DEEP YELLOW LIMITED

ABN 97 006 391 948

Level 1 329 Hay Street Subiaco WA 6008
PO Box 1770 Subiaco WA 6904
Tel : 08 9286 6999
Fax : 08 9286 6969
Email: admin@deepyellow.com.au
Website: www.deepyellow.com.au

12 March 2008

The Companies Announcement Office
Australian Stock Exchange Limited
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sirs

Interim Financial Report for the Half Year Ended 31 December 2007

Please find attached for immediate release the Company's Interim Financial Report for the half year ended 31 December 2007.

Yours faithfully

Mark Pitts
Company Secretary

DEEP YELLOW LIMITED

(ACN 006 391 948)

HALF YEAR REPORT

31 DECEMBER 2007

CONTENTS

DIRECTORS' REPORT

Your directors submit the financial report of the Company and the entities it controlled for the half year ended 31 December 2007.

Directors

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mervyn Greene	Chairman
Leon Pretorius	Managing Director
Martin Kavanagh	Executive Director
Gillian Swaby	Non-Executive Director
Tony McDonald	Non-Executive Director (Appointed 07 August 2007)
Rudolf Brunovs	Non-Executive Director (Appointed 07 August 2007)

Review of Operations

The Group took a number of steps during the half year which were designed to facilitate growth plans over the coming year and to maximise shareholder value from the well positioned and extensive land portfolio assembled over the past two years. One of the principal changes has been the expansion of the Board by the appointment of two new non executive directors.

During the reporting period, exploration activity has been focussed mainly on the Namibian and Queensland projects. The Company has continued to acquire significant prospective interests around Mt Isa, whilst at the same time divesting its non core projects throughout Australia.

A number of significant exploration milestones have been achieved and highlights are set out below:

Exploration - NAMIBIA

Following targeted drilling of the **Tubas Project** (one of six projects within the four Exclusive Prospecting Licences (EPLs) containing mineralisation identified in the 1970's and early 1980's), the directors were pleased to release the Group's first independent JORC Code Inferred Mineral Resource of 77.3 million tonne at 0.023% (228 ppm) U_3O_8 at a cut-off grade of 100 ppm U_3O_8 for 17,600 tonne or 38.8 million pounds of contained U_3O_8. Given the increased level of drilling activity it is intended that the Namibian global resource base will be updated on a regular basis.

In addition to the targeted drilling being undertaken or planned on all four EPLs, Group geologists are reviewing anomalies identified from recent airborne survey techniques and testing targets which have been worked up. This programme led to the recent discovery of uranium mineralised Alaskite (Rossing-style hardrock mineralisation) and magnetite/iron oxide outcrops, which are being followed up.

The success to date in Namibia has given the Group reason to amend its 'Exploration Resource Target Range' to 45,000 to 55,000 tonne (100 to 120 million pounds) of contained U_3O_8 within known areas of mineralisation by end 2008. This takes no account of the potential for new discoveries.

Exploration - AUSTRALIA

Exploration in Australia focused principally on the Mt Isa, Queensland projects and initially on the 100% owned **Queens Gift Prospect** (EPM 15070). A 47 hole drilling programme confirmed the presence of broad zones of uranium mineralisation, with several significant drill intersections ranging in width from 3 m up to 69 m and from 348 ppm to 2,330 ppm U_3O_8.

The Directors consider that the drill results indicate that Queens Gift Prospect has the potential to host an economically viable uranium deposit.

DIRECTORS' REPORT

A regional helicopter mapping and sampling programme visited over 100 radiometric anomalies within the NW Queensland JV tenements (DYL earning 80% from Matrix). Highgrade to highly anomalous uranium assays were returned from over 20 locations. Follow-up RC percussion drilling was undertaken at four locations namely, Miranda, Crystal-1, Slance and Conquest with the remaining prospects scheduled to be drilled in 2008.

At the Miranda Prospect (EPM 14281) a total of 16 holes for 1,416 metres were drilled to undercut highly anomalous surface outcrops with best intercepts of: Hole DMR-0008 32 m at 626 ppm U_3O_8 from 3 m; Hole DMR-0009, 22 m at 727 ppm U_3O_8 from 16 m and Hole DMR-0018, 46 m at 352 ppm U_3O_8 from 6 m.

