



New City Energy Limited

Interim Accounts For The Six Months To 31 March 2009

CORPORATE SUMMARY

INVESTMENT OBJECTIVE

New City Energy Limited's (the Company) investment objective is to deliver returns to shareholders principally in the form of capital growth yet with some prospect of income.

INVESTMENT POLICY

The Company has been established to invest in the securities of companies involved in exploration, development and production of energy and related service companies including, but not limited to, shares, convertibles, fixed income securities and warrants.

It is intended that the initial focus of the Company will be on companies involved in the oil and gas industry, either by buying quoted shares of companies involved in the exploration or production of oil and gas or by investing in seed capital situations prior to listing.

CORPORATE SUMMARY

The Company is a closed-ended investment company and was incorporated with limited liability in Jersey on 11 January 2008. The Company's shares are listed on the official list of The Channel Islands Stock Exchange LBG and dealing commenced on 8 February 2008. The shares are also traded on the International Bulletin Board of the London Stock Exchange where dealing commenced on 8 February 2008.

The Company has a life of 7 years from the First Closing Date of 8 February 2008, with extensions by ordinary resolution of the Shareholders in 2014 (being the last AGM prior to the completion of the Term) and annually thereafter at annual general meetings of the Company.

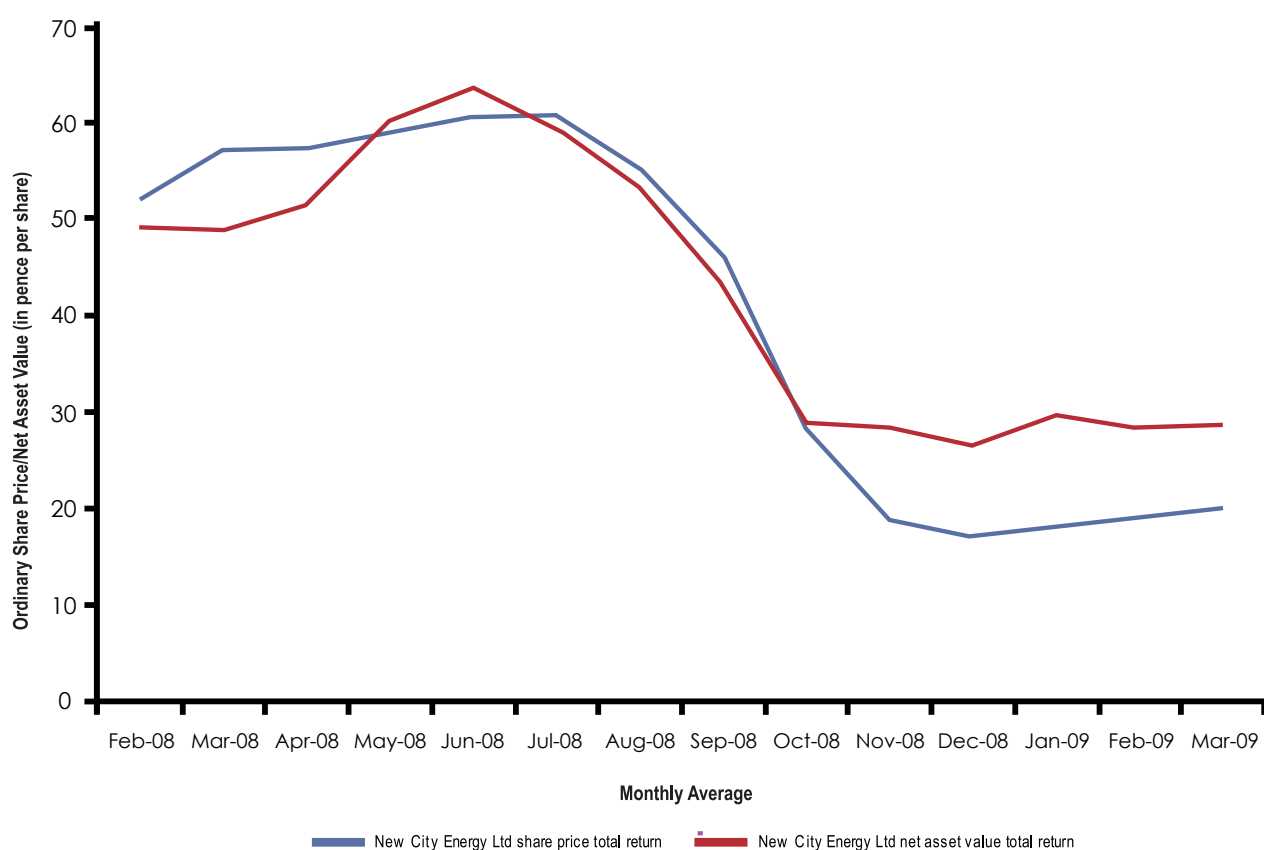
The Company's share capital structure consists of ordinary and subscription shares of no par value. The ordinary shares have the prospect of capital appreciation and the possibility of income. Each subscription share confers the right upon the shareholder to subscribe for one ordinary share at 70p following the issuance of the audited financial statements for each of the financial periods ending 2008 to 2013.

