NBPOL continues to trade in line with the board's expectations and the board remains confident of delivering further growth and progress.

NEW BRITAIN PALM OIL LIMITED GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS TO 30 JUNE 2009

	Notes	Unaudited 6 months to 30 June 2009 USD'000	Unaudited 6 months to 30 June 2008 USD'000	Audited 12 months to 31 December 2008 USD'000
Revenue	2	161,503	175,907	352,219
Cost of sales		<u>(79,106)</u>	<u>(75,276)</u>	<u>(165,817)</u>
Gross profit		82,397	100,631	186,402
Net gain/(loss) arising from changes in fair value of biological assets	4	52,905	8,185	(77,476)
Other income	2	5,565	1,715	1,399
Distribution costs		(20,402)	(19,384)	(42,118)
Administrative expenses		<u>(26,005)</u>	<u>(16,795)</u>	<u>(45,161)</u>
Operating profit		94,460	74,352	23,046
Interest income		822	1,861	3,860
Finance costs		<u>(1,359)</u>	<u>(537)</u>	<u>(1,606)</u>
Net finance costs		(537)	1,324	2,254
Share of profit from joint venture		<u> </u>	<u> </u>	<u> </u>

	859	658	3,505
Profit before income tax	94,782	76,334	28,805
Income tax expense	(27,679)	(20,368)	(6,605)
Profit for the period	67,103	55,966	22,200
Other comprehensive income			
Cash flow hedges	(15,680)	687	42,256
Currency translation differences	2,403	9,987	13,103
Income tax relating to components of other comprehensive income	4,704	(206)	(12,677)
Other comprehensive income for the period, net of tax	(8,573)	10,468	42,682
Total comprehensive income for the period	58,530	66,434	64,882
Profit for the period is attributable to:			
Equity holders of the company	66,823	54,204	21,245
Minority interest	280	1,762	955
	<u>67,103</u>	<u>55,966</u>	<u>22,200</u>
Total comprehensive income for the period is attributable to:			
Equity holders of the company	58,250	64,672	63,927
Minority interest	280	1,762	955
	<u>58,530</u>	<u>66,434</u>	<u>64,882</u>
Earnings per share for profit for the period attributable to the equity holders of the company:	9	\$	\$
- Basic	0.461	0.374	0.147
- Diluted	0.461	0.374	0.147

Earnings before net gain/(loss) arising from changes in fair value of biological assets are shown in Note 9.

NEW BRITAIN PALM OIL LIMITED
GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2009

	Notes	Unaudited As at 30 June 2009 USD'000	Unaudited As at 30 June 2008 USD'000	Audited As at 31 December 2008 USD'000
NON CURRENT ASSETS				
Property, plant and equipment	3	357,827	202,641	326,817

Biological assets	4	117,391	144,002	67,732
Investment in joint venture		<u>5,753</u>	<u>4,765</u>	<u>4,779</u>
		<u>480,971</u>	<u>351,408</u>	<u>399,328</u>
CURRENT ASSETS				
Cash and cash equivalents	5	48,283	147,745	64,582
Trade and other receivables		58,175	62,274	62,512
Derivative financial instruments	7	-	-	15,905
Biological assets	4	17,213	146	10,306
Inventories		<u>53,966</u>	<u>31,720</u>	<u>51,280</u>
		<u>177,637</u>	<u>241,885</u>	<u>204,585</u>
TOTAL ASSETS		<u>658,608</u>	<u>593,293</u>	<u>603,913</u>
NON CURRENT LIABILITIES				
Borrowings	6	45,745	14,528	45,322
Derivative financial instruments	7	166	10,093	-
Deferred income tax liabilities		<u>92,917</u>	<u>73,959</u>	<u>86,084</u>
		<u>138,828</u>	<u>98,580</u>	<u>131,406</u>
CURRENT LIABILITIES				
Borrowings	6	10,728	3,601	13,105
Trade and other payables		30,053	10,832	29,548
Derivative financial instruments	7	307	16,226	-
Current income tax liabilities		44,946	29,666	34,491
Dividends payable		<u>-</u>	<u>17,612</u>	<u>-</u>
		<u>86,034</u>	<u>77,937</u>	<u>77,144</u>
TOTAL LIABILITIES		<u>224,862</u>	<u>176,517</u>	<u>208,550</u>
NET ASSETS		<u>433,746</u>	<u>416,776</u>	<u>395,363</u>
SHAREHOLDERS' EQUITY				
Issued capital		124,879	124,879	124,879
Other reserves		44,688	21,047	53,261
Retained earnings		<u>259,729</u>	<u>265,873</u>	<u>213,053</u>
		429,296	411,799	391,193
Minority interest in equity		<u>4,450</u>	<u>4,977</u>	<u>4,170</u>

