VERUS INVESTMENTS LIMITED

ABN 59 009 575 035

25 February 2008

Company Announcement Office
Australia Securities Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Ms

Re: Half Yearly Results

Please find attached the Company's results to the 31 December 2007. These results include the write-off of the Company's investment in three oil and gas projects as a result of its joint venture with Austin Exploration Limited.

As previously announced the Company participated in the deepening of the St Gabriel 1 well both through its joint venture with Austin Exploration Limited and via a direct investment in the deepening component in conjunction with Drillmar Oil & Gas Inc, see ASX release dated 30 November 2007.

The cost of participation in the deepening of the St Gabriel 1 well was approximately US$200,000 and this amount entitled the Company to an additional 10% working interest in the well. Even though testing has not yet been completed on all of the deeper zones in the St Gabriel 1 well, the board has taken the view that a successful result is unlikely given the results achieved to date and it is prudent to write this investment to a zero value.

The Company has been working with its corporate advisor Perth based Corporate & Resource Consultants and in particular Mr Klaus Eckhof over the last 6 months in respect to securing investments in a number of nickel and iron ore exploration projects in South America.

It is likely that additional appointment(s) to the board will be made if these investments proceed so that the board has the necessary skill base to manage these investments. An appropriate release will be made at that time.

Please contact me on 0416 220 007 or 02 9233 2520 if you have any queries in relation to the above.

Yours sincerely

Dean L Gallegos
Chairman

Street Address: Level 15, 25 Bligh Street, Sydney NSW 2000
Ph: +61 2 9233 2520 Fax: +61 02 9233 2530

VERUS INVESTMENTS LIMITED

ABN 59 009 575 035

ASX Appendix 4D & Financial report for the half-year ended

31 December 2007

ASX Appendix 4D & Financial report for the half-year ended 31 December 2007

Page

Results for announcement to the market

Current reporting period: half-year ended 31 December 2007
and previous reporting period: half-year ended 31 December 2006

Results				A$
Revenues	Down	86.6%	to	65,730
Loss from ordinary activities after tax attributable to members	Up	19,206%	to	(5,605,965)
Net Loss for the period attributable to members	Up	19,206%	to	(5,605,965)

Dividends (distributions)	Amount per security	Franked amount per security
Current period		
Interim dividend declared	-	-
Final dividend paid	-	-
Previous corresponding period		
Interim dividend declared	-	-
Special dividend paid	-	-
Final dividend paid	-	-

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

A brief explanation of revenue, net profit and dividends has been detail in the enclosed Director report, Income statement, Balance sheet, Cash flow statement and Note to financial statements.

Directors' report

The directors of Verus Investments Limited ("Company") submit herewith the financial report for the half-year ended 31 December 2007. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are unless otherwise stated:

Mr. Dean Lloyd Gallegos
Mr. Simon Fyfe (resigned 16 October 2007)
Mr. Gregory Lee
Mr. David Calcei

Review of Operations

During the period the Company continued to seek suitable acquisition opportunities. As part of the on-going investment activity the company maintained and evaluated its direct investment in Oil and Gas exploration.

On the 9 August 2007 the Company announced a non renounceable rights issue of 2 new options exercisable at $0.10 cents on or before 30 June 2010, at an issue price of $0.002 each for every 3 shares held in the Company raising approximately $318,392 before issue cost.

On the 16 August 2007 the Company was informed that Austin Exploration Limited had successfully negotiated a farm-out agreement with Drillmar Oil and Gas in respect to the Company investment in St. Gabriel #1 Well. Under the farm-out agreement Drillmar pursued the re-entry and deepening of the well in an attempt to reach the targeted depth, diluting the Company's net revenue interest to 2%.