At the Conquest Prospect (EPM 14916) 7 holes for 750 m were drilled with best intercepts of Hole DCQRC-006, 22 m at 575 ppm U_3O_8 from 22 m and Hole DCQRC-006, 13 m at 723 ppm U_3O_8 from 75 m.

Financial

Exploration expenditure for the half year was $3,815,213 (December 2006: $47,722,583). The 2006 comparative includes $46,274,756 which relates to the acquisition of the Group's Namibian exploration assets via a merger with Raptor Minerals Limited.

Net profit for the half year was $782,864 (December 2006: loss $2,862,536). Included in the total expenses of $3,459,389 (December 2006: $3,390,809) for the period is an amount recognised in respect of the fair value of options issued and vesting during the period totalling $522,128 (December 2006: $2,600,000), and an impairment expense in respect of a decrement of value in available for sale financial assets of $1,796,867 (December 2006: Nil).

Issued share capital has increased by $42,359,462 during the period. The increase is due to funds received net of capital raising costs after an entitlement issue completed in July 2007 (refer Note 3 to the Half Yearly Financial Statements).

Outlook

The excellent drill results returned from the 2007 exploration programmes have led to a 2008 focus on resource delineation drill programmes in Namibia and in the Mt Isa district on both 100% owned and NW Queensland JV tenements.

Cash reserves are sufficient to fund the increased exploration programmes in Namibia and Australia.

The Directors believe that the projects in Namibia and Australia now provide an excellent base from which to develop the Company into a significant participant in the uranium supply industry.

Auditor's Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 3 and forms part of this Directors' report for the half-year ended 31 December 2007.

This report is signed in accordance with a resolution of the Board of Directors.

Mervyn Greene
Chairman
Dated this day 11 March 2008

ERNST & YOUNG

The Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000
Australia

GPO Box M939
Perth WA 6843

Tel 61 8 9429 2222
Fax 61 8 9429 2436

Auditor's Independence Declaration to the Directors of Deep Yellow Limited

In relation to our review of the financial report of Deep Yellow Limited for the half-year ended 31 December 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

R A Kirkby
Partner
11 March 2008

RK:MJ:DYL:005

INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Notes	Consolidated 31 December 2007 $	Consolidated 31 December 2006 $
Interest revenue		1,999,004	389,932
Other income	2(a)	3,679,824	3,052
Total revenue		5,678,828	392,984
Employee benefits expense	2(c)	(888,468)	(2,701,637)
Depreciation and amortisation expense	2(b)	(269,829)	(190,959)
Corporate expenses		(196,034)	(211,799)
Marketing expenses		(22,018)	(4,987)
Occupancy expenses		(61,015)	(46,852)
Impairment expense	2(d)	(1,796,867)	-
Administrative and other expenses		(225,158)	(234,575)
Profit/(Loss) before income tax expense		2,219,439	(2,997,825)
Income tax (expense)/benefit	2(e)	(1,436,575)	135,289
Net profit/(loss) for the period		782,864	(2,862,536)
Basic earnings/(loss) per share		0.07 cents	(0.43 cents)
Diluted earnings/(loss) per share		0.07 cents	(0.43 cents)

The accompanying notes form part of these financial statements

BALANCE SHEET
AS AT 31 DECEMBER 2007

	Notes	Consolidated 31 December 2007 $	Consolidated 30 June 2007 $
Assets			
Current Assets			
Cash and cash equivalents		62,629,921	24,151,130
Trade and other receivables		1,007,009	1,434,620
Held for trading financial assets	10	158,400	-
Other financial assets		233,184	233,297
		64,028,514	25,819,047
Non-current assets classified as held for sale	7	2,263,387	-
Total Current Assets		66,291,901	25,819,047
Non-Current Assets			
Available for sale financial assets	9	1,690,000	-
Property, plant and equipment		2,256,796	1,815,317
Deferred exploration expenditure	6	90,861,549	88,193,438
Intangible assets – geological database licence	8	-	1,311,797
Total Non-Current Assets		94,808,345	91,320,552
Total Assets		161,100,246	117,139,599
Current Liabilities			
Trade and other payables		400,120	1,620,872
Total Current Liabilities		400,120	1,620,872
Non-Current Liabilities			
Deferred tax liabilities		1,695,267	258,692
Total Non-Current Liabilities		1,695,267	258,692
Total Liabilities		2,095,387	1,879,564
Net Assets		159,004,859	115,260,035
Equity			
Contributed equity	3	191,084,094	148,724,632
Accumulated losses		(36,452,819)	(37,235,683)
Equity compensation reserve	3	4,642,380	4,120,252
Foreign exchange reserve	3	(268,796)	(349,166)
Total Equity		159,004,859	115,260,035