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS TO 31 MARCH 2009

	Note	31 March 2009	30 September 2008
Net Asset Value per Ordinary Share (per Financial Statements)	3(h)	£0.3097	£0.4295
Ordinary Share price (per Bloomberg)		£0.23	£0.44
Number of Ordinary Shares in issue	11	53,196,173	53,196,173
Number of Subscription Shares in issue	11	24,554,050	24,554,050

New City Energy Limited's Net Asset Value and Share Price



PERFORMANCE SUMMARY

PERFORMANCE SUMMARY FOR THE SIX MONTHS TO 31 MARCH 2009

Capital Values	Six months to 31 March 2009	Nine months to 30 September 2008
Total Net Assets	£16,472,428	£22,848,091
Net Asset Value per ordinary share	31p	43p
Ordinary Share Price (mid market)	23p	44p

Revenue and Dividends		
Revenue per share*	0.9p	1.3p
Dividends per share*	0.8p	0.8p
Dividend cover*	1.1	1.6

Dividend Yield		
(based upon an annualised dividend policy of 0.4p per share per quarter)*	7.0%	3.6%
(Discount)/Premium*	(25.8%)	2.3%

* Revenue per share = Income arising from ordinary activities/No of ordinary shares in issue

* Dividends per share = Dividends declared and paid/No of ordinary shares in issue

* Dividend cover = Revenue per share/Dividends per share

* Dividend yield = Annual dividend per share/Ordinary share price

* Discount/Premium = (Ordinary share price - Net asset value per ordinary share)/ Net asset value per ordinary share

Period's Highs/Lows	2009 High	2009 Low	2008 High	2008 Low
Net Asset Value	43p	25p	65p	43p
Ordinary Share Price (per Bloomberg)	40p	16p	63p	44p

Dividend History

Ex-dividend date	Payment date	
17 December 2008	23 January 2009	First interim dividend of 0.4p per ordinary share
25 March 2009	30 April 2009	Second interim dividend of 0.4p per ordinary share

CHAIRMAN'S STATEMENT

FOR THE SIX MONTHS TO 31 MARCH 2009

INTRODUCTION

For the period under review, 1st October 2008 to 31st March 2009, the Company's performance was extremely disappointing. However, the news is not all bad, with a strong recovery subsequent to the period end.

INVESTMENT PERFORMANCE

West Texas Intermediate (WTI) oil prices, which peaked at \$145/barrel in early July 2008, continued their fall during the period under review. The price of WTI crude stood at US \$100/barrel on 30th September 2008 but had halved in value to US \$49.60 by 31st March 2009, with an intra-period low of US \$32/barrel in late December.

Given this pressure on commodity prices, as well as on the world's stock markets, it was inevitable that the stock prices of energy companies were under extreme pressure for the whole period, with the Company's net asset value falling 27.9% from 43p at the end of September 2008 to 31p at the end of March 2009 whilst the share price fell 42.8% from 42p to 23p during the same period.

