

Registered number: 05890789

LOTUS RESOURCES PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2008

LOTUS RESOURCES PLC

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CHIEF EXECUTIVE'S STATEMENT

I am pleased to announce the results of the company for the six months ending 31 March 2008

As has already been announced in December 2007 the company was introduced to Plus markets following a successful fundraising of £225,000 from the issue of 7.5 million shares at 3p per share. Since then we have raised a further £203,000 from the issue of 3.5 million shares at 5.8p per share

The company was formed to take advantage of the various opportunities in the Chinese mining sector utilising the experience of a number of the co-founders and shareholders. The company's objective is to build a medium scale mining and exploration company within 3 years with a balanced portfolio of properties and product commodities and since the introduction to Plus markets we have been active in investigating a number of potential opportunities.

I would like to thank the co-founders and shareholders who have been very supportive during these important initial stages in the company's development and I look forward to the future with great confidence.

Simon Longworth
Chief Executive
4 June 2008

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PROFIT AND LOSS ACCOUNT FOR THE 6 MONTHS ENDED 31 MARCH 2008

	Unaudited 6 months to 31 March 2008 £	Unaudited Period to 31 March 2007 £	Audited Period to 30 Sept 2008 £
Administrative expenses	(129,914)	(138,616)	(229,098)
Operating loss	(129,914)	(138,616)	(229,098)
Interest receivable	689	24	295
Interest payable	(18)	(3)	(3)
Loss on ordinary activities before taxation	(129,243)	(138,595)	(228,806)
Tax on loss on ordinary activities	-	-	-
Loss on ordinary activities after taxation	(129,243)	(138,595)	(228,806)
Earnings per share (pence)	2	(0.43)	(1.67)

All activities derive from continuing operations

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BALANCE SHEET AS AT 31 MARCH 2008

	Unaudited 31 March 2008 £	Unaudited 31 March 2007 £	Audited 30 Sept 2008 £
Current assets			
Debtors	10,575	6,837	39,319
Cash at Bank	35,075	3,211	10,907
	<u>45,650</u>	<u>10,048</u>	<u>50,226</u>
Creditors: amounts falling due within one year	(42,415)	(26,469)	(57,841)
Net current liabilities	<u>3,235</u>	<u>(16,421)</u>	<u>(7,615)</u>
Capital and Reserves			
Called up share capital	307,674	122,174	219,674
Share premium account	53,610	-	1,517
Reserves	(228,806)	-	-
Profit & loss account	(129,243)	(138,595)	(228,806)
Equity shareholders' funds	<u>3,235</u>	<u>(16,241)</u>	<u>(7,615)</u>

These financial statements were approved by the board on 4 June 2008.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 MARCH 2008

1. The financial information for the period ended 31 March 2008 has not been audited or reviewed by the Company's auditors and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. During the period the company incurred a loss of £129,243. The accounts have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

2. **Earnings per share**

	March 2008 pence	March 2007 pence	Sept 2007 pence
Earnings per share	(0.43)	(1.42)	(1.67)

The basic earnings per ordinary share is calculated by dividing earnings for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year.

The calculation of basic earnings per ordinary share is based upon the following data:

Earnings

	March 2008 £	March 2007 £	Sept 2007 £
Earnings for the purposes of earnings per share	(129,243)	(138,595)	(228,806)

Number of shares

	March 2008	March 2007	Sept 2007
Basic weighted average number of shares	30,034,080	9,774,964	13,700,299

Further ordinary shares have been issued after the balance sheet date. These issues do not effect the calculations above.

3. The directors of the company accept responsibility for this announcement.