BOUGAINVILLE COPPER LIMITED
INCORPORATED IN PAPUA NEW GUINEA ARBN 007 497 869
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Press Release

20 February 2008

BOUGAINVILLE COPPER LIMITED

The directors of Bougainville Copper Limited announce the following audited results of the company for the year ended 31 December 2007 together with comparable results for twelve months to 31 December 2006

Results

For the year ended 31 December 2007 the net profit was K3.6 million (AUD$1.5 million) compared with K3.7 million (AUD$1.6 million) the previous year. In addition there was a K22 million capital growth which together with the net profit equates to a 7% increase in shareholder funds. Although the profit for the two periods is similar, operating expenses rose in this reporting period, but the increased costs were offset by increased investment income.

Revenue increased by 9% during the year due primarily to growth in dividends (+16%) derived from the Investment Portfolio. General and administrative expenses grew by 10%, reflecting nominal real growth in expenses, upward movements in PNG inflation rate, and AUD/PGK exchange rate fluctuations.

Financial Results

	2007 K'000	2006 K'000
Interest	938	926
Net exchange gain/ (loss)	631	355
Realised gain on disposal of investments	-	15
Previously unrealised gain on disposal of investments	-	556
Dividends	7 397	6 351
	8 966	8 203
Less:		
General and administration expenses	4 858	4 425
Exchange Losses	519	121
	5 377	4 546
Profit before taxation	3 589	3 657
Income tax expense	-	-
Net profit	3 589	3 657
Equivalent net profit in A$'000	1 529	1 574

During the year the company has undertaken a comprehensive review of its exploration data aimed at defining targets and developing a work program in anticipation of being able to resume active exploration.

Additionally extensive work has been done on understanding the economics and technical challenges associated with reopening of the mine.

The Company is continuing this work consistent with its vision of a “return to active exploration and profitable mining”. While undertaking this work the company will continue to consult with a broad cross-section of the Bougainville and PNG community.

2007DIVIDEND

The Directors have not declared a dividend in respect of 2007

BORROWING

No borrowings were outstanding at year-end.

ANNUAL REPORT

The Annual General Meeting of the company will be held at the Crowne Plaza Hotel at 2.00 pm on Thursday, 8 May 2008

The Annual Report and Notice of Meeting will be mailed to shareholders on approximately 30 March 2008

STOCK EXCHANGE

The standard proforma Appendix 4E was lodged with the Australian Stock Exchange in accordance with official listing requirements.

By order of the Board.

PAUL D COLEMAN
Company Secretary

Rules 4.1, 4.3

Appendix 4E

Preliminary final report

Name of entity

BOUGAINVILLE COPPER LIMITED

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Financial year ended ('current period')
007 497 869		√	31/12/07

For announcement to the market

		K'000		
Revenues from ordinary activities	up	9.30%	to	8,966
Profit (loss) from ordinary activities after tax attributable to members	down	1.86%	to	3,589
Profit (loss) from extraordinary items after tax attributable to members	gain (loss) of	-		-
Net profit (loss) for the period attributable to members	down	1.86 %	to	3,589

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil

Record date for determining entitlements to the dividend.	N/A

Condensed consolidated statement of financial performance

	Current period - K'000	Previous corresponding period - K'000
Revenues from ordinary activities	8,966	8,203
Expenses from ordinary activities	5,377	4,546
Borrowing costs	-	-
Share of net profits (losses) of associates and joint venture entities	-	-
Profit (loss) from ordinary activities before tax	**3,589**	**3,657**
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	**3,589**	**3,657**
Profit (loss) from extraordinary items after tax	-	-
Net profit (loss)	**3,589**	**3,657**
Net profit (loss) attributable to outside equity interests	-	-
Net profit (loss) for the period attributable to members	**3,589**	**3,657**
Non-owner transaction changes in equity		
Increase (decrease) in revaluation reserves		-
Net exchange differences recognised in equity		
Other revenue, expense and initial adjustments recognised directly in equity (attach details)		
Initial adjustments from UIG transitional provisions		
Total transactions and adjustments recognised directly in equity	-	-
Total changes in equity not resulting from transactions with owners as owners	-	-

