

NOVENTA LIMITED

("Noventa" or the "Company")

[AIM: NVTA]

Unaudited Consolidated Interim Financial Statements for the six months ended 30 June 2009

CHAIRMAN'S STATEMENT

I was appointed as a Director of Noventa Ltd on 29 June 2009. A majority of the shareholders decided on 9 July 2009 to remove the Chairman and I was appointed by the Board of Directors as Chairman.

The Group made a loss of US\$5.226 million during the six months to 30 June 2009 on sales of US\$2.204 million.

The Company's financial results reflect its inability in the past to reach a production level that exceeded breakeven. This was substantially due to the level of oversized material that was rejected in the recovery process. In addition, the lack of maintenance and attention to detail contributed to these poor results, along with the historic lack of line powered electricity, a situation exacerbated by the mine operating on three different types of generator with no automatic switchover, resulting in substantial downtime.

Noventa has since admission to the AIM of the London Stock Exchange continually reported losses and stopped production and placed the Marropino mine on care and maintenance at the end of May 2009. The financial results for the first half of 2009 reflect the operational losses. No sales are currently being generated. The Company remains loss making and cash negative at the current time.

Apart from Gold, most metals have experienced losses of up to half their value during the current economic downturn; conversely, tantalum has hardly moved in value. The Board believes that the medium term outlook for the metal is encouraging, as demand is expected to outstrip supply in 2010 and 2011, following one third of global primary production having been withdrawn from the market in the last nine months; government inventories are now fully exhausted and customer stocks are at historic low levels. New projects in the Middle East and Canada are at least two years away from commercial production.

The Board believes that demand will be pushed higher next year by an increase in the production of micro-electronic goods after a period of recession. Tantalum's primary use is in the manufacture of capacitors for microelectronic circuits. Tantalum capacitors are key components in mobile phones, computer motherboards and audio/visual equipment. Substitutes including niobium and ceramic capacitors offer lower costs but also lower performance and larger size.

John N. Allan was appointed as a Director and Chief Executive Officer on 9 July 2009, as was Tim Griffiths, a fellow of the Institute of Chartered Accountants of England and Wales and experienced investment banker who sits on the Board of several Companies. On 12 August 2009 we welcomed Peter Cox, who is qualified both as a Civil and Mining Engineer to the Noventa Board as our Mining Director.

The Board is seeking funds to stabilise the current business, which in turn will allow time for them to develop and implement a turnaround strategy for the Company.

The management team has considered and compared several options which include:

- Re-open the Marropino mine with modifications to existing plant and mine plan;
- A new fixed plant capable of producing 450,000 lbs Ta205 per annum;
- Three modular plants producing 150,000 lbs Ta205 per annum each;
- Outsourcing processing to a third party; and

- A trade sale

The Board proposes to raise the necessary new working capital through the Placing and Open Offer (announced concurrently with these results) in order for the new team to finalise and implement its currently preferred option of re-opening the Marropino mine with modifications to its existing plant and mine plan. In conjunction with the pursuit of this preferred option, the Board continues to actively evaluate the second and third options listed above, while keeping options four and five under review.

Noventa's assets are located in central Mozambique. Politically stable since 1992, the country is supportive of mining projects and in the past five years has attracted long term multimillion dollar investments from companies such as BHP Billiton, Vale and Kenmare Resources.

The Company's initial open cast mine, the Marropino mine, has been operating intermittently since 2003, but the Board believes that the approach that was historically taken to bring the mine into production was incorrect and not as effective as it should have been, or as expected at the time of admission to trading on AIM. As a result, much less of the resource has so far been extracted than would originally have been expected by this point. In addition, the Company's other mine rights at locations such as Morrua, Mutala and others remain unexploited.

Marropino's poor performance can be attributed to a wide variety of equipment, operational and management failings, which resulted in output being consistently below expectations; however the Board believes that all these issues can be suitably addressed provided the appropriate financing can be obtained. The Company's Marropino Mine was put into care and maintenance in May 2009, due to a lack of funds to support the continuing losses.