OUTLOOK

The period under review has to be one of the most traumatic periods for stockmarkets in living memory. With hindsight, the collapse in value of many energy stocks with excellent long-term assets was overdone and there has been a significant recovery in share prices since the end of March. As a result, the net asset value of the Company has increased by 50% in the two months to 42p in the two months to the end of May 2009. Furthermore, although oil prices have recovered to over US \$70/barrel, share prices of some of our investments are still significantly below the levels which they reached in 2008 and our investment manager remains confident that the improvement in the Company's performance over the past two months has further to go.

David Norman
Chairman

INVESTMENT ADVISER'S REPORT

FOR THE SIX MONTHS TO 31 MARCH 2009

The six month period under review has been, without doubt, the most demanding period of investment management in our working experience. That this period followed immediately after oil prices reached their all-time high in July 2008 simply added to the despair felt as oil and related equities subsequently collapsed. The price of West Texas Intermediate crude fell by 78% between July and December 2008 whilst the S&P Toronto Energy Index fell 52% and the S&P Australian Energy Index fell 42% during the same period.

The Managers, with hindsight, could have been more active in reducing positions last summer when the markets were buoyant, but we strongly believed then, and continue to believe now, that the stocks held in the Company's portfolio have excellent long-term growth prospects. We did take advantage of the market weakness to add to a number of positions during the period and these have helped to improve the Company's net asset value since March when oil prices and markets have recovered.

We re-emphasise the comment we made in the previous report that we believe that the long term bull market in the energy sector, which commenced in the early part of this decade, is still intact. Commodity prices rose strongly on the back of an increase in demand from China and other Asian countries and also on a lack of supply growth, resulting from almost 20 years of under investment by a cash-strapped resource industry. The growth in demand for oil, of course, was put on hold last year when the effect of the credit crunch was felt worldwide, but there is little doubt that demand will recover – even as quickly as later this year – but supplies will continue to be limited and prices are expected to recover rapidly.

In conclusion, we are extremely disappointed with the Company's performance during the period, but strongly believe that the worst of the market effects are now behind us. We are excited by the opportunities available in the energy sector at the present time and are very confident that the Company will maintain its recent improvement over the longer term.

Merfyn Roberts
New City Investment Managers Limited
12 June 2009

CONDENSED INCOME STATEMENT

FOR THE SIX MONTHS TO 31 MARCH 2009

	Notes	Unaudited Revenue £	Unaudited Capital £	Total Unaudited Six months to 31 March 2009 £	Audited Nine months to 30 Sept 2008 £
Realised (loss)/gain on disposal of investments	5	-	(4,795,773)	(4,795,773)	2,272,234
Unrealised losses on investments	5	-	(1,510,887)	(1,510,887)	(5,909,554)
Exchange gain		-	171,433	171,433	-
Other income	6	545,060	-	545,060	786,781
Net income/(deficit)		545,060	(6,135,227)	(5,590,167)	(2,850,539)
Investment manager's fee		-	155,448	155,448	366,355
Exchange losses		-	-	-	42,297
Other expenses	7	85,773	1,031	86,804	254,294
Net expenses		85,773	156,479	242,252	662,946
Net income/ (loss) before finance costs		459,287	(6,291,706)	(5,832,419)	(3,513,485)
Interest payable and similar charges		-	(119,419)	(119,419)	(240,189)
Income/ (loss) on ordinary activities		459,287	(6,411,125)	(5,951,838)	(3,753,674)
Profit / (loss) per ordinary share		0.01	(0.12)	(0.11)	(0.07)

All items in the above statement are derived from continuing operations.
The total column in the above statement is the profit and loss account of the company.

CONDENSED STATEMENT OF CHANGES IN EQUITY SHAREHOLDERS' FUNDS

FOR THE SIX MONTHS TO 31 MARCH 2009

	Note	Unaudited Revenue £	Unaudited Capital £	Total Unaudited Six months to 31 March 2009 £	Audited Nine months to 30 Sept 2008 £
Equity shareholders' funds at 1 October 2008		260,333	22,587,758	22,848,091	-
Return on ordinary activities		459,287	(6,411,125)	(5,951,838)	(3,753,674)
Dividends declared and paid	8	(423,825)	-	(423,825)	(425,569)
Increase in share capital in issue attributable to placings and offer of subscription		-	-	-	27,027,334
Equity shareholders' funds at 31 March 2009		295,795	16,176,633	16,472,428	22,848,091

Under IAS 34 the results to 31 March 2008 should be included as a comparative. In the opinion of the Directors this would be misleading to the users of the accounts as the period to 31 March 2008 was for three months from incorporation which is not comparable with the six month period to 31 March 2009. It is the Directors' intention to include a complete set of comparatives in the next interim financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY SHAREHOLDERS' FUNDS CONTINUED

The revenue and capital reserves, taken together, comprise the company's total retained reserve for the year but have been separated to provide additional information to shareholders on the component contribution from the company's activities.

