



**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2011**

Peninsula Energy Limited and Controlled Entities

Interim Financial Report

Contents

	Page
Company Particulars	3
Director's Report	4
Auditor's Independence Declaration	9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Financial Statements	14
Directors Declaration	19
Independent Review Report	20

Company Particulars

Directors

John (Gus) Simpson	Executive Chairman
Malcolm James	Executive Director – Finance and Operations
Warwick Grigor	Non-Executive Director
Michael Barton	Non-Executive Director
Alf Gillman	Executive Technical Director

Company Secretary

Jonathan Whyte

Registered and Principal Office

Level 2, 100 Railway Road
Subiaco WA 6008

Telephone: (08) 9380 9920
Facsimile: (08) 9381 5064

Website

www.pel.net.au

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:	PENOA
		PENOC

Directors Report

Your Directors submit the financial report of the economic entity for the half-year ended 31 December 2011.

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
Warwick Grigor	Non-Executive Director
Alan Marlow	Non-Executive Technical Director (resigned 30 September 2011)
Michael Barton	Non-Executive Director
Alf Gillman	Executive Technical Director (appointed 3 October 2011)

REVIEW OF OPERATIONS

WYOMING, USA – LANCE URANIUM PROJECTS

Peninsula Energy Ltd 100%

Definitive Feasibility and Expanded Economic Studies Confirm the Viability of Lance Projects

On 21 December 2011 Peninsula announced the completion of the Ross project Definitive Feasibility Study (DFS) and the Lance projects Expanded Economic Study (EES) on three production units planned for Ross, Kendrick and Barber.

The key results of the DFS and EES were:

- The Ross DFS and the Lance EES confirmed the technical and economic viability of the Lance in-situ recovery (ISR) uranium projects;
- Ross DFS NPV US\$46 million;
- Lance EES NPV US\$207 million with an initial capital requirement of US\$79 million including the capital cost of the Central Processing Plant (CPP);
- Steady state total production cost of US\$31.55 per pound U₃O₈ including indirect taxes, royalties and ongoing well-field development (C1 cash costs of US\$11.93 per pound);
- Planned steady state annual production rate of 2.19mlbs U₃O₈ per annum from three production units within three years of start-up with initial mine plan based on 17.2mlbs recovered U₃O₈; and
- Exploration potential of Lance projects estimated at 95-145mlbs U₃O₈.

The Lance ISR uranium projects are ready to be progressed to development stage following permitting and project funding, which are well advanced. Subject to Board approval, construction is estimated to commence in 2012, with first production targeted for late 2012/early 2013, ramping up over 2013. This timeline is subject to permitting approvals.

The Company is now working towards detailed design and engineering and to awarding an EPCM contract for the projects ahead and the commencement of site preparation works.

Nuclear Regulatory Commission Approves Earlier Deep Disposal Well Testing

On 16 January 2012 the United States Nuclear Regulatory Commission (NRC) advised Peninsula's wholly owned subsidiary Strata Energy, Inc. that the development of a deep disposal well to test subsurface conditions would be considered exploration activity (as opposed to construction) and, therefore, Strata can begin drilling without any further approval.

This decision allows the Company to proceed with DDW testing significantly ahead of original schedule and could see flow rates at the upper limits of expectation that would lead to significant capital expenditure reductions at the Lance Projects.

Directors Report

The DDW'S will be used to inject non-hazardous wastes at depths in excess of 8,000 feet below the surface in order to meet the water management requirements of the proposed operations at the Lance Projects.

The NRC has confirmed that Strata can, upon the issue of the Source Materials License, apply to have the test deep disposal well converted for operations.

Permitting and Project Development Timeline

The Company has previously submitted technical and environmental applications to the WDEQ for the Permit to Mine and the NRC for the Source Materials License. These submissions have been accepted as technically/environmentally complete for review by both agencies. The quality of the submissions has provided the Company with the basis to submit amendments to bring on the further production units in a timely and efficient manner.

The WDEQ has finalised its technical and environmental reviews and the Company has completed the submission on the request for further information. The WDEQ has advised that subject to the Company lodging the appropriate restoration and reclamation bonds, and finalizing the acquisition of land for the Central Processing Plant, the Permit to Mine will be issued for public comment. Subsequent to the end of the period under review the Company has acquired the land on which the Central processing Plant will be constructed.