Each element of the process from extraction through processing and distributing to clients is being examined to identify and eliminate losses and inefficiencies. The reserves are being re-examined and assays of the open mine are being taken to verify the ore projections by comparing historical assay data with fresh assays. An extensive list of remedial actions has already been identified and these are being assessed prior to incorporation into a recovery plan. Benchmarking against other tantalite mining operations is currently being considered. The Board will endeavour to keep Shareholders informed of developments.

Connection of the site to the Mozambique national power supply has been agreed with the supplier with a completion currently forecast (by the Board) in the next few weeks. This should provide significant improvement both in terms of cost savings (estimated at >\$1.5million annually) and reliability compared with the existing diesel generators.

A potential saving (estimated at around \$1.0million annually) in distribution costs may be realised by changing the transport route of the concentrate to the customer, avoiding costly overland transport to the port of Walvis Bay in Namibia. This is a consequence of legislative changes and is being tested for its long term viability.

Samples of the ore body will be taken and independently assayed to verify the ore body and to reconfirm the viability of resurrecting production. The existing main processing plant design is to be tested under lab conditions to confirm its fitness for purpose before checking, restoring, testing and restarting the plant.

Enhancement options to the existing process plant are being examined and costed to reduce process losses and/or recycle the 40% of the material previously put to waste as "oversize" (>1.7mm) for the current plant. Samples of the output concentrate have been sent for testing to a third party for potentially cheaper and more efficient final processing than the existing process. A survey of the mine will be carried out, provided the appropriate financing can be obtained, assessing the material volumes extracted, providing a firm starting point for updating of the pit optimisation and resulting mine plan, to enable the pit to be restructured back to the extraction plan for safe and efficient working.

The Board believes the Company is well placed compared to its competitors in terms of developing its tantalum assets, despite its historic poor performance. Although the Marropino mine is currently on a care

and maintenance basis, so is the Talison mine (historically the world's largest tantalum producer) in Australia, while the Commerce Resources and MDN Inc projects in Canada and the Adu Dabbab and Nuweibi projects in Egypt are all at a less advanced stage of development than Marropino. Noventa has estimated ore resources of 19million lbs Ta₂O₅ (Source: SRK Consulting (South Africa) (Pty) Ltd Independent Competent Persons Report dated 15 March 2007, included in the Company's AIM Admission Document dated 15 March 2007) distributed across three deposits. Since January 2007, a total of 218,000 lbs of Ta₂O₅ concentrate has been sold from its main operation at Marropino. Although the mine is on care and maintenance at present, with appropriate financing, the Board believes a restart could be achieved within five months.

The intention is to keep the company public and proceed if possible with the re-opening of existing operations with the defects rectified, necessary enhancements implemented and strict management controls.

The Board of Directors, the Management and I believe that our mission is to restore shareholder value, and that the Company should be a low cost producer of Tantalum, with a significant value added. This of course is dependent on successful funding, and the company's ability to restart production with an attention to detail to ensure where possible that the process delivers the tantalum concentrate at economical production level and recovery rate.

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Noventa Limited
Consolidated statements of comprehensive income
for the six months ended 30 June

	Six months ended 30 June 2009 US\$000	Six months ended 30 June 2008 US\$000	Year ended 31 December 2008 US\$000
Revenue : Tantalum concentrate	1,923	1,599	6,903
Revenue : Morganite	281	458	1,120
Total revenue	2,204	2,057	8,023
Cost of sales	(5,708)	(5,884)	(15,909)
	(3,504)	(3,827)	(7,886)
Administrative expenses	(1,720)	(2,749)	(4,501)
Impairment of property, plant & equipment	-	-	(2,443)
Exploration and evaluation expenses	(3)	-	(19)
Loss on disposal of property, plant and equipment	(10)	-	(141)
Operating loss	(5,237)	(6,576)	(14,990)
Finance income	307	120	275
Finance expense	(113)	(313)	(771)
Loss before taxation	(5,043)	(6,769)	(15,486)
Taxation	-	-	(7,088)
Loss for the period	(5,043)	(6,769)	(22,574)
Other comprehensive income			
Foreign currency translation differences for foreign operations	(183)	82	219
Total comprehensive income for the period	(5,226)	(6,687)	(22,355)

