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

23 August 2005

BOUGAINVILLE COPPER LIMITED

The directors of Bougainville Copper Limited announce the following audited results of the company for the six months ended 30 June 2005 together with comparable results for six months to 30 June 2004.

Financial Results

	2005 K'000	2004 K'000
Interest	439	611
Exchange gain on bank account	430	-
Realised gain on disposal of investments	-	448
Dividends	2 304	1 366
	3 173	2 425
Less:		
General and administration expenses	3 495	3 524
Loss before taxation	(322)	(1 099)
Income tax expense	-	-
Net Loss	(322)	(1 099)
Average A$/Kina exchange rate for period	0.4279	0.4569
Equivalent net profit in A$'000	(138)	(502)

The result for the six months ended 30 June 2005 was a loss of K0.3 million compared to a loss of K1.1 million for the corresponding period last year. The primary reason for the smaller loss is the higher dividend income in the current year compared to the prior year. Following amendments to IAS 39 – Financial Instruments (Recognition and Measurement) which became effective on 1 January 2005, all unrealised gains and losses on available-for-sale investments are now accounted for directly through equity rather than through the statement of financial performance, as was the treatment in previous years. Thus the unrealised gain on the share portfolio of K2.3 million is now credited directly to the equity account.

2005 DIVIDEND

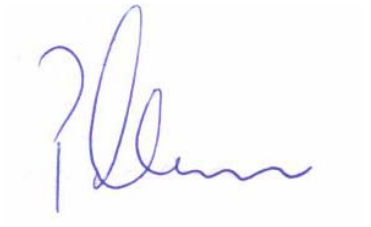
The Directors have not declared a dividend in respect of the six months ended 30 June 2005.

BORROWING

No borrowings were outstanding at year-end.

STOCK EXCHANGE

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



By order of the Board.
PAUL D COLEMAN
Company Secretary

Rules 4.2.A.3

Appendix 4D

Half yearly report

Name of entity

BOUGAINVILLE COPPER LIMITED

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Half year ended ('current period')
007 497 869	√		30/06/05

Results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

				$K'000
Revenues from ordinary activities *(item 1.1)*	up	30.8%	to	3,173
Profit (loss) from ordinary activities after tax attributable to members (*item 1.22*)	down	70.7%	to	(322)
Profit (loss) from extraordinary items after tax attributable to members (*item 2.5(d))*	gain (loss) of	-		-
Net profit (loss) for the period attributable to members *(item 1.11)*	down	70.7%	to	(322)

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend *(Preliminary final report only - item 15.4)* Interim dividend *(Half yearly report only - item 15.6)*	Nil	Nil
Previous corresponding period *(Preliminary final report - item 15.5; half yearly report - item 15.7)*	Nil	Nil

+Record date for determining entitlements to the dividend,
(in the case of a trust, distribution) *(see item 15.2)*

N/A

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:
Nil

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

Condensed consolidated statement of financial performance

		Current period - K'000	Previous corresponding period - K'000
1.1	Revenues from ordinary activities *(see items 1.23 –1.25)*	3,173	2,425
1.2	Expenses from ordinary activities (*see items 1.26 & 1.27)*	3,495	3,524
1.3	Borrowing costs	-	-
1.4	Share of net profits (losses) of associates and joint venture entities (*see item 16.7*)	-	-
1.5	**Profit (loss) from ordinary activities before tax**	**(322)**	**(1,099)**
1.6	Income tax on ordinary activities *(see note 4)*	-	-
1.7	**Profit (loss) from ordinary activities after tax**	**(322)**	**(1,099)**
1.8	Profit (loss) from extraordinary items after tax (*see item 2.5*)	-	-
1.9	**Net profit (loss)**	**(322)**	**(1,099)**
1.10	Net profit (loss) attributable to outside +equity interests	-	-
1.11	**Net profit (loss) for the period attributable to members**	**(322)**	**(1,099)**
Non-owner transaction changes in equity			
1.12	Increase (decrease) in revaluation reserves	-	-
1.13	Net exchange differences recognised in equity	-	-
1.14	Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17	**Total changes in equity not resulting from transactions with owners as owners**	-	-

