



Venus Resources Limited

ABN 99 123 250 582

Half Year Financial Report

31 December 2007

VENUS RESOURCES LIMITED

ABN 99 123 250 582

CONTENTS

Corporate Information.....	2
Directors' Report.....	3
Condensed Income Statement for the Half Year Ended 31 December 2007.....	4
Condensed Balance Sheet as at 31 December 2007.....	5
Condensed Statement of Changes in Equity for the Half Year Ended 31 December 2007.....	6
Condensed Cash Flow Statement for the Half Year Ended 31 December 2007.....	7
Condensed Notes to the Financial Statements for the Half-Year Ended 31 December 2007.....	8
Directors' Declaration.....	10
Auditor's Independence Declaration.....	11
Independent Review Report.....	12

VENUS RESOURCES LIMITED

ABN 99 123 250 582

CORPORATE INFORMATION

Directors

Terence William Hogan OAM – Non Executive Chairman

Simon Coxhell – Executive Director

Matthew Vernon Hogan – Non Executive Director

Craig Richard Rosendorff – Non Executive Director

Company Secretary

Edmund Czechowski

Registered Office & Principal Place of Business

Mezzanine Level
BGC Centre
28 The Esplanade
PERTH WA 6000

Telephone: +61 8 9321 7541

Facsimile: +61 8 9486 9587

Email: info@venusresources.com.au

Solicitors

Blakiston & Crabb
1202 Hay Street
WEST PERTH WA 6005

Auditors

Stantons International
1 Havelock Street
WEST PERTH WA 6005

Share Registry

Security Transfer Registrars Pty Ltd
Suite 1
770 Canning Highway
APPLECROSS WA 6153

Australian Securities Exchange

2 The Esplanade
PERTH WA 6000

ASX Code: VNS

Website

www.venusresources.com.au

VENUS RESOURCES LIMITED

ABN 99 123 250 582

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2007.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr Terence Hogan OAM (Chairman)

Mr Simon Coxhell

Mr Matthew Hogan

Mr Craig Richard Rosendorff

RESULT OF OPERATIONS

The net loss of the Company for the six months to 31 December 2007 is \$700,004 (31 December 2006: \$Nil). The net loss was largely due to exploration costs.

REVIEW OF OPERATIONS

During the half-year the Company carried out its principal activities being:

- Exploration on tenement E80/3253 searching for buried diamond pipes under younger cover rocks. In particular, the Company commenced drilling within its tenement E80/3253 with a total of 30 holes for 4,476 metres drilled.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes have occurred in the state of affairs of the Company.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration for the half year ended 31 December 2007 as required under Section 307C of the Corporations Act 2001 is set out on page 11.

Signed in accordance with a resolution of the Board of Directors.



.....
S Coxhell

Director

Perth, 14th day of February 2008

VENUS RESOURCES LIMITED

ABN 99 123 250 582

CONDENSED INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	Half year ended 31 Dec 07 \$	Half year ended 31 Dec 06 \$
Revenue	2(a)	61,245	-
		<hr/>	<hr/>
		61,245	-
Administration expense	2(b)	(187,942)	-
Exploration expenditure	2(b)	(573,307)	-
		<hr/>	<hr/>
Loss before related income tax		(700,004)	-
Income tax		-	-
Net loss		<hr/> (700,004) <hr/>	<hr/> - <hr/>
Basic loss per share (cents per share)		(2.77)	-

The income statement should be read in conjunction with the accompanying condensed notes.

VENUS RESOURCES LIMITED
ABN 99 123 250 582
CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	As at 31 Dec 07 \$	As at 30 Jun 07 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,385,192	2,123,958
Trade and other receivables		64,418	43,434
Other current assets		7,568	22,704
TOTAL CURRENT ASSETS		1,457,178	2,190,096
NON-CURRENT ASSETS			
Plant and equipment		40,262	13,673
TOTAL NON-CURRENT ASSETS		40,262	13,673
TOTAL ASSETS		1,497,440	2,203,769
CURRENT LIABILITIES			
Trade and other payables		21,127	27,452
TOTAL CURRENT LIABILITIES		21,127	27,452
TOTAL LIABILITIES		21,127	27,452
NET ASSETS		1,476,313	2,176,317
EQUITY			
Issued capital		2,343,458	2,343,458
Reserves		7,100	7,100
Accumulated losses		(874,245)	(174,241)
TOTAL EQUITY		1,476,313	2,176,317

The balance sheet should be read in conjunction with the accompanying condensed notes.

VENUS RESOURCES LIMITED

ABN 99 123 250 582

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Issued Capital	Option Reserve	Accumulated Losses	TOTAL
Balance at 31 December 2006	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Balance at 1 July 2007	2,343,458	7,100	(174,241)	2,176,317
Net loss for the period	<u>-</u>	<u>-</u>	<u>(700,004)</u>	<u>(700,004)</u>
Balance at 31 December 2007	<u>2,343,458</u>	<u>7,100</u>	<u>(874,245)</u>	<u>1,476,313</u>

The statement of changes in equity should be read in conjunction with the accompanying condensed notes.