TOTAL EQUITY

433,746

416,776

395,363

NEW BRITAIN PALM OIL LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS TO 30 JUNE 2009

	Attributable to equity holders of the Company				Minority Interest USD'000	Total Equity USD'000	
	Notes	Issued Capital USD'000	Other Reserves USD'000	Retained Earnings USD'000			Total USD'000
Balance at 1 January 2008		124,879	10,579	231,801	367,259	3,215	370,474
Total comprehensive income for the period		-	10,468	54,204	64,672	1,762	66,434
Dividends declared		-	-	(20,132)	(20,132)	-	(20,132)
		-	-	(20,132)	(20,132)	-	(20,132)
Balance at 30 June 2008		124,879	21,047	265,873	411,799	4,977	416,776
Total comprehensive income for the period		-	32,214	(32,959)	(745)	(807)	(1,552)
Dividends declared		-	-	(19,861)	(19,861)	-	(19,861)
		-	-	(19,861)	(19,861)	-	(19,861)
Balance at 31 December 2008		124,879	53,261	213,053	391,193	4,170	395,363
Total comprehensive income for the period		-	(8,573)	66,823	58,250	280	58,530
Dividends declared		-	-	(20,147)	(20,147)	-	(20,147)
		-	-	(20,147)	(20,147)	-	(20,147)
Balance at 30 June 2009		124,879	44,688	259,729	429,296	4,450	433,746

NEW BRITAIN PALM OIL LIMITED
GROUP STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS TO 30 JUNE 2009

	Notes	Unaudited 6 months to 30 June 2009 USD'000	Unaudited 6 months to 30 June 2008 USD'000	Audited 12 months to 31 December 2008 USD'000
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		165,840	171,340	351,180
Cash payments to suppliers and employees				

	(112,675)	(118,854)	(222,113)
	53,165	52,486	129,067
Income tax paid	(6,838)	-	(4,688)
Interest paid	(1,359)	(537)	(1,606)
Interest received	822	1,861	3,860
Net cash generated from operating activities	<u>45,790</u>	<u>53,810</u>	<u>126,633</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments	-	(361)	-
Acquisition of subsidiary, net of cash acquired	-	-	(63,391)
Purchase of property, plant and equipment	(34,211)	(18,791)	(52,169)
Expenditure on plantation development	(8,528)	(2,684)	(13,456)
Expenditure on biological assets	(334)	(402)	(697)
Net cash used in investing activities	<u>(43,073)</u>	<u>(22,238)</u>	<u>(129,713)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	466	-	1,318
Repayment of borrowings	(1,032)	(511)	(3,892)
Dividends paid to company shareholders	(20,147)	(21,361)	(61,472)
Net cash (used in)/generated from financing activities	<u>(20,713)</u>	<u>(21,872)</u>	<u>(64,046)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS			
	(17,996)	9,700	(67,126)
Effects of exchange rate changes on cash and cash equivalents and bank overdrafts	3,093	3,676	(9,292)
Add : Cash and cash equivalents and bank overdrafts at the beginning of the period	54,863	131,281	131,281
CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE PERIOD	<u>5</u> <u>39,960</u>	<u>144,657</u>	<u>54,863</u>

RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	Unaudited 6 months to 30 June 2009 USD'000	Unaudited 6 months to 30 June 2008 USD'000	Audited 12 months to 31 December 2008 USD'000
Profit after income tax	67,103	55,966	22,200
Add/(less) non-cash items:			
Depreciation and amortisation			

	11,334	8,973	20,143
Biological (gain)/loss	(52,905)	(8,185)	77,476
Net exchange differences	3,093	(3,676)	9,292
Exchange differences on translation of financial statements	2,084	1,776	1,354
Share of profit from joint venture	(859)	(658)	(3,505)
Deferred income tax	2,129	1,926	(22,485)
Loss on disposal of non current assets	-	-	-
Add/(less) movements in working capital items:			
(Increase)/decrease in trade and other receivables	4,337	(6,307)	43
Increase/(decrease) in current income tax liabilities	10,455	17,927	22,753
Increase/(decrease) in trade and other payables	1,405	(388)	1,319
(Increase)/decrease in inventories	<u>(2,386)</u>	<u>(13,544)</u>	<u>(1,957)</u>
Net cash generated from operating activities	<u><u>45,790</u></u>	<u><u>53,810</u></u>	<u><u>126,633</u></u>

NEW BRITAIN PALM OIL LIMITED
NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS TO 30 JUNE 2009

1. STATEMENT OF ACCOUNTING POLICIES

New Britain Palm Oil Limited was incorporated on 19 May 1967, as a limited liability company in Papua New Guinea. New Britain Palm Oil Limited and its subsidiaries (“the Group”) operate in the oil palm industry in Papua New Guinea, the Solomon Islands, Indonesia, Singapore and Australia.

The address of New Britain Palm Oil Limited’s registered office is Bebere Plantation, Mosa, Kimbe, West New Britain Province, Papua New Guinea.

New Britain Palm Oil Limited is listed on the Port Moresby Stock Exchange and the London Stock Exchange.

This consolidated interim financial information does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2008 were approved by the Board of Directors on 20 March 2009 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 237 of the Companies Act 1985.

This consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, *Interim Financial Reporting*, and is unaudited. The consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRS.

(a) Accounting policies

Except as described below, the accounting policies applied in these consolidated interim financial information are consistent with those of the annual financial statements for year ended 31 December 2008, as described in those annual financial statements.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2009, and have been adopted by the Group:

IAS 1 (Revised), *Presentation of financial statements*

IAS 41 (Amendment), *Agriculture*
 IFRS 3 (Revised), *Business combinations*
 IAS 36 (Amendment), *Impairment*
 IAS 39 (Amendment), *Financial instruments; Recognition and measurement*
 IFRS 8, *Operating segments*

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in these consolidated interim financial information are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated interim financial information is presented in US Dollars, which is New Britain Palm Oil Limited's presentation currency and differs from its functional currency, the Papua New Guinea Kina ("PNG Kina").

The balance sheets and statements of changes in equity are translated from PNG Kina to US Dollars at the closing rate existing at the date of the balance sheet, which at 30 June 2009 is PGK1.00 = USD 0.3780 (31 December 2008: PGK 1.00 = USD 0.3760).

The income statements and statements of cash flows are translated from PNG Kina to US Dollars at the average exchange rates prevailing during the period, which are considered to approximate the actual exchange rate at the date of each transaction. The average exchange rate at 30 June 2009 is PGK1.00 = USD 0.358 (31 December 2008: PGK 1.00 = USD 0.3766).