Earnings per security (EPS)		Current period	Previous corresponding Period
1.18	Basic EPS	(0.08) toea	(0.27) toea
1.19	Diluted EPS	-	-

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
1.20	Profit (loss) from ordinary activities after tax (*item 1.7*)	(322)	(1,099)
1.21	Less (plus) outside +equity interests	-	-
1.22	**Profit (loss) from ordinary activities after tax, attributable to members**	**(322)**	**(1,099)**

Revenue and expenses from ordinary activities

(see note 15)

		Current period – K'000	Previous corresponding period - K'000
1.23	Revenue from sales or services	-	-
1.24	Interest revenue	439	611
1.25	Other relevant revenue-	2,734	1,814
1.26	Details of relevant expenses-General and administration expenses		
	Related Party (reimbursement of expenses to related parties salaries, rent etc)	1,421	1,266
	Other Administrative Expenses	2,074	2,258
1.27	Depreciation and amortisation excluding amortisation of intangibles *(see item 2.3)*	-	-
Capitalised outlays			
1.28	Interest costs capitalised in asset values	-	-
1.29	Outlays capitalised in intangibles (unless arising from an +acquisition of a business)	-	-

Consolidated retained profits

		Current period – K'000	Previous corresponding period - K'000
1.30	Retained profits (accumulated losses) at the beginning of the financial period	(122,782)	(124,346)
1.31	Net profit (loss) attributable to members (*item 1.11*)	(322)	(1,099)
1.32	Net transfers from (to) reserves *(details if material)*	-	76
1.33	Net effect of changes in accounting policies	-	-
1.34	Dividends and other equity distributions paid or payable	-	-
1.35	**Retained profits (accumulated losses) at end of financial period**	**(123,104)**	**(125,369)**

Intangible and extraordinary items

		Consolidated - current period			
		Before tax K'000 (a)	Related tax K'000 (b)	Related outside +equity interests K'000 (c)	Amount (after tax) attributable to members K'000 (d)
2.1	Amortisation of goodwill	Nil	Nil	Nil	Nil
2.2	Amortisation of other intangibles	Nil	Nil	Nil	Nil
2.3	**Total amortisation of intangibles**	Nil	Nil	Nil	Nil
2.4	Extraordinary items (details)	Nil	Nil	Nil	Nil
2.5	**Total extraordinary items**	Nil	Nil	Nil	Nil

Comparison of half year profits

(Preliminary final report only)

		Current year - K'000	Previous year - K'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year (item 1.22 in the half yearly report)	(322)	(1,099)
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year	-	23,971

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			
4.1	Cash	1,070	8,709	4,371
4.2	Receivables	5,149	4,572	4,515
4.3	Investments	-	-	-
4.4	Inventories	-	-	-
4.5	Tax assets	-	-	-
4.6	Other –Short term investments	12,626	14,446	15,500
4.7	**Total current assets**	**18,845**	**27,727**	**24,386**
	Non-current assets			
4.8	Receivables	3,909	3,909	3,909
4.9	Investments (equity accounted)	-	-	-
4.10	Other investments	139,278	128,223	107,606
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised *(see para .71 of AASB 1022)*	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	547,894	547,894	547,894
4.15	Intangibles (net)	-	-	-
4.16	Tax assets	-	-	-
4.17	Other –General Provision	(350,000)	(350,000)	(350,000)
4.18	**Total non-current assets**	**341,081**	**330,026**	**309,409**
4.19	**Total assets**	**359,926**	**357,753**	**333,795**
	Current liabilities			
4.20	Payables	280	295	308
4.21	Interest bearing liabilities	-	-	-
4.22	Tax liabilities	-	-	-
4.23	Provisions exc. tax liabilities	830	830	830
4.24	Other (provide details if material)	-	-	-
4.25	**Total current liabilities**	**1,110**	**1,125**	**1,138**
	Non-current liabilities			
4.26	Payables	4,793	4,518	4,518
4.27	Interest bearing liabilities	-	-	-
4.28	Tax liabilities	6,759	6,759	6,759
4.29	Provisions exc. tax liabilities	22,073	22,073	22,073
4.30	Other (provide details if material)	-	-	-
4.31	**Total non-current liabilities**	**33,625**	**33,350**	**33,350**