Noventa Limited
Consolidated statement of financial position
as at 30 June

	30 June 2009 US\$000	30 June 2008 US\$000	31 December 2008 US\$000
ASSETS			
Property, plant and equipment	4,542	9,782	4,852
Intangible assets	1,694	1,772	1,733
Deferred tax asset	-	7,088	-
Total non-current assets	6,236	18,642	6,585
Inventory	654	1,315	863
Trade and other receivables	2,679	2,413	3,997
Cash and cash equivalents	797	5,023	2,540
Total current assets	4,130	8,751	7,400
Total assets	10,366	27,393	13,985
EQUITY			
Share capital	32	30	32
Share premium	42,876	39,882	42,876
Convertible loan note	4,987	3,000	1,987
Merger reserve	8,858	8,858	8,858
Share incentive reserve	548	530	479
Translation reserve	31	77	214
Retained losses	(49,772)	(28,924)	(44,729)
Total equity	7,560	23,453	9,717
Liabilities			
Provisions	245	240	245
Total non-current liabilities	245	240	245
Other interest-bearing loans and borrowings	-	1,286	59
Trade and other payables	2,561	2,414	3,964
Total current liabilities	2,561	3,700	4,023
Total liabilities	2,806	3,940	4,268
Total equity and liabilities	10,366	27,393	13,985

Noventa Limited
Consolidated statement of cash flows
for the six months ended 30 June

	Six months ended 30 June 2009 US\$000	Six months ended 30 June 2008 US\$000	Year ended 31 December 2008 US\$000
Cash flows from operating activities			
Loss for the period	(5,043)	(6,769)	(22,574)
<i>Adjustments for:</i>			
Depreciation	637	888	3,737
Impairment of property, plant and equipment	-	-	2,443
Loss on disposal of property, plant and equipment	10	-	141
Amortisation	39	39	78
Employee share incentive expense	69	256	205
Foreign exchange (gain) loss	(183)	82	219
Finance expense	71	-	106
Finance income	(1)	(41)	(79)
Taxation	-	-	7,088
Operating loss before changes in working capital and provisions	(4,401)	(5,545)	(8,636)
Decrease (increase) in trade and other receivables	1,318	(556)	(2,140)
Decrease (increase) in inventory	209	(453)	(1)
(Decrease) increase in trade and other payables	(1,403)	(162)	1,388
Increase in provisions	-	6	11
Net cash outflow from operating activities	(4,277)	(6,710)	(9,378)
Cash flows from investing activities			
Interest (paid) received	(70)	41	(27)
Proceeds from sale of property, plant and equipment	-	-	-
Acquisition of property, plant and equipment	(337)	(403)	(906)
Net cash outflow from investing activities	(407)	(362)	(933)
Cash flow from financing activities			
(Repayment) proceeds from new loans	(59)	1,286	59
Proceeds from new convertible loan note	3,000	3,000	1,987
Proceeds from the issue of new shares	-	6,020	9,021
Share issue expenses	-	(356)	(361)
Net cash inflow from financing activities	2,941	9,950	10,706
Net increase in cash and cash equivalents	(1,743)	2,878	395
Cash and cash equivalents at beginning of the period	2,540	2,145	2,145
Cash and cash equivalents at end of the period	797	5,023	2,540

Noventa Limited
Consolidated statement of changes in equity
for the six months ended 30 June 2009