In January 2012 the NRC issued Requests for Additional Information (RAIs) to support their technical and environmental review of the Source Materials License application. The RAIs were issued ahead of NRC schedule and were significantly less than have typically been issued. The Strata team has anticipated the content of many of the RAIs and have commenced the work necessary to lodge detailed responses. The NRC has also advised that it will complete the draft Supplemental Environmental Impact Statement (DSEIS) by no later than December 2012.

Based on the quality of the applications submitted by the Company it is anticipated that the DSEIS will be released prior to the timeline indicated by the NRC.

Drilling Programme

During the half year period Peninsula completed 452 development drill holes for a total of 335,820 feet at the Lance Project. Of the 452 drill holes completed, 171 holes encountered significant mineralization. A total of 49 holes recorded multiple stacked intersections of uranium mineralization.

In May 2011 a drill program comprising resource conversion and exploration drilling commenced in the Kendrick area. This drilling is producing thick high grade intercepts along several extensive roll front trends and the area is now categorised as a key area for resource expansion given its close proximity to the proposed Central Processing Plant site.

Recent drilling on the K4 and K5 roll fronts has confirmed along-strike continuity of over 500 metres together with horizontal widths of up to 60 metres.

The K4 and K5 roll fronts are located to the east of and adjacent to the K3 roll front trend which is down-gradient from the main roll front within the permit area. The expectation is that much of the inferred material within these areas will be re-classified as indicated. The K3, K4 and K5 roll fronts are currently open-ended and continuing exploration is targeting both the northern and southern strike extensions as well as defining the nose position.

High grade intersections were returned from the K4 roll front trend including RMR1779 which returned 13.5ft @ 2,360ppm eU3O8 from 822.25ft including 8.5ft @ 3,420ppm eU3O8, RMR1757 which returned 12.5ft @ 1,220ppm eU3O8 from 813.75 ft including 5ft @ 2,330ppm eU3O8 and RMR1755 which returned 7.5ft @ 1,400ppm eU3O8 from 813.75 ft including 4ft @ 2,140ppm eU3O8.

As a result of the successful targeting of the roll front nose position, the average GT of the >0.2GT intersections is 0.64 with a weighted average grade of 826ppm eU3O8. These improved GT's and grades are considered by Peninsula to be indicative of the GT's and average grades of the overall Lance resource which currently comprises a total of 41.5Mlbs. Future exploration in other key areas of the Lance Projects, that will target the roll front nose, is expected to confirm an uplift in average GT and grade of the overall resource.

Directors Report

Two drilling rigs are currently in operation with one dedicated to the along strike exploration and one to intersecting the high grade nose position of the roll front. Peninsula also has a full time PFN logging contractor on site to ensure the rapid turn-around of drilling results.

SOUTH AFRICA – URANIUM/MOLYBDENUM EXPLORATION

Peninsula Energy Ltd 74%/BEE Group 26%

RC drilling continued at Site 29 and Site 22 during the half year under review and further demonstrated the widespread distribution of near surface high grade uranium located in broad paleochannels. Initial exploration also commenced at the highly prospective Site 45 with the re-logging of 15 open historic drillholes, with 13 of these recording intersections greater than 200ppm.

Site 29

Since the commencement of exploration at Site 29 in January 2011, Peninsula has completed 210 RC drillholes for 5,381m (17,654ft). This drilling has returned a total of 95 intersections in excess of 200ppm. A further 167 historic holes have also been probed returning 82 intersections in excess of 200ppm eU₃O₈.

Since July 2011 a total of 113 RC, diamond and historic-hole-confirmation drillholes have been completed, with the majority during the current quarter. Of these completed holes, a total of 47 intersections were returned in excess of 200ppm eU₃O₈.

The drill results continue to confirm strong high-grade mineralisation in paleochannels averaging a thickness of 3.05ft (at 200ppm eU₃O₈ cut off). This mean thickness is consistent with the historic results for the project site and is typical of the thickness of mineralised zones in the Karoo.

Highlights included:

- QFN0162RC **10.7ft at 1,755ppm eU₃O₈** from 29.2ft
- QFN0382RC **20.5ft at 300ppm eU₃O₈** from 23.8ft
- QFN0167RC **3.61ft at 2,560ppm eU₃O₈** from 31.2ft

During the 1970's Union Carbide calculated the presence of approximately 600,000lbs eU₃O₈ in a small part of Site 29, which in total covers 128km².

Union Carbide reported an average grade exceeding 1,000ppm eU₃O₈ and the mineralisation being hosted by the Poortjie formation. This sedimentary sandstone formation is the main target for uranium mineralisation in the Karoo.