The notes on pages 10 to 17 form an integral part of this condensed interim financial information. Independent Review Report on page 18.

CONDENSED BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	Unaudited 31 March 2009 £	Audited 30 Sept 2008 £
Assets			
Current assets			
Investments designated at fair value through profit or loss	5	16,330,171	24,919,313
Other receivables	9	920,962	8,942
Cash at bank		8,820,275	11,137,697
Total assets		26,071,408	36,065,952
Creditors: amounts falling due within one year			
Financial liabilities at fair value through profit or loss	10	5,247,974	11,369,185
Other payables		269,759	295,029
Bank overdraft		4,081,247	1,553,647
		9,598,980	13,217,861
Net assets		16,472,428	22,848,091
Share capital and reserves			
Stated capital account	11	27,027,334	27,027,334
Capital reserve – Realised		(3,430,260)	1,469,978
Unrealised		(7,420,441)	(5,909,554)
Revenue reserve		295,795	260,333
Equity shareholders' funds		16,472,428	22,848,091
Number of ordinary shares in issue	11	53,196,173	53,196,173
Net asset value per ordinary share		0.3097	0.4295

The interim accounts on pages 7 to 17 were approved by the Board of Directors on 3 July 2009 and were signed on its behalf by:

G D Ross
Director

The notes on pages 10 to 17 form an integral part of this condensed interim financial information. Independent Review Report on page 18.

CONDENSED CASH FLOW STATEMENT

FOR THE SIX MONTHS TO 31 MARCH 2009

	Note	Unaudited Six months to 31 March 2009 £	Audited Nine months to 30 Sept 2008 £
Operating activities			
Loss on ordinary activities		(5,951,838)	(3,753,674)
Investment income – equities		(397,067)	(569,366)
Investment income – non swap equities		(23,344)	-
Unrealised losses on investments		1,510,887	5,909,554
Realised gain/(loss) on disposal of investments		4,795,773	(2,272,234)
Bank interest received		(124,649)	(215,027)
Interest expense		119,419	240,189
Changes in working capital:			
Increase in other receivables		(912,020)	(8,942)
(Decrease)/Increase in trade payable and provisions		(25,270)	75,531
Cash used in operations		(1,008,109)	(593,969)
Investment income received		420,411	569,366
Interest received		124,649	215,027
Net cash inflow from operating activities		463,049	190,424
Financing activities			
Proceeds from issuance of ordinary shares		-	27,027,334
Dividends paid		(423,825)	(211,835)
(Decrease)/Increase in financial liabilities at fair value through profit or loss		(6,121,211)	11,369,185
Interest paid		(119,419)	(234,425)
Net cash (outflow)/inflow from financing activities		(6,664,455)	37,950,259
Investing activities			
Purchase of investments	5	(5,722,630)	(47,855,374)
Proceeds from sale of investments	5	8,005,112	19,298,741
Net cash inflow/(outflow) from investing activities		2,282,482	(28,556,633)
(Decrease)/Increase in cash		(4,845,022)	9,584,050
Cash and cash equivalents at the beginning of the period		9,584,050	-
Cash and cash equivalents at the end of the period		4,739,028	9,584,050
Represented by:			
Cash in bank		8,820,275	11,137,697
Bank overdraft		(4,081,247)	(1,553,647)
Net cash at end of period		4,739,028	9,584,050

Under IAS 34 the results to 31 March 2008 should be included as a comparative. In the opinion of the Directors this would be misleading to the users of the accounts as the period to 31 March 2008 was for three months from incorporation which is not comparable with the six month period to 31 March 2009. It is the Directors' intention to include a complete set of comparatives in the next interim financial statements.