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	Consolidated 31 December 2007 $	Consolidated 31 December 2006 $
Total equity at the beginning of the reporting period		115,260,035	23,805,185
Fair value adjustment on investment recognised in equity		-	192,370
Movement in foreign exchange reserve		80,370	14,755
Net income/(expense) recognised directly in equity		80,370	207,125
Profit/(loss) for the reporting period		782,864	(2,862,536)
Total recognised income and expense		782,864	(2,862,536)
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity	3(b)	42,359,462	59,344,140
Movement in equity compensation reserve	3(c)	522,128	2,210,000
Total equity at the end of the reporting period		159,004,859	82,703,914

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	Consolidated 31 December 2007 $	Consolidated 31 December 2006 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(878,917)	(585,822)
Payments for exploration		(4,330,952)	(1,334,188)
Interest received		1,723,098	389,932
Other receipts		17,791	3,052
Net cash (used in) operating activities		(3,468,980)	(1,527,026)
Cash flows from investing activities			
Payments for property, plant and equipment		(513,767)	(253,160)
Payments to acquire exploration assets		-	(2,827,108)
Proceeds from the sale of exploration assets		50,000	-
Proceeds on expiry of security deposits		-	176,869
Payments of security deposits		(28,294)	(20,000)
Net cash (used in) investing activities		(492,061)	(2,923,399)
Cash flows from financing activities			
Proceeds from issue of shares		42,451,030	15,651,790
Payment of share issue costs		(91,568)	(52,183)
Net cash provided by financing activities		42,359,462	15,599,607
Net increase/(decrease) in cash held		38,398,421	11,149,182
Effect of foreign exchange on cash flows		80,370	-
Cash and cash equivalents at the beginning of the period		24,151,130	14,210,940
Cash and cash equivalents at the end of the period		62,629,921	25,360,122

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Note 1 Summary of significant accounting policies

(a) Basis of preparation and Statement of Compliance

The half-year financial statements, for the Company and the entities it controlled (the Group), are a general purpose financial report prepared in accordance with AASB 134: Interim Financial Reporting, and the Corporations Act 2001.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as in the full financial report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by Deep Yellow Limited during the half-year, in accordance with continuous disclosure requirements arising under the Corporations Act 2001

For the purposes of preparing the half-year report, the half-year has been treated as a discrete reporting period. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

(b) Significant accounting policies

The half-year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2007, in addition to the policy disclosed at (i), except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2007, as described in note 1(c).

(i) Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

(c) Adoption of new standards and interpretations

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

- AASB 101 (revised October 2006) *Presentation of Financial Statements*
- 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 2007-1 *Amendments to Australian Accounting Standards arising from Interpretation 11 (AASB 2)*
- AASB 2007-4 *Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments*
- AASB 2007-7 *Amendments to Australian Accounting Standards (AASB 1, AASB 2, AASB 4, AASB 5, AASB 107, & AASB 128)*
- Interpretation 10 *Interim Financial Reporting and Impairment*
- Interpretation 11 *AASB 2 – Group and Treasury Share Transactions*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Note 2 Income and expenses