It is important to note that exploration activity to date has been concentrated on a very limited part of Site 29. Further exploration drilling is planned for 2012 to determine the sub-surface extent of the host sandstone unit and to target further mineralization. This will be accomplished by drilling 200m spaced stratigraphic holes in both east-west and north-south fences across the property.

Site 22

Drilling was suspended for much of the period under review to allow for a review of the data. All outstanding analytical results were received and processed during the period and have been incorporated into the database. Final positions for all boreholes were also surveyed and captured. Modelling of the ore bodies at different cut-off grades is in progress.

The results from four diamond core holes were received from Site 22. These holes were drilled with the primary purpose of providing QAQC validation checks on the down-hole gamma logging technique that is being utilised as the main measure of grade in the Karoo programs. In addition, samples were assayed for molybdenum (Mo).

The results generally show a very good correlation between the assay and gamma logging methods and a good correlation between U₃O₈ and Mo values within the mineralised zone.

Directors Report

Site 45

Site 45 is located 120km northwest of Beaufort West and comprises a contiguous area of 489km². During the late-1970's JCI completed a total of 431 exploration holes in a central portion of the project area. Based on this data JCI calculated the presence of approximately 4.8Mlbs eU₃O₈ in the Davidskolk formation.

During December 2011 Peninsula field crew were able to undertake non-invasive exploration work in preparation for an extensive drilling campaign planned for 2012 at Site 45. A total of 15 drillholes that were open to the expected mineralised depth were probed with a gamma tool. This initial program returned results for 13 with intersections exceeding 200ppm with highlights including:

- DH SFN0336 **9.2ft at 1,095ppm eU₃O₈** from 45.4ft
- DH SFN0443 **7.7ft at 592ppm eU₃O₈** from 47.4ft

An RC drilling programme is planned at Site 45 for 2012 and the Company is awaiting the final approval of drill permits. The completion of this programme should allow the generation of an initial JORC compliant resource for the Karoo Project Sites 22, 29 and 45.

Exploration Potential

Preliminary geological studies have estimated a combined exploration potential in the Karoo of 30-60m tonnes @ 700 – 1,400ppm eU₃O₈ for 90 – 150m lbs eU₃O₈.

The Company's target over the next 12 months is to delineate 30Mlbs of eU₃O₈ (15-25m tonnes @ 700–1,400ppm eU₃O₈). The source of this material may include the historic mineral occurrences, their extensions and new exploration targets. If this target is achieved a conceptual study has suggested that this quantity of uranium would support the development of a central processing facility near Site 29.

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 Alf Gillman and Mr Jim Guilinger. Mr Gillman is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Gillman is General Manager Project Development and is a Competent Person under the definition of the 2004 JORC Code. 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. Both Mr Gillman and Mr Guilinger have 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 Alf Gillman and Mr George van der Walt. Mr Gillman is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Gillman is General Manager Project Development and is a Competent Person under the definition of the 2004 JORC Code. 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 Geoconsult

International. Both Mr Gillman and Mr van der Walt have 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'. Both Mr Gillman 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.

Mr Gillman, 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

The Group's cash position, including commercial bills but excluding security deposits and performance bonds as at 31 December 2011 was \$18,248,502.

The Company had 2,136,025,262 shares on issue as at 31 December 2011 and also 870,202,143 listed options, 24,000,000 unlisted options and 18,500,000 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 lead 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

A handwritten signature in dark ink, consisting of a stylized 'M' and 'J' followed by a horizontal line.

Malcolm James
Director
14 March 2012

Auditor's Independence Declaration



1304 Hay St
West Perth
WA 6005

PO Box 709,
West Perth
WA 6872

T 08 9426 4500 F 08 9481 5645
W somescooke.com.au
E info@somescooke.com.au

Chartered Accountants
Business Consultants
Financial Advisors

AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Peninsula Energy Limited

As auditor for the review of Peninsula Energy Limited for the half-year ended 31 December 2011, 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

A handwritten signature in black ink that reads 'Nicholas Hollens'.