The Company announced on the 30 November 2007 it had successfully negotiated and executed a Participation Agreement with the new operator to increase its share of the revenue to a total of 12% for a total consideration of $179,543. On the 10 December 2007 the re-entry of the St Gabriel #1 well was completed and testing commenced on the targeted reserves. Based on the information received to the date of this report as required by the Australian accounting standards to conduct impairment testing of the Company assets at reporting dates, the directors have determined that the carrying value of this investment has been impaired and therefore all cost invested to the date of this report has been written off as detailed in the Note 6(1) to the financial statements

On the 24 September the operator and production manager Austin Exploration Limited advised the Company that the production testing on Southwest Edwards concluded that the well was a dry hole and agreed to plug and abandon the well, as the identified zone was perforated at multiple points and no oil or gas was recovered and therefore all cost invested to the date of this report has been written off as detailed in the Note 6(3) to the financial statements

During the period the company was informed by the operator and production manager Austin Exploration Limited, that it had completed the production testing on Geuymard 1(previously called St Gabriel II) and while it previously reported it had indentified 55 feet of potential pay, all proved to be non-commercial and it was agreed to temporarily abandoned this well pending the drilling of a second well to reach the targeted zones. To the date of this report the Company has not been advised of the budgeted cost for the second well and the Company has not committed any funding to the drilling of this second well to reach the targeted zones, and therefore all cost invested to the date of this report has been written off as detailed in the Note 6(2) to the financial statements

On the 16 of October 2007 Mr Simon Fyfe resigned from the board and as Company Secretary. Mr Dean Gallegos has been appointed Company Secretary as of the 16 October 2007.

Directors' report

Auditor's independence declaration

The auditor's independence declaration is included on page 4 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the board of Directors

Dean L Gallegos
Sydney, 21 February 2008

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Verus Investments Limited
The Board of Directors
Level 15
25 Bligh Street
Sydney
NSW 2000

21 February 2008

Dear Board Members

VERUS INVESTMENTS 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 Verus Investments Limited.

As lead audit partner for the review of the financial statements of Verus Investments Limited for the half-year 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 faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Adam Thompson
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Members of Verus Investments Limited

We have reviewed the accompanying half-year financial report of Verus Investments 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, selected explanatory notes and the directors' declaration of the company as set out on pages 7 to 14.

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 Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control 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 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 Verus Investments 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Deloitte.

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 Verus Investments 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 Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Adam Thompson
Partner
Chartered Accountants
21 February 2008

Directors' declaration

The directors of the Company declare that:

a) 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.

b) In the directors' opinion, the attached financial statements and the notes thereto are in accordance with the Corporations Act 2001, including compliance with the accounting standards and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance of the resolution of the directors, and pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors:

Dean L Gallegos

Sydney, 21 February 2008

Condensed income statement
for the half-year ended 31 December 2007

	Note	Half-year ended 31 Dec 2007 $	Half-year ended 31 Dec 2006 $
Continuing Operations			
Revenue – dividends		-	8,050
Change in fair value of financial assets classified as fair value through the profit and loss		-	325,921
Other income – interest received		65,730	155,610
Occupancy expenses		(37,587)	(11,927)
Option cost for Vanadium business opportunity	2	-	(208,172)
Intangible exploration investment written off	6	(5,411,242)	-
Administration expenses		(206,257)	(285,212)
Depreciation		(9,689)	(574)
Finance costs		-	-
Other expenses		(6,920)	(13,038)
Loss before tax		(5,605,965)	(29,342)
Income tax expense		-	-
Loss for the period		(5,605,965)	(29,342)
Earnings per share from continuing operations:			
Basic (cents per share)		(2.35) cents	(0.01) cents
Diluted (cents per share)		(2.35) cents	(0.01) cents

Notes to the condensed financial statements are included on pages 12 to 14.

Condensed balance sheet
as at 31 December 2007

	Note	31 December 2007	30 June 2007
Current assets			
Cash and cash equivalents		2,171,578	2,268,723
Trade and other receivables		539,476	27,522
Prepayment		7,357	10,554
Total current assets		2,718,411	2,306,799
Non-current assets			
Property, plant and equipment		71,876	81,564
Intangible assets	6	-	5,460,926
Other non-current assets		39,596	39,596
Total non-current assets		111,472	5,582,086
Total assets		2,829,883	7,888,885
Current liabilities			
Trade and other payables		325,008	48,223
Total current liabilities		325,008	48,223
Total liabilities		325,008	48,223
Net assets		2,504,875	7,840,662
Equity			
Issued capital	9	9,094,555	8,824,377
Reserves		5,850	5,850
Accumulated losses		(6,595,530)	(989,565)
Total equity		2,504,875	7,840,662

Notes to the condensed financial statements are included on pages 12 to 14.