	Share capital US\$000	Share premium US\$000	Convertible loan note US\$000	Merger Reserve US\$000	Share incentive reserve US\$000	Translation reserve US\$000	Retained income US\$000	Total US\$000
Balance at 1 January 2008	32	42,876	1,987	8,858	479	214	(44,729)	9,717
Total comprehensive income for the period								
Loss for the period	-	-	-	-	-	-	(5,043)	(5,043)
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	-	(183)	-	(183)
Share-based incentive expense	-	-	-	-	69	-	-	69
Issue of convertible loan note for cash	-	-	3,000	-	-	-	-	3,000
Total other comprehensive income	-	-	3,000	-	69	(183)	-	2,886
Total comprehensive income for the period	32	42,876	4,987	8,858	548	31	(49,772)	7,560

Notes to the Financial Statements

1. Basis of preparation

The financial statements in this announcement have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("Adopted IFRSs") and approved by the Directors. The Company has adopted IFRS 1 (i.e. Presentation of Financial Statements) that came into effect 1 January 2009. The accounting policies contained in the 2008 Annual Report have been applied in the preparation of these financial statements. The interim report has been prepared on the basis of recognition and measurement requirements of adopted IFRSs but do not contain all disclosures required by IFRSs for annual financial statements.

The financial statements for the year ended 31 December 2008 are audited. The auditor's report dated 29 June 2009 was unqualified but contained a reference to the going concern disclosures set out in the Directors' Report and note 2 of those financial statements. The financial statements for the six months ended 30 June 2008 and 30 June 2009 are unaudited.

Going concern

The global financial and economic crisis has had a significant impact on the availability and cost of raising new capital i.e. either in the form of debt or equity. With the group's operations having been placed on care and maintenance on 31 May 2009, the Group only has limited cash resources to cover operational overheads.

The Company has recently undertaken a fund raising programme which has resulted in the placing of £400,000 of unquoted zero coupon convertible loan notes ("Loan Notes") and 8,750,000 new ordinary shares at a price of 4 pence per share ("Conditional Placing Shares") raising a further £350,000 before expenses.

The Company has also decided to make an open offer to qualifying shareholders to subscribe for up to 53,058,880 new ordinary shares and expects to raise up to £2,122,355 (before expenses). Further details of the fund raising activities are contained in Note 5 of this announcement.

The current fund raising programme is required to meet the Group's immediate working capital requirements and should give the Company sufficient funds for the Group to continue to trade until the first quarter of 2010, at which time the Board believes that the Company will require a further injection of funds in order to implement the preferred option for the future and to significantly expand capacity (including the possible development of one or more of its other properties) and sustainability of the business. If this future capital raising proceeds, it is likely to be significantly larger than this current offer and will probably consist of a mixture of new equity and debt. The Loan Notes, the Conditional Placing Shares and the Placing and Open Offer are subject to a number of conditions, including the passing of certain resolutions at the EGM. **If the resolutions are not passed, the Loan Notes, the Conditional Placing Shares and the Placing and Open Offer will fail and it is likely that the Group will be unable to trade.**

While there is no certainty that the necessary funding will be raised, the Board is reasonably confident that the required funding can be secured. The Board recognises that there is a material uncertainty as to whether the necessary funding will be secured and/or the applicable resolutions will be passed at the EGM.

Despite this uncertainty, the company financial statements have been prepared on the going concern basis; therefore the financial statements do not include any adjustments that would result from the basis of preparation being inappropriate. If the going concern assumption was not appropriate, certain assets would need to be written down and liabilities not recognised in the balance sheet may crystallise.

2. Loss per share:

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary in issue during the reporting period. There is no difference between the diluted loss per share and the basic loss per share presented.