Nicholas Hollens
Perth
14 March 2012

Consolidated Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	31 December 2011 \$	31 December 2010 \$
Revenue		537,725	125,878
Employee benefits expense		(1,651,833)	(1,222,075)
Depreciation and amortisation expense		(103,620)	(41,447)
Share based payments expense	5	(1,647,300)	(616,000)
Exploration expenditure write-off		(163)	(7,361)
General and administrative expenses		(622,786)	(457,414)
Foreign exchange gain		170,155	-
Other expenses from ordinary activities		(373,683)	(530,925)
LOSS BEFORE INCOME TAX		(3,691,505)	(2,749,344)
Income tax expense		-	-
LOSS AFTER INCOME TAX		(3,691,505)	(2,749,344)
Other comprehensive income:			
Exchange differences on translation of foreign controlled entities		1,485,249	(3,223,135)
TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR		(2,206,256)	(5,972,479)
EARNINGS PER SHARE			
Basic earnings per share (cents per share)		(0.17)	(0.17)
Diluted earnings per share (cents per share)		(0.17)	(0.17)

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2011

	Note	31 December 2011 \$	30 June 2011 \$
CURRENT ASSETS			
Cash and cash equivalents		18,248,502	26,723,024
Trade and other receivables		1,437,630	1,241,438
TOTAL CURRENT ASSETS		<u>19,686,132</u>	<u>27,964,462</u>
NON-CURRENT ASSETS			
Financial assets		14,681	7,069
Property, plant and equipment		3,096,961	603,891
Mineral exploration expenditure	6	51,507,993	43,572,238
TOTAL NON-CURRENT ASSETS		<u>54,619,635</u>	<u>44,183,198</u>
TOTAL ASSETS		<u>74,305,767</u>	<u>72,147,660</u>
CURRENT LIABILITIES			
Trade and other payables		3,904,635	1,510,721
Provisions		18,851	9,327
TOTAL CURRENT LIABILITIES		<u>3,923,486</u>	<u>1,520,048</u>
TOTAL LIABILITIES		<u>3,923,486</u>	<u>1,520,048</u>
NET ASSETS		<u>70,382,281</u>	<u>70,627,612</u>
EQUITY			
Issued capital	7	99,807,942	97,847,017
Reserves		(969,885)	(2,455,134)
Accumulated losses		(28,455,776)	(24,764,271)
TOTAL EQUITY		<u>70,382,281</u>	<u>70,627,612</u>

The 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 2011

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance 1 July 2010	64,507,526	(17,545,956)	930,900	-	47,892,470
Shares issued during the half-year	26,580,213	-	-	-	26,580,213
Share-based payments expense	483,500	-	132,500	-	616,000
Exercise of options	66,664	-	-	-	66,664
Transaction costs	(299,009)	-	-	-	(299,009)
Foreign currency translation	-	-	-	(3,223,135)	(3,223,135)
Loss for the half-year	-	(2,749,344)	-	-	(2,749,344)
Balance 31 December 2010	91,338,894	(20,295,300)	1,063,400	(3,223,135)	68,883,859

	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
Share-based payments expense	1,647,300	-	-	-	1,647,300
Exercise of options	313,625	-	-	-	313,625
Foreign currency translation	-	-	-	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

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

Statement of Consolidated Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$	31 December 2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(2,579,055)	(2,253,985)
Interest received	537,725	116,458
Other receipts	14,764	1,262,623
NET CASH USED IN OPERATING ACTIVITIES	(2,026,566)	(874,904)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(6,682,685)	(6,743,767)
Receipts from sale of property, plant and equipment	6,079	28,681
Payments for property, plant and equipment	(28,418)	-
NET CASH USED IN INVESTING ACTIVITIES	(6,705,024)	(6,715,086)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	26,273,558
Proceeds from exercise of options	313,625	66,664
NET CASH PROVIDED BY FINANCING ACTIVITIES	313,625	26,340,222
Net (decrease)/increase in cash held	(8,417,965)	18,750,232
Cash and cash equivalents at the beginning of the half-year	26,723,024	7,089,031
Effects of exchange rate changes on cash	(56,557)	(394,780)
Cash and cash equivalents at the end of the half-year	18,248,502	25,444,483

The 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 2011 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 2011 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 the 14 March 2012.

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 or 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 2011.

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 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 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)

Notes to the Consolidated Financial Statements

The following table present information regarding the Group's operating assets as at 31 December 2011:

31 December 2011	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	Raki Raki Fiji \$	Australia \$	Total \$
Segment Assets					
Segment operating assets	45,293,092	5,983,271	1,865,360	-	53,141,723
Unallocated assets					
Cash (i)	-	-	-	-	17,812,583
Trade and other receivables	-	-	-	-	239,819
Financial assets	-	-	-	-	14,681
Property, plant and equipment (i)	-	-	-	-	3,096,961
Total Assets					74,305,767

- (i) This cash and property, plant and equipment is held in Australia, but is not allocated to one of the Group's operating segments.