Condensed consolidated statement of financial position continued

4.32	**Total liabilities**	**34,735**	**34,475**	**34,488**
4.33	**Net assets**	**325,191**	**323,278**	**299,307**

	Equity			
4.34	Capital/contributed equity	401,063	401,063	401,063
4.35	Reserves	47,232	44,997	23,613
4.36	Retained profits (accumulated losses)	(123,104)	(122,782)	(125,369)
4.37	**Equity attributable to members of the parent entity**	**325,191**	**323,278**	**299,307**
4.38	Outside +equity interests in controlled entities	-	-	-
4.39	**Total equity**	**325,191**	**323,278**	**299,307**

4.40	Preference capital included as part of 4.37	-	-	-

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.)

		Current period K'000	Previous corresponding period - K'000
5.1	Opening balance	-	-
5.2	Expenditure incurred during current period	-	-
5.3	Expenditure written off during current period	-	-
5.4	Acquisitions, disposals, revaluation increments, etc.	-	-
5.5	Expenditure transferred to Development Properties	-	-
5.6	**Closing balance as shown in the consolidated balance sheet** (*item 4.12)*	**Nil**	**Nil**

Development properties

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

		Current period K'000	Previous corresponding period - K'000
6.1	Opening balance	-	-
6.2	Expenditure incurred during current period	-	-
6.3	Expenditure transferred from exploration and evaluation	-	-
6.4	Expenditure written off during current period	-	-

6.5	Acquisitions, disposals, revaluation increments, etc.	-	-
6.6	Expenditure transferred to mine properties	-	-
6.7	**Closing balance as shown in the consolidated balance sheet** *(item 4.13)*	**Nil**	**Nil**

Condensed consolidated statement of cash flows

		Current period K'000	Previous corresponding period - K'000
	Cash flows related to operating activities		
7.1	Receipts from customers	-	-
7.2	Payments to suppliers and employees	(3,723)	(3,514)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	2,304	1,366
7.5	Interest and other items of similar nature received	348	549
7.6	Interest and other costs of finance paid	-	-
7.7	Income taxes paid	-	-
7.8	Other (provide details if material)	-	-
7.9	**Net operating cash flows**	**(1,071)**	**(1,599)**
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	-	-
7.11	Proceeds from sale of property, plant and equipment	-	-
7.12	Payment for purchases of equity investments	(8,837)	(8,208)
7.13	Proceeds from sale of equity investments	19	7,162
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other (provide details if material)	-	-
7.17	**Net investing cash flows**	**(8,818)**	**(1,046)**
	Cash flows related to financing activities		
7.18	Proceeds from issues of +securities (shares, options, etc.)	-	-
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividends paid	-	-
7.22	Other (provide details if material)	-	-
7.23	**Net financing cash flows**	**-**	**-**
7.24	**Net increase (decrease) in cash held**	(9,889)	(2,645)
7.25	Cash at beginning of period *(see Reconciliation of cash)*	23,156	22,976
7.26	Exchange rate adjustments to item 7.25.	429	(460)

7.27	**Cash at end of period** *(see Reconciliation of cash)*	13,696	19,871

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

Nil

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
8.1	Cash on hand and at bank	1,070	4,371
8.2	Deposits at call	-	-
8.3	Bank overdraft	-	-
8.4	Other –Short term liquid investments	12,626	15,500
8.5	**Total cash at end of period** *(item 7.27)*	**13,696**	**19,871**

Other notes to the condensed financial statements

Ratios		Current period	Previous corresponding Period
9.1	**Profit before tax / revenue** Consolidated profit (loss) from ordinary activities before tax (*item 1.5*) as a percentage of revenue (*item 1.1*)	(10.1)%	(45.3)%
9.2	**Profit after tax / +equity interests** Consolidated net profit (loss) from ordinary activities after tax attributable to members (*item 1.11*) as a percentage of equity (similarly attributable) at the end of the period (*item 4.37*)	(0.09)%	(0.367)%

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

Current year: (0.08) toea
Previous year: (0.27) toea
Diluted EPS is the same as Basic EPS

NTA backing *(see note 7)*	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	0.811	0.746