	Consolidated	
	31 December 2007 $	31 December 2006 $
Profit/(loss) before tax includes:		
(a) Other income		
Option fee income on Farm-in agreement – Toro Energy Limited	2,836,667	-
Option fee income on Farm-in agreement – Dragon Energy Limited	50,000	-
Gain on the sale of exploration assets	775,366	-
Sundry income	17,791	3,052
	3,679,824	3,052
(b) Depreciation and amortisation		
Depreciation of plant and equipment	107,547	28,496
Amortisation of geological data base	162,282	162,463
	269,829	190,959
(c) Employee expenses		
Wages, salaries, consultancy and superannuation	238,657	81,637
Directors' fees	73,199	20,000
Movement in leave provisions and other	54,484	-
Share based payments	522,128	2,600,000
	888,468	2,701,637
(d) Impairment expense		
Recognition of impairment on available for sale financial assets (note 9)	1,646,667	-
Fair value adjustment to unlisted options (note 10)	150,200	-
	1,796,867	-
(e) Tax expense/(benefit)		
Profit/(loss) for the reporting period	2,219,439	(2,997,825)
Prima facie tax on result at 30% (2006: 30%)	665,832	(899,348)
Permanent differences:		
Share based payment expense	156,647	780,000
Impairment expense	539,060	-
Other	75,036	(15,941)
Tax expense/(benefit) for the reporting period	1,436,575	(135,289)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Note 3 Issued capital and other reserves

	Consolidated 31 December 2007 $	Consolidated 30 June 2007 $
(a) Ordinary shares		
Issued and fully paid	191,084,094	148,724,632

(b) Movements in ordinary shares on issue	$	No.
At 1 July 2007	148,724,632	1,023,824,884
Shares issued pursuant to rights issue prospectus	42,451,037	84,902,074
Capital raising costs	(91,575)	-
At 31 December 2007	191,084,094	1,108,726,958

(c) Reserves	31 December 2007 $	30 June 2007 $
Equity compensation reserve	4,642,380	4,120,252
Foreign exchange reserve	(268,796)	(349,166)
	4,373,584	3,771,086

(d) Movement in options during the period	No.
On issue at the start of the period	43,500,000
Options issued to Directors, employees and consultants	12,500,000
Expired during the period	(2,700,000)
On issue at the end of the period	53,300,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Note 4 Segment Reporting

The Group operates in two geographical locations being Australia and Namibia, and has one business unit, that being uranium exploration.

Primary reporting format – Geographical Segments

Consolidated	Australia		Namibia	
	31 December 2007 $	31 December 2006 $	31 December 2007 $	31 December 2006 $
Segment revenue and other income	5,402,626	367,917	276,203	25,067
Segment profit/(loss)	1,008,229	(2,872,907)	(225,365)	10,371

Note 5 Equity Based Compensation

During the reporting period an expense of $522,128 (31 December 2006: $2,600,000) was recognised in respect of options issued to directors, employees and consultants of the company vesting during the period.

The fair value of the options vesting during the reporting period was determined by independent valuation using a binomial valuation methodology.

The 12,500,000 unlisted options issued to directors granted on 28 November 2007, are exercisable at $0.595 on or before the expiry date of 30 November 2010 and are valued at $0.1148 each. The risk free interest rate used in the valuation was 6.34%, and a volatility factor applied of 70%. 50% of the options issued vest after 12 months from grant date, the remaining 50% of the options vest after 24 months.

Note 6 Deferred Exploration Expenditure

	Consolidated	
	31 December 2007 $	30 June 2007 $
Capitalised exploration expenditure	90,861,549	88,193,438

Exploration expenditure for the half year was $3,815,213 (December 2006: $47,722,583). Included in the comparative is $46,274,756 which relates to the acquisition of Namibian exploration assets via the purchase of a subsidiary entity.

During the half year an amount of $1,113,872 was reclassified as Non-Current Assets Held for Sale (Note 7) in respect of the sale of a 70% interest in various South Australian and Western Australian projects that completed on 22 January 2008.

During the half year the Group sold a 50% interest in various Northern Territory projects to Rum Jungle Uranium Limited. Accordingly an amount of $33,234 was allocated to the income statement, against sales proceeds, representing 50% costs capitalised to date on the projects included in the transaction.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Note 7 Non-Current Assets Classified as Held for Sale

The following non–current assets have been reclassified as being held for sale, as they relate to exploration assets subject to farm-in and sale agreements as at the reporting date, in which external entities have acquired an interest subsequent to the reporting date.