The notes on pages 10 to 17 form an integral part of this condensed interim financial information. Independent Review Report on page 18.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS TO 31 MARCH 2009

1. GENERAL INFORMATION

New City Energy Limited (the Company), was incorporated in Jersey on 11 January 2008 as a limited liability public company. The address of the registered office is given on page 20. The Company is incorporated and domiciled in Jersey, Channel Islands.

The condensed interim financial information was approved for issue on 3 July 2009.

2. BASIS OF PREPARATION

(a) Statement of Compliance

This condensed interim financial information for the six months ended 31 March 2009 has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The condensed interim accounts should be read in conjunction with the annual financial statements for the nine month period ended 30 September 2008, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The accounting policies adopted are consistent with those of the annual financial statements for the period ended 30 September 2008. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 September 2008.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss and derivative financial instruments, which are measured at fair value.

(c) Functional and Presentation Currency

These financial statements are presented in pounds sterling, which is the Company's functional and presentation currency. All financial information presented in pounds sterling has been rounded to the nearest pound.

(d) Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in the succeeding notes.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial assets and liabilities at fair value through profit or loss

The Company classifies its investments and related derivatives as financial assets and liabilities at fair value through profit or loss.

Investment transactions are accounted for on a trade date basis. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS TO 31 MARCH 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial assets and liabilities at fair value through profit or loss (continued)

Investments are initially recognised at the cost of acquisition. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the income statement in the period in which they arise. Dividend income from 'financial assets at fair value through profit or loss' is recognised in the income statement within other income when the Company's right to receive payment is established.

If traded on a national securities exchange, instruments are subsequently valued by reference to prices quoted on such exchange. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

(b) Income and expenses

(i) Deposit interest is accrued on a daily basis

(ii) Investment income is accounted for as follows:

- Interest on fixed interest securities is accounted for on an effective interest rate basis
- Dividend income is accounted for when investments held become ex-dividend

(c) Foreign currencies

(i) Foreign currency income and expenditure is converted into the functional currency at the exchange rate ruling at the time of the transaction.

(ii) Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date.

(iii) Foreign currency exchange gains and losses are accounted for in the income statement.

(d) Launch and Listing costs

The initial costs of establishing the Company, the costs of the initial public offer, additional listing costs and the cost of raising further capital have been charged to capital in the income statement.

(e) Finance costs

Finance costs are accounted for on an accruals basis. Finance costs of debt insofar as they relate to the financing of the Company's investments or to financing activities aimed at maintaining or enhancing the value of the Company's investments, are charged to capital in accordance with the Board's expected long-term split of returns, in the form of income and capital gains respectively, from the Company's investment portfolio.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and bank overdrafts. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS TO 31 MARCH 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Taxation

With effect from 1 January 2009 the status of exempt company ceased to exist and the company became subject to Jersey Income Tax. The rate for the foreseeable future is zero percent.

(h) Net asset value per share and loss per share

The net asset value per share at the balance sheet date is calculated by dividing the net assets included on the balance sheet by the number of ordinary shares in issue at the period end.

The loss per ordinary share is calculated by dividing the net return for the period included in the income statement by the weighted average number of ordinary shares in issue during the period.

(i) Listed Fund

The Company was incorporated on 11 January 2008 and was established in Jersey, Channel Islands under the Listed Funds Regime.

The Company is listed on The Channel Islands Stock Exchange LBG.

(j) Capital Reserves

Capital Reserve – Realised

The following are accounted for in this reserve:

- gains and losses on the realisation of investments;
- realised exchange differences on transactions of a capital nature;
- expenses and finance costs charged in accordance with the policies above.

(k) Capital Reserves (continued)

Capital Reserve - Unrealised

The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the period end; and
- unrealised exchange differences of a capital nature.

(l) New Standards, amendments to standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009 but are not currently relevant for the Company.

- IFRIC 11 IFRS 2 Group and Treasury shares transactions
- IFRIC 12 Service Concession Arrangements
- IFRIC 14 IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the period ended 31 March 2009, and have not been applied in preparing these financial statements. The director's believe that there will be no significant impact on the Company's financial statements upon the introduction of these standards. The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2009.