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

	Note	Issued Capital	Reserves	Accumulated losses	Total
			Share-based payments		
		$	$	$	$
Balance at *1 July 2006*		8,830,280	5,850	(807,151)	8,028,979
Share issue costs		(5,903)	-	-	(5,903)
Loss attributable to members of Company [1]		-	-	(29,342)	(29,342)
Sub-total		8,824,377	5,850	(836,493)	7,993,734
Dividends paid or provided for		-	-	-	-
Balance at *31 December 2006*		8,824,377	5,850	(836,493)	7,993,734
Balance at *1 July 2007*		8,824,377	5,850	(989,565)	7,840,662
Shares options issued during the period	9	318,392	-	-	318,392
Share options Issue costs		(48,214)	-	-	(48,214)
Loss attributable to members of Company [1]		-	-	(5,605,965)	(5,605,965)
Sub-total		9,094,555	5,850	(6,595,530)	2,504,875
Dividends paid or provided for		-	-	-	-
Balance at *31 December 2007*		9,094,555	5,850	(6,595,530)	2,504,875

(1) Loss attributable to members of the Company comprises the total recognised income and expense for the financial period.

Notes to the condensed financial statements are included on pages 12 to 14.

Condensed cash flow statement for the half-year ended 31 December 2007

	Note	Half-year ended 31 Dec 2007	Half-year ended 31 Dec 2006
Cash flows from operating activities			
Proceeds on sale of investment securities		10,661	6,423,264
Interest received		56,699	157,357
Dividends received		-	2,050
Withholding tax (paid)/refunded		1,289	(1,052)
Deposit refunded		2,350	-
Payments to suppliers and employees		(259,019)	(332,896)
Payments for investment securities		-	(6,837,503)
Net cash used in operating activities		(188,020)	(588,780)
Cash flows from investing activities			
Payment for option cost for Vanadium business opportunity		-	(208,172)
Payment for intangible exploration assets		(179,534)	(2,033,879)
Payment for property, plant & equipment		-	(255)
Net cash used in investing activities		(179,534)	(2,242,306)
Cash flows from financing activities			
Proceeds from issues of equity securities	9	318,392	1,850,903
Payment for share issue costs		(47,983)	(217,972)
Net cash provided by financing activities		270,409	1,632,931
Net decrease in cash and cash equivalents		(97,145)	(1,198,155)
Cash and cash equivalents at the beginning of the half-year		2,268,723	5,199,210
Cash and cash equivalents at the end of the half-year		2,171,578	4,001,055

Notes to the condensed financial statements are included on pages 12 to 14.

Notes to the condensed financial statements for the half-year ended 31 December 2007

1. Summary of accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 'Interim Financial Reporting'. Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

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 announcement made by the Company during the half-year in accordance with continuous disclosure requirement arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those in the 30 June 2007 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Basis of preparation

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise noted.

2. Vanamin Vanadium Project

During the half-year ended 31 December 2006 the company negotiated a conditional agreement to acquire a 75% interest in the Vanamin Vanadium Project located in South Africa and incurred expenses of approximately $208,000 relating to 'option' acquisition fees and associated due diligence costs. These costs were subsequently expensed after the Company had conducted due diligence and received technical advice which confirmed that it was not in the best interests of the shareholders to proceed with this acquisition.

3. Revisions of accounting estimates

None to report during the period.

4. Segment information

The Company operates predominantly in one industry being the identification and execution of investment opportunities, for any short, medium or long term purpose whether or not those opportunities relate to securities which are listed on a Securities Exchange. All revenue and profit/(loss) reported in the financial statements has been generated in one geographical location being Australia.

5. Contingencies and commitments

The Company has ongoing contingent liabilities associated with the winding down of the Company farm-in investment therefore will affect the actual amount receivable/payable as detailed in Note 6 from the Austin Exploration Limited (2006: nil). As at 31 December 2007 there were no contingent assets (2006:nil)

Notes to the condensed financial statements for the half-year ended 31 December 2007 (cont'd)

6. Intangible assets

The Company's intangible asset comprises of an investment by way of a farm-in agreement by signing a Master Participation Agreement (MPA) with AUS-Tex Exploration Inc. USA, a wholly owned subsidiary of Austin Exploration Limited (AKK), Australia a company listed on the ASX.