On 22 January 2008, the Group completed the sale of a 70% interest in various South Australian and Western Australian projects to Uranio Limited. Assets subject to the deal and reclassified as held for sale at the balance sheet date are as follows:

	$
Intangible Asset – Frome Database at amortised cost	1,149,515
Capitalised exploration expenditure	1,113,872
	2,263,387

Note 8 Intangible assets

	Consolidated	
	31 December 2007	30 June 2007
	$	$
Amortised cost at 1 July 2007	1,311,797	1,636,366
Amortisation for the period	(162,282)	(324,569)
Amortised cost at 31 December 2007 reclassified as held for sale non current asset	(1,149,515)	-
	-	1,311,797

The intangible asset relates to the Frome Database Licence Agreement with Paladin Energy Minerals NL entered into on 15 July 2005, and is amortised on a straight line basis over six years, being the term of the agreement.

The licence was reassigned to Uranio Limited on 22 January 2008, as part of the sale of assets by the Group. As at 31 December 2007 the intangible asset has been reclassified as a non-current asset held for sale.

Note 9 Available for sale financial assets

	Consolidated	
	31 December 2007	30 June 2007
	$	$
Balance at the start of the reporting period	-	365,943
Investments disposed in the reporting period	-	(365,943)
Shares received – option fee income on farm-in agreements (Toro Energy Limited)	2,836,667	-
Shares received – consideration on sale of exploration assets (Rum Jungle Uranium Limited)	500,000	-
Impairment expense recognised for the reporting period (Note 2d)	(1,646,667)	-
Balance at the end of the reporting period	1,690,000	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Note 9 Available for sale financial assets (continued)

Impairment of available for sale financial assets
During the reporting period the company recognised an impairment expense of $1,646,667 (Note 2d) in respect of securities in Australian listed companies held as available for sale financial assets. The directors are of the opinion that the decrease in the market value of these investments is a reflection of prevailing market conditions and as such feel it is appropriate that an impairment expense is recognised.

Note 10 Held for trading financial assets

	Consolidated	
	31 December 2007	30 June 2007
	$	$
Balance at the start of the reporting period	-	-
Options received – consideration on sale of exploration assets	308,600	-
Fair value expense recognised for the reporting period (Note 2d)	(150,200)	-
Balance at the end of the reporting period	158,400	-

Fair value adjustment to held for trading financial assets
During the reporting period the company recognised an expense of $150,200 (Note 2d) in respect of a fair value adjustment to securities in Australian listed companies held as held for trading financial assets.

Note 11 Contingent liabilities and contingent assets

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

Note 12 Events after balance sheet date

Other than the following, no event or circumstance has arisen since 31 December 2007 that would require disclosure in the financial report:

- On 21 January 2008 the Company announced an agreement with Mount Isa Mines Limited, a subsidiary of the Xstrata Group, that the Company is to acquire up to 100% of the uranium rights in 6 tenements in the Mt Isa region of Queensland, by spending at least $10 million in the first four years of the agreement, in addition to a number of other conditions being met.

- On 22 January 2008 the Company received 3,849,379 ordinary shares and 3,843,947 unlisted options from Uranio Limited (“Uranio”) on successful listing of Uranio on the ASX. The shares are subject to a 12 month escrow period. In addition the Company received $500,000 from Uranio out of listing proceeds and is also to receive a further $1,000,000 from Uranio on 22 January 2009.

- On 23 January 2008 the Company was admitted to the Namibian Stock Exchange. The Company is listed on the “Mining” sector of the Development Board of the NSX (DevX). The Company’s primary listing remains on the Australian Securities Exchange.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 13:

    a. give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year then ended; and

    b. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations.

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

On behalf of the Board of Directors.

Mervyn Greene
Chairman
Dated this day 11 March 2008

ERNST & YOUNG

The Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000
Australia

GPO Box M939
Perth WA 6843

Tel 61 8 9429 2222
Fax 61 8 9429 2436

To the members of Deep Yellow Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Deep Yellow Limited, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 establishing 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 Standard 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 consolidated entity'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 Deep Yellow Limited and the entities it controlled during the half-year, 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' 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 interim financial report of Deep Yellow Limited is not in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

R A Kirkby
Partner
Perth
11 March 2008