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

Nil

Control gained over entities having material effect

13.1	Name of entity (or group of entities)	Nil
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	N/A
13.3	Date from which such profit has been calculated	N/A
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	Nil
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
14.3	Date to which the profit (loss) in item 14.2 has been calculated	N/A
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	N/A
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A
15.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	N/A

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
	(Preliminary final report only)			
15.4	**Final dividend:** Current year	Nil	Nil	Nil
15.5	Previous year	Nil	Nil	Nil
	(Half yearly and preliminary final reports)			
15.6	**Interim dividend:** Current year	Nil	Nil	Nil
15.7	Previous year	Nil	Nil	Nil

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

(Preliminary final report only)

		Current year	Previous year
15.8	+Ordinary securities	Nil	Nil
15.9	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
15.10	+Ordinary securities *(each class separately)*	-	-
15.11	Preference +securities *(each class separately)*	-	-
15.12	Other equity instruments *(each class separately)*	-	-
15.13	**Total**	**Nil**	**Nil**

The +dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

Nil

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

Group's share of associates' and joint venture entities':	Current period K'000	Previous corresponding period - K'000
16.1 Profit (loss) from ordinary activities before tax	-	-
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	-	-
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	-	-
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	Nil	Nil

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (*item 1.9*)	
17.1 Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period K'000	Previous corresponding period - $K'000
	-	-	-	-
17.2 Total	-	-	-	-
17.3 Other material interests	-	-	-	-
17.4 Total	Nil	Nil	Nil	Nil

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 (see note 14) (toea)	Amount paid up per security (see note 14) (toea)
18.1	**Preference +securities** *(description)*	-	-	-	-
18.2	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3	**+Ordinary securities**	401062500	401062500	-	-
18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	-	-	-	-
18.5	**+Convertible debt securities** (*description and conversion factor)*	-	-	-	-
18.6	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
18.7	**Options** *(description and conversion factor)*	-	-	*Exercise price*	*Expiry date (if any)*
				-	-
18.8	Issued during current period	-	-	-	-
18.9	Exercised during current period	-	-	-	-
18.10	Expired during current period	-	-	-	-
18.11	**Debentures** *(description)*	-	-		
18.12	Changes during current period (a) Increases through issues	-	-		
	(b) Decreases through securities matured, converted	-	-		

18.13	**Unsecured notes** *(description)*	-	-
18.14	Changes during current period	-	-
	(a) Increases through issues	-	-
	(b) Decreases through securities matured, converted	-	-

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's +accounts should be reported separately and attached to this report.)

N/A

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Nil

Basis of financial report preparation

19.1 This is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. ***It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.*** *The financial statements in this report are "condensed financial statements" as defined in the AASB 1029: Interim Financial Reporting. This report does not include all the noted of the type normally included in an annual financial report.*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Refer Note 1(a) of the annual report.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Nil

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Nil

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

Since the last annual report, amendments to IAS 39 have been introduced. This has resulted in unrealised gains/losses on the available-for-sale investments being accounted for through fair value reserves rather than through the statement of financial performance. This change is reflected in the 30 June 2005 results and the change has retrospective application to the 30 June 2004 and 31 December 2004 figures.

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

Nil

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

Nil

Additional disclosure for trusts

20.1	Number of units held by the management company or responsible entity or their related parties.	N/A
20.2	A statement of the fees and commissions payable to the management company or responsible entity. Identify: • initial service charges • management fees • other fees	N/A

Compliance statement

1 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 and International Accounting Standard 34: Interim Financial Reporting.

Identify other standards used	International Accounting Standards

2 This report, and the accounts upon which the report is based, use the same accounting policies.

3 The directors are able to declare that the financial report comprising Appendix 4D to the Australian Stock Exchange for the half year ended 30 June 2005:

a.) complies with International Accounting Standard IAS 34: Interim Financial Reporting, and the Australian Stock Exchange Listing Rules relating to half yearly financial reports, and

b.) gives a true and fair view of the entity's financial position as at 30 June 2005 and of its performance, as represented by the results of its operations and it's cash flows for the half year ended on that date;

except that the results of the company for the six months ended 30 June 2005 have been in the opinion of the directors, substantially affected by events of a material and unusual nature as noted in the annual report dated 31 December 2004. 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.