VENUS RESOURCES LIMITED

ABN 99 123 250 582

CONDENSED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

		Half year ended 31 Dec 07 \$	Half year ended 31 Dec 06 \$
	Note		
Cash flows from operating activities			
Payments to suppliers and employees		(766,499)	-
Interest received		61,245	-
Net cash flows used in operating activities		<u>(705,254)</u>	<u>-</u>
Cash flows from investing activities			
Payments for plant and equipment		(33,512)	-
Net cash flows used in investing activities		<u>(33,512)</u>	<u>-</u>
Net decrease in cash and cash equivalents		(738,766)	-
Cash and cash equivalents at beginning of financial period		2,123,958	-
Cash and cash equivalents at end of financial period	3	<u>1,385,192</u>	<u>-</u>

The cash flow statement should be read in conjunction with the accompanying condensed notes.

VENUS RESOURCES LIMITED

ABN 99 123 250 582

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Note 1: Basis of Preparation and Accounting Policies

The general purpose condensed financial report for the half-year ended 31 December 2007 has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2007 and considered with any public announcements made by Venus Resources Limited during the half-year ended 31 December 2007 in accordance with continuous disclosure obligations of the *ASX listing rules*.

The half-year financial report does not include all notes of the type normally included within the annual report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year financial report has been prepared on a historical cost basis, except for derivative financial instruments and assets classified as held for sale, that have been measured at fair value.

Changes in Accounting Policy

Since 1 July 2007 the Company has adopted the following Standards and Interpretations mandatory for annual periods beginning on or after 1 January 2007. Adoption of these Standards and Interpretations did not have any effect on the financial performance or position of the Company.

- AASB 7 *Financial Instruments: Disclosures*
- AASB 2005-10 *Amendments to Australian Accounting Standards (AASB 132,101,114,117,133, 139, 1,4,1023 and 1038)*
- AASB 2007-04 *Amendments to Australian Accounting Standards arising from ED 151 and other amendments*
- AASB 2007-7 *Amendments to Australian Accounting Standards (AASB 1, 2, 4, 5, 107 and 108)*

VENUS RESOURCES LIMITED

ABN 99 123 250 582

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Note 2: Loss from Ordinary Activities

	31 Dec 07	31 Dec 06
	\$	\$
(a) Revenue		
Interest income received from other persons	61,245	-
(b) Expenses		
Administration expense	187,942	-
Exploration Expenditure	573,307	-

Note 3: Cash and cash equivalents

	31 Dec 07	31 Dec 06
	\$	\$
Cash at bank	41,323	-
Petty Cash	232	-
Cash deposits	97,044	-
Commercial bills	1,246,593	-
	<hr/> 1,385,192	<hr/> -

Reconciliation of Cash and cash equivalents

Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<hr/> 1,385,192	<hr/> -
---------------------------	-----------------	---------

Note 4: Segment Reporting

The Company operates entirely in Australia and predominantly in the field of mineral exploration with particular emphasis on diamonds. There are therefore no geographical or business segments to report on.

Note 5: Contingent Liabilities and Contingent Assets

The Company does not have any contingent assets or liabilities outstanding for the half year ended 31 December 2007.

Note 6: Events Subsequent to Reporting Date

There has been no matters or circumstances that have arisen since 31 December 2007 that has significantly affected or may significantly affect:

- (a) the Company's operations in future years; or
- (b) the results of those operations in future years; or
- (c) the Company's state of affairs in future years.

VENUS RESOURCES LIMITED

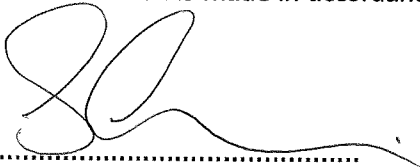
ABN 99 123 250 582

DIRECTORS' DECLARATION

In the opinion of the Directors of Venus Resources Limited:

1. the financial statements and notes as set out on pages 4 to 9:
 - (a) give a true and fair view of the financial position of the Company as at 31 December 2007 and of its performance as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. 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.



.....
S Coxhell
Executive Director

Perth, 14th day of February 2008.

Stantons International

ABN 41 103 088 697

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

14 February 2008

Board of Directors
Venus Resources Limited
Mezzanine Level
28 The Esplanade
PERTH WA 6000

Dear Directors

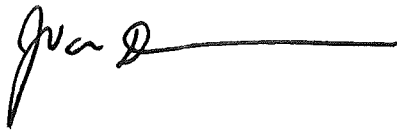
RE: VENUS RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Venus Resources Limited.

As Audit Director for the review of the financial statements of Venus Resources Limited for the period ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely
STANTONS INTERNATIONAL
(Authorised Audit Company)



John P Van Dieren
Director

Stantons International

ABN 41 103 088 697

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stanfons.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENUS RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Venus Resources Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a condensed statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Standards on Review Engagements ASRE 2410 *Review of an Interim 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 the Company's financial position as at 31 December 2007 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 Venus Resources 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

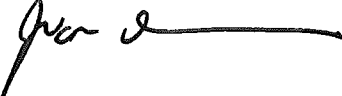
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Venus Resources Limited on 14 February 2008.

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 Venus Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL
(An Authorised Audit Company)

Stantons International


John P Van Dieren
Director

West Perth, Western Australia
14 February 2008