The following table presents information regarding the Group's operating segments for the half-year ended 31 December 2010:

31 December 2010	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	Raki Raki Fiji \$	Australia \$	Total \$
Revenue					
External Sales	-	-	-	9,421	9,421
Inter-segment sales	-	-	-	1,287,811	1,287,811
Interest revenue	14,435	48	-	101,974	116,457
Total Segment Revenue	14,435	48	-	1,399,206	1,413,689
Inter-Segment elimination	-	-	-	(1,287,811)	(1,287,811)
Total Segment Revenue	14,435	48	-	111,395	125,878
Expenses					
<i>Unallocated</i>					
Employee benefits expense	-	-	-	-	(1,222,075)
Share based payments expense	-	-	-	-	(616,000)
Write-off of exploration expenditure	-	-	-	-	(7,361)
Depreciation and amortisation	-	-	-	-	(41,447)
Other expenses	-	-	-	-	(988,339)
Loss before and after income tax	-	-	-	-	(2,749,344)

Notes to the Consolidated Financial Statements

The following table present information regarding the Group's operating assets as at 30 June 2011:

30 June 2011	Lance Projects Wyoming, USA \$	Karoo Projects South Africa \$	Raki Raki Fiji \$	Australia \$	Total \$
Segment Assets					
Segment operating assets	36,845,005	6,110,784	1,865,360	-	44,821,149
Unallocated assets					
Cash	-	-	-	-	26,609,143
Trade and other receivables	-	-	-	-	106,408
Financial assets	-	-	-	-	7,069
Property, plant and equipment	-	-	-	-	603,891
Total Assets					72,147,660

NOTE 4. CONTINGENT LIABILITIES

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

NOTE 5. SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 31 December 2011:

There were 18,500,000 Class C Performance Shares on issue at 31 December 2011. The performance shares 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 29 October 2009.

The expense recognised in the Statement of Comprehensive Income in relation to share-based payments for the half-year ended 31 December 2011 was \$1,647,300 (31 December 2010: \$616,000).

All options and performance shares 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 share held.

At 31 December 2011, the Company had on issue 870,202,143 listed options and 24,000,000 unlisted options.

NOTE 6. MINERAL EXPLORATION EXPENDITURE

	31 December 2011 \$	30 June 2011 \$
Balance at 1 July 2011	43,572,238	39,922,312
Exploration expenditure incurred during half-year	6,394,112	11,149,580
Foreign exchange translation	1,541,806	(247,667)
Exploration expenditure written off	(163)	(7,251,987)
Mineral exploration expenditure at 31 December 2011	51,507,993	43,572,238

Notes to the Consolidated Financial Statements

NOTE 7. ISSUED CAPITAL

	31 December 2011 \$	30 June 2011 \$
2,136,025,262 fully paid ordinary shares (June 2011: 2,095,337,752)	99,807,942	97,847,017
For the six months ended 31 December 2011	Number	\$
Balance at 1 July 2011	2,095,337,752	97,847,017
Performance shares converted to ordinary shares	26,000,000	-
Employee incentive shares issued	6,900,000	507,300
Shares issued on exercise of options	7,787,510	313,625
Performance shares vested (became convertible to ordinary shares)	-	1,140,000
Balance as at 31 December 2011	2,136,025,262	99,807,942

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.

NOTE 8. CAPITAL AND LEASING COMMITMENTS

(a) Exploration of tenement Leases

	31 December 2011 \$	30 June 2011 \$
Exploration of tenement Leases (not greater than one year)	1,133,195	1,933,087

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 2011 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 18, 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 2011 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.

A handwritten signature in dark ink, consisting of a large, stylized 'M' and 'J' intertwined, with a horizontal line extending to the right.

Malcolm James
Director

14 March 2012

Independent Review Report



1304 Hay St
West Perth
WA 6005

PO Box 709,
West Perth
WA 6872

T 08 9426 4500 F 08 9481 5645
W somescooke.com.au
E info@somescooke.com.au

Chartered Accountants
Business Consultants
Financial Advisors

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 2011, 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 2011 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peninsula Energy Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Independent Review Report

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 Peninsula Energy Limited's financial position as at 31 December 2011 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 2012

Perth
Western Australia