Earnings per security (EPS)	Current period	Previous corresponding period
Basic EPS	0.895 toea	0.912 toea
Diluted EPS	0.895 toea	0.912 toea

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

	Current period – K'000	Previous corresponding period - K'000
Profit (loss) from ordinary activities after tax	3,589	3,657
Less (plus) outside equity interests	-	-
Profit (loss) from ordinary activities after tax, attributable to members	**3,589**	**3,657**

Revenue and expenses from ordinary activities

	Current period – K'000	Previous corresponding period - K'000
Revenue from sales or services	-	-
Interest revenue	938	926
Other relevant revenue	8,028	7,277
Details of relevant expenses-General and administration expenses	5,377	4,546
Depreciation and amortisation excluding amortisation of intangibles	-	-

Consolidated retained profits

	Current period – K'000	Previous corresponding period - K'000
Retained profits (accumulated losses) at the beginning of the financial period	(118,753)	(122,410)
Net profit (loss) attributable to members	3,589	3,657
Net transfers from (to) reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	-	-
Retained profits (accumulated losses) at end of financial period	**(115,164)**	**(118753)**

Intangible and extraordinary items

Nil

Comparison of half year profits

(Preliminary final report only)

Current year - K'000	Previous year - K'000

Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year	1,618	1,075
Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year	1,971	2,582

Condensed consolidated statement of financial position	At end of current period K'000	As shown in last annual report K'000	As in last half yearly report K'000
Current assets			
Cash	358	1,352	343
Receivables	17,548	17,478	18,247
Investments	-	-	-
Inventories	-	-	-
Tax assets	-	-	-
Other –Held-to-maturity financial assets	14,291	16,025	11,320
Total current assets	**32,197**	**34,855**	**29,910**
Non-current assets			
Receivables	3,909	3,909	3,909
Investments (equity accounted)	-	-	-
Available-for-sale financial assets	204,739	176,620	205,923
Inventories	-	-	-
Exploration and evaluation expenditure capitalised *(see para .71 of AASB 1022)*	-	-	-
Development properties (+mining entities)	-	-	-
Other property, plant and equipment (net)	547,894	547,894	547,894
Intangibles (net)	-	-	-
Tax assets	-	-	-
Other – General Provisions	(350,000)	(350,000)	(350,000)
Total non-current assets	**406,542**	**378,423**	**407,726**
Total assets	**438,739**	**413,278**	**437,636**
Current liabilities			
Payables	306	487	-
Interest bearing liabilities	-	-	-
Tax liabilities	-	-	-
Provisions exc. tax liabilities	831	831	831
Other (provide details if material)	-	-	-
Total current liabilities	**1,137**	**1,318**	**831**
Non-current liabilities			
Payables	4,736	4,888	4,726
Interest bearing liabilities	-	-	-
Tax liabilities	6,759	6,759	6,759
Provisions exc. tax liabilities	22,073	22,073	22,073
Other (provide details if material)	-	-	-
Total non-current liabilities	**33,568**	**33,720**	**33,558**

Condensed consolidated statement of financial position continued

Total liabilities	**34,437**	**35,038**	**34,389**
Net assets	**404,034**	**378,240**	**403,247**

Equity			
Capital/contributed equity	401,063	401,063	401,063
Reserves	118,135	95,930	119,319
Retained profits (accumulated losses)	(115,164)	(118,753)	(117,135)
Equity attributable to members of the parent entity	**404,034**	**378,240**	**403,247**
Outside +equity interests in controlled entities	-	-	-
Total equity	**404,034**	**378,240**	**403,247**

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

Nil

Development properties

(To be completed only by entities with mining interests if amounts are material)

Nil

Condensed consolidated statement of cash flows

	Current period K'000	Previous corresponding period - K'000
Cash flows related to operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(5,730)	(4,358)
Dividends received from associates	-	-
Other dividends received	7,396	6,350
Interest and other items of similar nature received	889	943
Interest and other costs of finance paid		
Income taxes paid	-	-
Other – Monies paid to the Supreme Court	-	-
Net operating cash flows	**2,555**	**2,935**
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment	-	-