	Shares in issue No.	Weighted average in issue No.
<i>Calculation of weighted average number of shares in issue</i>		
At 1 January 2008	33,134,648	33,134,648
Shares issued on conversion of loan notes	1,522,843	732,296
New shares issued on private placement	3,045,685	1,797,435
At 31 December 2008 ⁽ⁱ⁾	37,703,176	35,664,379
At 1 January 2009	37,703,176	37,703,176
Shares issued on conversion of loan notes	-	-
At 30 June 2009⁽ⁱ⁾	37,703,176	37,703,176

⁽ⁱ⁾ excludes 1,743,928 shares issued to the Noventa EBT

	Six months ended 30 June 2009 US\$000	Six months ended 30 June 2008 US\$000	Year ended 31 December 2008 US\$000
<i>The losses used in the calculations are :</i>			
Loss attributable to shareholders	(5,043)	(6,769)	(22,574)
Basic loss per share :	(5,043)	(6,769)	(22,574)
Effect of dilutive securities	-	-	-
Diluted loss per share :	(5,043)	(6,769)	(22,574)
Basic loss per share (US cent)	(13)	(20)	(63)
Diluted loss per share (US cent)	(13)	(20)	(63)

3. Movement in shareholders' equity

On 15 December 2008 the Company raised \$5 million from existing substantial shareholders, in the form of a zero coupon convertible unsecured loan note ("Convertibles"). An issue of US\$4,200,000 of zero coupon convertible loan notes to Highland African Mining Limited ("HAVL") (the Company's major shareholder) was subscribed for in two separate tranches i.e. US\$1,200,000 on 15 December 2008 and US\$3,000,000 on 26 January 2009. A further issue of US\$800,000 of zero coupon convertible loan notes was made and subscribed for by BlackRock World Mining Trust plc on 15 December 2008.

The proceeds from the Convertibles were used to fund additional working capital and operational costs as a consequence of the delays experienced in ramping up production to targeted levels.

4. Pre-shipment finance facility

The bankers providing the pre-shipment finance facility gave notice in April 2009 that the facility would no longer be available. This is despite Noventa complying with all covenants.

5. Subsequent events

Issue of Convertible Loan Notes & Conditional Placing of Shares

The Company has placed £400,000 of unquoted zero coupon convertible loan notes (the "Loan Notes"), raising £400,000 before expenses. The Loan Notes will be converted into 10,000,000 new ordinary shares of £0.0004 each in the Company ("Ordinary Shares"), a conversion price of 4p per share, conditional on the passing of certain resolutions at the extraordinary general meeting of the Company ("EGM") that will be called shortly. Subscribers for the Loan Notes will be issued with one warrant to subscribe for new Ordinary Shares for every two Ordinary Shares they will hold post conversion, with an exercise price of 18p per share and a life of 18 months.

The Company has also placed 8,750,000 new Ordinary Shares at a price of 4 pence per share, (the "Conditional Placing Shares") raising a further £350,000 before expenses, conditional on the passing of certain resolutions at the EGM and the Conditional Placing Shares being admitted to trading on AIM. Subscribers for the Conditional Placing Shares will be issued with one warrant to subscribe for new Ordinary Shares for every two Ordinary Shares they will hold post conversion, with an exercise price of 18p per share and a life of 18 months.

The amount raised net of expenses through the issue of the Loan Notes and the Conditional Placing of Shares will be £696,600.

Following the issue of the Loan Notes and the conditional Placing of Shares, and assuming the requisite resolutions are passed at the EGM, the Company's total issued ordinary share capital will be 61,197,104 Ordinary Shares.

Placing and Open Offer

In addition to the above, the Company has decided to make an Open Offer to Qualifying Shareholders to subscribe for up to 53,058,880 New Ordinary Shares on the basis of 5 Offer Shares for every 4 Existing Ordinary Shares at the Offer Price, payable in full on acceptance.

The Company expects to raise up to £2,122,355 (\$3,467,928) (before expenses) from the Placing and Open Offer. The net proceeds will be used to provide the Group with additional working capital.

The Placing and Open Offer are conditional, *inter alia*, upon the Placing and Open Offer Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms and on all of the Resolutions being passed at the EGM

Further details can be found in the separate announcement entitled "Issue of Convertible Loan Notes and Conditional Placing of Shares, Placing & Open Offer of Shares, Circular to Shareholders and EGM".