2. REVENUE AND OTHER INCOME

	Unaudited 6 months to 30 June 2009 USD'000	Unaudited 6 months to 30 June 2008 USD'000	Audited 12 months to 31 December 2008 USD'000
Revenue			
Sales revenue	150,861	194,274	379,165
Realisation of hedging instruments	<u>10,642</u>	<u>(18,367)</u>	<u>(26,946)</u>
	<u>161,503</u>	<u>175,907</u>	<u>352,219</u>
Other income			
Foreign exchange gain	4,063	1,437	-
Other income	<u>1,502</u>	<u>278</u>	<u>1,399</u>
	<u>5,565</u>	<u>1,715</u>	<u>1,399</u>

3. PROPERTY, PLANT AND EQUIPMENT

	Plantation Development USD'000	Land and Buildings USD'000	Plant and Equipment USD'000	Capital WIP USD'000	Total USD'000
As at 30 June 2009					
Opening net book amount	87,666	124,138	54,472	60,541	326,817
Additions	8,528	-	2,690	31,521	42,739
Disposals	-				

		-	-	-	-
Transfers	-	5,978	19,878	(25,856)	-
Exchange differences	(760)	3,125	1,135	(3,895)	(395)
Depreciation	<u>(2,129)</u>	<u>(1,716)</u>	<u>(7,489)</u>	<u>-</u>	<u>(11,334)</u>
Closing net book amount	<u>93,305</u>	<u>131,525</u>	<u>70,686</u>	<u>62,311</u>	<u>357,827</u>
At cost	122,418	133,027	150,760	62,311	468,516
At valuation	-	22,007	-	-	22,007
Accumulated depreciation	<u>(29,113)</u>	<u>(23,509)</u>	<u>(80,074)</u>	<u>-</u>	<u>(132,696)</u>
	<u>93,305</u>	<u>131,525</u>	<u>70,686</u>	<u>62,311</u>	<u>357,827</u>
As at 31 December 2008					
Opening net book amount	63,738	56,169	41,625	20,645	182,177
Additions	13,456	-	407	51,762	65,625
Acquisition of subsidiary	12,147	63,286	17,591	785	93,809
Disposals	-	(851)	(25)	-	(876)
Transfers	-	6,749	7,967	(14,716)	-
Exchange differences	2,517	1,242	401	2,065	6,225
Depreciation	<u>(4,192)</u>	<u>(2,457)</u>	<u>(13,494)</u>	<u>-</u>	<u>(20,143)</u>
Closing net book amount	<u>87,666</u>	<u>124,138</u>	<u>54,472</u>	<u>60,541</u>	<u>326,817</u>
At cost	114,650	123,924	127,057	60,541	426,172
At valuation	-	22,007	-	-	22,007
Accumulated depreciation	<u>(26,984)</u>	<u>(21,793)</u>	<u>(72,585)</u>	<u>-</u>	<u>(121,362)</u>
	<u>87,666</u>	<u>124,138</u>	<u>54,472</u>	<u>60,541</u>	<u>326,817</u>
As at 30 June 2008					
Opening net book amount	63,738	56,169	41,625	20,645	182,177
Additions	2,684	-	1,511	18,919	23,114
Disposals	-	(132)	(146)	-	(278)
Transfers	-	4,016	310	(4,326)	-
Exchange differences	1,023	2,420	2,366	792	6,601
Depreciation	<u>(2,051)</u>	<u>(1,244)</u>	<u>(5,678)</u>	<u>-</u>	<u>(8,973)</u>
Closing net book amount	<u>65,394</u>	<u>61,229</u>	<u>39,988</u>	<u>36,030</u>	<u>202,641</u>

At cost	90,237	81,809	104,757	36,030	312,833
Accumulated depreciation	<u>(24,843)</u>	<u>(20,580)</u>	<u>(64,769)</u>	<u>-</u>	<u>(110,192)</u>
	<u>65,394</u>	<u>61,229</u>	<u>39,988</u>	<u>36,030</u>	<u>202,641</u>