Proceeds from sale of property, plant and equipment	-	-
Payment for purchases of equity investments	(5,914)	(3,178)
Proceeds from sale of equity investments	3,355	1,123
Loans to other entities	-	-
Loans repaid by other entities	-	-
Other (provide details if material)	(889)	(487)
Net investing cash flows	**(3,448)**	**(2,542)**
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	-	
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Dividends paid	-	-
Other	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(893)	393
Cash at beginning of period	1,352	847
Exchange rate adjustments	(101)	112
Cash at end of period	358	1,352

Non-cash financing and investing activities

Not applicable

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period K'000	Previous corresponding period - K'000
Cash on hand and at bank	358	1,352
Deposits at call	-	-
Bank overdraft	-	-
Other –Short term liquid investments	-	-
Total cash at end of period	**358**	**1,352**

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	40.03%	44.58%
Profit after tax / equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	0.89%	0.97%

Earnings per security (EPS)

Current year 0.895 toea
Previous year 0.912 toea
Diluted EPS is the same as Basic EPS

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per +ordinary security	K1.0074	K0.9431

Discontinuing Operations

Not applicable

Control gained over entities having material effect

Not applicable

Loss of control of entities having material effect

Not applicable

Dividends (in the case of a trust, distributions)

Not applicable

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
	(Preliminary final report only) **Final dividend:** Current year	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil
	(Half yearly and preliminary final reports) **Interim dividend:** Current year	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

	Current year	Previous year
+Ordinary securities	Nil	Nil
Preference +securities	Nil	Nil

Half yearly report - interim dividend (distribution) on all securities *or* Preliminary final report - final dividend (distribution) on all securities

	Current period K'000	Previous corresponding period - K'000
+Ordinary securities *(each class separately)* Preference +securities *(each class separately)* Other equity instruments *(each class separately)*		
Total	**Nil**	**Nil**

Details of aggregate share of profits (losses) of associates and joint venture entities

Not applicable

Material interests in entities which are not controlled entities

Not applicable

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
	(Preliminary final report only) **Final dividend:** Current year	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil
	(Half yearly and preliminary final reports) **Interim dividend:** Current year	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

	Current year	Previous year
+Ordinary securities	Nil	Nil
Preference +securities	Nil	Nil

Half yearly report - interim dividend (distribution) on all securities *or* Preliminary final report - final dividend (distribution) on all securities

	Current period K'000	Previous corresponding period - K'000
+Ordinary securities *(each class separately)* Preference +securities *(each class separately)* Other equity instruments *(each class separately)*		
Total	**Nil**	**Nil**

Details of aggregate share of profits (losses) of associates and joint venture entities

Not applicable

Material interests in entities which are not controlled entities

Not applicable

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (toea)	Amount paid up per security (toea)
+Ordinary securities	401,062,500	401,062,500	-	-
Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	-	-	-	-

Basis of financial report preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies relevant to mining operations are not presented due to mining operations having ceased in 1991. These policies have been consistently applied to all years presented, unless otherwise stated.

1.(a) Basis of Preparation

The financial statements of Bougainville Copper Limited have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the accounting policy note on significant risks and uncertainties.

1.(b) Accounting Policies

Mine Assets

Following cessation of mining activities in 1991 a general provision of K350 million was made for deterioration, damage or pilferage of company assets on Bougainville. The accuracy of that provision cannot be proved because of the lack of access to Bougainville prevents a detailed assessment of the nature or extent of those losses. No depreciation charge or increase to the general provision has been made since 1991. The Directors consider that any further review of the general provision at this time would be completely arbitrary because of the continuing lack of access to the mine.

***Taxation*:**

Tax effect accounting procedures are followed. Any current liability for income tax is based on estimated taxable income for the year. The components of this taxable income can differ from those which make up the earnings before tax for the year and these differences are either permanent differences or temporary differences. Permanent differences are disclosed in note 4. Temporary differences arise because the tax base of some assets and liabilities is different from their accounts carrying value. The tax effect of these temporary differences is classified as either deferred income tax liability or future income tax benefit in the balance sheet. Future income tax benefits are not recognised unless their realisation is probable. Future income tax benefits therefore have not been recognised pending the development of a clearer view of the timing of recommencement of operations.

***Foreign Currency* Translation**

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in PNG Kina, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and translation at year-end exchange rates of monetary assets and liabilities determined in foreign currencies are recognized in the income statement.