As of the 31 December 2007 the Company has the following investments:

	Half-year ended 31 December 2007 $	Half-year ended 30 June 2007 $
St. Gabriel #1 (1)	-	2,033,879
Geuymard 1 (2)	-	2,063,557
SW Edwards Creek (3)	-	1,363,490
Total Intangible (Exploration & Evaluation Assets)	-	5,460,926

(1) On the 30 November 2007 the Company announced that it had executed a Participation Agreement with the Drillmar Oil & Gas, Inc. the new operator of this well, to acquire an additional 10% working interest for a total consideration of $179,543. This is additional to the 2% it currently holds with AKK brings the Company interest in this well to 12%. Based on the current testing results of the well, Impairment testing was conducted as of 31 December 2007 and as of the date of this report the carrying value of this investment has been impaired and therefore this investment has been written down to Nil except for $213,933 that has been included in 'Trade and other receivable' and is recoverable under the MPA signed with AKK. The carrying value was the total amount paid on signing the agreement with AKK on the expectation of the total expenses to drill and test the well under the agreement signed 22 December 2006.

(2) During the year the operator and exploration manager AKK managed to run production logs and perforated the casing to start testing the six zones that appeared to be potentially productive. These zones were tested but all proved to be non-commercial. It was agreed that the well be temporarily abandoned pending testing of targeted reservoirs that could not be reach due to an obstruction in the casing that was found on the 11 June 2007. when drilling was postponed. Based on the results of the tested zones received during the period the director's concluded that the carrying value of this investment had been impaired and therefore this investment has been written down to Nil except for $286,472 which is recoverable under the MPA signed with AKK and has been included in 'Trade and other receivable'. The carrying value was the total amount paid on signing the agreement with AKK on the expectation of the total expenses to drill and test the well under the agreement signed 24 January 2007.

(3) On the 24 September 2007 the Company announced that AKK the operator and exploration manager had completed their testing of the well and concluded that the well was a dry hole, agreeing to plug and abandon this well. Based on the above information the director's concluded that the carrying value of this investment had been impaired and therefore the investment has been written down to Nil. The Company has been advised that the drilling and exploration cost exceeded the budgeted amount and is recoverable from the investment partners under the MPA signed with AKK. The Company share of these costs amounted to $271,187 and has been included in 'Trade and other payable' as the carrying value as of 30 June 2007 was the total anticipated farm-in expenses under the agreement signed with AKK on the 24 January 2007.

Notes to the condensed financial statements for the half-year ended 31 December 2007 (cont'd)

6. Intangible assets (cont'd)

The intangible assets were not amortised at 30 June 2007 as these assets had not yet reached a stage of final evaluation or production.

7. Subsequent events

No other matter or circumstance has arisen since the end of the half-year reporting period which has not been dealt with in the financial statements that has significantly affected or may significantly effect:

(i) the operations of the Company;
(ii) the results of those operations; or
(iii) the state of affairs of the Company.

	Half-year ended 31 December 2007		Half-year ended 31 December 2006	
	Cents per share	Total $	Cents per share	Total $
8. Dividends				
Recognised amounts				
Fully paid ordinary shares				
Final dividend	-	-	-	-

9. Issuances, repurchases and repayments of securities

On the 9 August 2007 the Company announced a non renounceable rights issue of 2 new options exercisable at $0.10 cents each on or before 30 June 2010 at an issue price of $0.002 each for every 3 shares held in the Company, raising approximately $318,392 before issue cost. Each option entitles the holder to subscribe for and be allotted one fully paid ordinary share, there are no voting or entitlement inherent in the options.

During the half-year ended 31 December 2007 and to the date of this report no shares have been issued, proposed to be issued, nor have any of the options been exercised into fully paid ordinary shares.

10. Acquisitions and disposals of subsidiaries

There were no acquisitions or disposals to report during the period.

Other information required to be given to ASX under listing rule 4.2A.3

Net tangible assets per security	Current period	Previous corresponding period
Net tangible assets per security	1.05 cents	2.50 cents

Details of entities over which control has been gained or lost during the period

Name of entity	Date of gain or loss of control	Contribution to reporting entity's profit
N/A		

Details of associates and joint venture entities

Name of entity	**Percentage of ownership interest held at end of period**		**Aggregate share of net profit (loss) contributed to the reporting entity**	
	Current period	Previous corresponding period	Current period $A	Previous corresponding period $A
N/A				
Total				