4. BIOLOGICAL ASSETS

	Unaudited As at 30 June 2009 USD'000	Unaudited As at 30 June 2008 USD'000	Audited As at 31 December 2008 USD'000
<i>Oil palm trees</i>			
Balance at the beginning of the year	64,228	134,143	134,143
Increases due to expenditure to planted areas	297	402	697
Gain (loss) arising from changes in fair value	84,004	66,433	(22,971)
Decreases due to harvest	(37,424)	(58,248)	(56,321)
Increases resulting from acquisition of subsidiary	-	-	3,767
Exchange differences	<u>2,960</u>	<u>1,272</u>	<u>4,913</u>
Balance at the end of the year	<u>114,065</u>	<u>144,002</u>	<u>64,228</u>
<i>Livestock</i>			
Balance at the beginning of the year	5,790	138	138
Increases due to expenditure on livestock	38	-	1,125
Gain (loss) arising from changes in fair value	2,626	-	2,304
Decreases due to sales	(1,819)	-	(1,439)
Increases resulting from acquisition of subsidiary	-	-	3,919
Exchange differences	<u>18</u>	<u>8</u>	<u>(257)</u>
Balance at the end of the year	<u>6,653</u>	<u>146</u>	<u>5,790</u>
<i>Growing cane</i>			
Balance at the beginning of the year	8,020	-	-
Increases due to expenditure on growing cane	-	-	-
Gain (loss) arising from changes in fair value	8,751	-	951
Decreases due to harvest	(3,233)	-	-
Increases resulting from acquisition of subsidiary	-	-	7,069
Exchange differences	<u>349</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>13,887</u>	<u>-</u>	<u>8,020</u>
<i>Total</i>			
Balance at the beginning of the year	78,038	134,281	134,281
Increases due to expenditure	334	402	1,822
Gain (loss) arising from changes in fair value	95,381	66,433	(19,716)
Decreases due to harvest and sales	(42,476)	(58,248)	(57,760)
Increases resulting from acquisition of subsidiary	-	-	14,756
Exchange differences	<u>3,327</u>	<u>1,280</u>	<u>4,656</u>
Balance at the end of the year	<u>134,604</u>	<u>144,148</u>	<u>78,038</u>
Classified as:			
Current	17,213	146	10,306
Non Current	<u>117,391</u>	<u>144,002</u>	<u>67,732</u>
	<u>134,604</u>	<u>144,148</u>	<u>78,038</u>

Net (loss) gain arising from changes in fair value of biological assets	52,905	8,185	(77,476)
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5. CASH AND CASH EQUIVALENTS

	Unaudited As at 30 June 2009 USD'000	Unaudited As at 30 June 2008 USD'000	Audited As at 31 December 2008 USD'000
Cash and bank balances	11,650	10,430	5,808
Short term deposits	<u>36,633</u>	<u>137,315</u>	<u>58,774</u>
	<u><u>48,283</u></u>	<u><u>147,745</u></u>	<u><u>64,582</u></u>

For the purposes of the statement of cash flows, the following balances comprise cash and cash equivalents at the end of the period:

Cash and bank balances	11,650	10,430	5,808
Short term deposits	36,633	137,315	58,774
Bank overdraft (note 6)	<u>(8,323)</u>	<u>(3,088)</u>	<u>(9,719)</u>
	<u><u>39,960</u></u>	<u><u>144,657</u></u>	<u><u>54,863</u></u>

6. BORROWINGS

	Unaudited As at 30 June 2009 USD'000	Unaudited As at 30 June 2008 USD'000	Audited As at 31 December 2008 USD'000
Non-Current			
Secured			
Bank borrowings	<u>45,745</u>	<u>14,528</u>	<u>45,322</u>
Current			
Secured			
Bank overdraft	8,323	3,088	9,719
Bank borrowings	<u>2,405</u>	<u>513</u>	<u>3,386</u>
	<u><u>10,728</u></u>	<u><u>3,601</u></u>	<u><u>13,105</u></u>
Total borrowings	<u><u>56,473</u></u>	<u><u>18,129</u></u>	<u><u>58,427</u></u>

7. DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited As at 30 June 2009 USD'000	Unaudited As at 30 June 2008 USD'000	Audited As at 31 December 2008 USD'000
Current assets			
- Forward contracts	<u>-</u>	<u>-</u>	<u>15,905</u>
Current liabilities			
- Forward contracts	<u>307</u>	<u>16,226</u>	<u>-</u>
Non Current liabilities			
- Forward contracts	<u>166</u>	<u>10,093</u>	<u>-</u>

	As at 30 June 2009	Tonnes As at 30 June 2008	As at 31 December 2008	As at 30 June 2009	Average price US\$/tonne As at 30 June 2008	As at 31 December 2008
CPO (sell)	90,000	112,500	46,750	694	960	948
CPO (buy)	44,250	51,500	27,250	689	1,189	837
PKO (sell)	4,000	1,000	2,500	767	1,224	1,090
PKO (buy)	1,000	-	2,000	815	-	533
RDBOL (sell)	62,500	20,500	13,500	630	1,080	1,017
RDBOL (buy)	28,000	17,500	17,500	647	1,214	722

8. DIVIDENDS DECLARED

	Unaudited As at 30 June 2009 USD'000	Unaudited As at 30 June 2008 USD'000	Audited As at 31 December 2008 USD'000
Dividends declared	<u>20,147</u>	<u>20,132</u>	<u>39,993</u>
Number of shares ('000)	144,799	144,799	144,799
\$US per share	0.14	0.14	0.28

9. EARNINGS PER SHARE

	Unaudited 6 months ended 30 June 2009 USD'000	Unaudited 6 months ended 30 June 2008 USD'000	Audited 12 months to 31 December 2008 USD'000
Net profit attributable to ordinary shareholders used in basic and diluted EPS	66,823	54,204	21,245
Net (gain)/loss arising from changes in fair value of biological assets attributable to ordinary shareholders, net of tax (*)	<u>(36,129)</u>	<u>(3,136)</u>	<u>53,590</u>
Net profit attributable to ordinary shareholders before changes in fair value of biological assets	<u><u>30,694</u></u>	<u><u>51,068</u></u>	<u><u>74,835</u></u>
Weighted average number of ordinary shares ('000) used in basic and diluted EPS	144,799	144,799	144,799
Basic EPS (USD/share)	0.461	0.374	0.147
Basic EPS before changes in fair value of biological assets (USD/share)	0.212	0.353	0.517

There is no difference between basic and diluted EPS.

* The net (gain)/loss arising from changes in fair value of biological assets attributable to ordinary shareholders, net of tax is reconciled to the income statement as follows:

Net (gain)/loss arising from changes in fair value of biological assets	(52,905)	(8,185)	77,476
Income tax expense/(credit)	<u>15,872</u>	<u>2,456</u>	<u>(23,243)</u>
	(37,033)	(5,729)	54,233
Attributable to:			
Ordinary shareholders	(36,129)	(3,136)	53,590
Minority interest	<u>(904)</u>	<u>(2,593)</u>	<u>643</u>
	(37,033)	(5,729)	54,233

10. SEGMENT INFORMATION

	Unaudited As at 30 June 2009 USD'000	Unaudited As at 30 June 2008 USD'000	Audited As at 31 December 2008 USD'000
Sales revenue			
Papua New Guinea	151,389	160,298	323,573
Solomon Islands	10,114	15,609	28,646
	<u>161,503</u>	<u>175,907</u>	<u>352,219</u>
Total assets			
Papua New Guinea	568,965	534,935	547,331
Solomon Islands	45,837	47,345	40,954

United Kingdom	34,189	-	6,383
Indonesia	4,955	4,398	1,930
Singapore	1,357	751	4,027
Australia	3,305	5,864	3,288
	<u>658,608</u>	<u>593,293</u>	<u>603,913</u>

Acquisitions of segment assets

Papua New Guinea	33,125	19,388	56,467
Solomon Islands	592	2,489	7,050
United Kingdom	9,022		1,807
Singapore	-	-	300
	<u>42,739</u>	<u>21,877</u>	<u>65,624</u>

11. POST BALANCE SHEET EVENTS

The Group has no reportable post balance sheet events.