Provisions:

Provisions for compensation, rehabilitation and stabilisation are recognised when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.
Provisions are not recognised for future operating losses.

***Investments*:**

(i) Available-for-sale financial assets

Investments in marketable securities (shares in other corporations) are classified as "available-for-sale". Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has the express intention of holding the investments for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognised on the trade date, which is the date that the company commits to purchase or sell the asset. Cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. For investments that are actively traded in organized financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

(ii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These are measured at cost with accrued interest included in other receivables.

Cash and Cash Equivalents:

Cash and cash equivalents comprises cash on hand, deposits held at call with banks, and bank deposits and treasury bills with original maturities of three months or less.

Revenue Recognition:

Interest income is recognised on a time-proportion basis using the effective interest method.
Dividend income is recognised when the right to receive payment is established.

Significant Risks and Uncertainties

Mine production was suspended on 15 May 1989 because of attacks on employees. Following repeated instances of damage to mine facilities and the power line and further attacks on employees, it became necessary to evacuate all remaining company personnel from Bougainville early in 1990.

There continues to be considerable uncertainty surrounding the future of the Panguna mine. Since the withdrawal of company personnel from Bougainville was completed on 24 March 1990, there has been no care and maintenance of the company's assets. Considerable deterioration of the assets has occurred in the intervening period, because of this lack of care and maintenance, their exposure to the elements, vandalism, pilferage and militant action. However, as access to the mine site has not been possible, the extent of the necessary write-downs is not capable of reliable measurement or estimation.

With the passage of time, it is clear that a major write-down of assets from their pre-closure levels will be required. To allow for this future write-down, the directors made a impairment loss in 1991 for deterioration, damage and pilferage of K350 million, with this sum being classified as an extraordinary item.

The exact quantum of this provision should not be viewed as a precise calculation reflecting an accurate estimate of the present value of losses or likely costs of repair. Rather, the reduction in carrying value should be seen as a broad estimate of the total service potential likely to have been lost to the operation in respect of the whole inventory of assets carried in the books.

While directors have made this provision in good faith based on the limited information available to them, it must be recognised that the actual extent of the necessary write-downs can only be established when access to the mine site by appropriate company representatives is again possible. Accordingly, the 1991 provision may eventually prove to be above or below the sum that is necessary to reflect these losses. The directors believe that in the absence of reliable information and the lack of a more suitable alternative, this is the only appropriate basis to use, despite the current cessation of operations.

Additional disclosure for trusts

Not applicable

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	Crowne Plaza, Hunter Street, Port Moresby Papua New Guinea
Date	8 May 2008
Time	2.00pm
Approximate date the +annual report will be available	30 March 2008

Compliance statement

This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX

Identify other standards used	International Financial Reporting Standards

This report, and the accounts upon which the report is based, use the same accounting policies as described above.

The directors are able to declare that the financial report comprising Appendix 4E to the Australian Stock Exchange for the year ended 31 December 2007:

a.) complies with International Accounting Standards and the Australian Stock Exchange Listing Rules and

b.) gives a true and fair view of the entity's financial position as at 31 December 2007 and of its performance, as represented by the results of its operations and it's cash flows for the year ended on that date;

except that the results of the company for the twelve months ended 31 December 2007 have been in the opinion of the directors, substantially affected by events of a material and unusual nature. The accounts have been prepared with the inclusion of the company's mine assets at their 1 January 1991 book value, with a separate general provision of K350 million having been made in 1991 for the value of the indeterminate level of deterioration, damage and pilferage of assets which has occurred in the period since the withdrawal of company personnel from Bougainville in early 1990. While the directors have made this impairment provision in good faith based on the limited information available to them, it must be recognised that the actual extent of the necessary write-downs can only be established when access to the mine site by appropriate company representatives is again possible. Accordingly, the 1991 provision may eventually prove to be above or below the sum which is necessary to reflect these losses. The directors believe that in the absence of reliable information and the lack of a more suitable alternative, this is the only appropriate basis to use, despite the current cessation of operations.

The entity has a formally constituted audit committee.

Sign here: ..... Date: 21 February 2008
(~~Director~~/Company Secretary)

Print name: **Paul Derek Coleman**