- IFRS 1 First-time Adoption of International Financial Reporting Standards (Revised)
- IFRS 2 Share-Based Payment
- IFRS 3 Business Combinations (Revised)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS TO 31 MARCH 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- IFRS 7 Financial Instruments: Disclosures
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements (Revised)
- IAS 23 Borrowing Costs (Revised)
- IAS 27 Consolidated and Separate Financial Statements
- IAS 27 Consolidated and Separate Financial Statements (Amended)
- IAS 32 Financial Instruments: Presentation
- IAS 39 Financial Instruments: Recognition and Measurement

2008 Annual Improvements to IFRS

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures
- IAS 1 Presentation of Financial Statements
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 16 Property, Plant and Equipment
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- IAS 23 Borrowing Costs
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 29 Financial Reporting in Hyperinflationary Economies
- IAS 31 Interests in Joint Ventures
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IAS 40 Investment Property
- IAS 41 Agriculture

Interpretations

- IFRIC 13 Customer Loyalty Programmes
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

(m) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of its net debt ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the balance sheet less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS TO 31 MARCH 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Capital Risk Management (continued)

The net debt ratio was as follows:

	Unaudited Six months to 31 March 2009	Audited Period ended 30 Sep 2008
(Net Debt)	(778,705)	(2,080,164)
Total equity	16,472,428	22,848,091
Total capital	17,251,133	24,928,255
Net Debt ratio	4.51%	8.34%

4. GEOGRAPHICAL ANALYSIS OF THE INVESTMENTS

The Company is organised into one main business segment, focusing on achieving medium-term capital growth by investing in the securities of companies involved in the energy industry. The Company's secondary reporting format is geographical segments based on the location of the investment.

The Company operates in the following geographical areas.

	Unaudited Six months to 31 March 2009 £	Audited Period ended 30 Sept 2008 £
Income		
- Canada	401,014	551,679
- Other	19,397	17,687
	420,411	569,366
Investments		
- Australia	2,462,700	4,632,683
- Canada	9,176,963	15,872,487
- Other	4,690,508	4,414,143
	16,330,171	24,919,313

5. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited Six months 31 March 2009 £	Audited Period ended 30 Sept 2008 £
Fair value of investments at fair value through profit or loss brought forward	24,919,313	
Additions at fair value	5,722,630	47,855,374
Disposal proceeds	(8,005,112)	(19,298,741)
Realised gains on disposal	(4,795,773)	2,272,234
Balance carried forward	17,841,058	30,828,867
Net unrealised losses	(1,510,887)	(5,909,554)
Fair value of investments at fair value through profit or loss	16,330,171	24,919,313

Included in the fair value of investments designated at fair value through profit or loss are £4,782,425 (30 Sept 08: £8,689,801) of investments which are held under Contracts for Differences (CFD's). CFD's are measured at fair value on a bid basis.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS TO 31 MARCH 2009

6. OTHER INCOME

	Revenue £	Capital £	Unaudited Six months to 31 March 2009 Total £	Audited Period ended 30 Sept 2008 Total £
Investment income – equities	397,067	-	397,067	569,366
Investment income – non swap equities	23,344	-	23,344	-
Total Investment income	420,411	-	420,411	569,366
Bank interest received	124,649	-	124,649	215,027
Other	-	-	-	2,388
Total Other Income	545,060	-	545,060	786,781

7. OTHER EXPENSES

	Revenue £	Capital £	Unaudited Six months to 31 March 2009 Total £	Audited Period ended 30 Sept 2008 Total £
Fund administration fees	19,945	-	19,945	25,534
Registrar fees	4,787	-	4,787	5,684
Directors' fees	20,891	-	20,891	22,342
Audit fees	4,672	-	4,672	13,000
Audit fees under accrued in previous Period	8,794	-	8,794	-
Legal & professional fees	20,814	-	20,814	16,990
General expenses	699	-	699	7,212
D&O Insurance	5,171	-	5,171	6,979
Regulatory costs	-	-	-	750
Bank, custody & safekeeping charges	-	-	-	1,834
Establishment costs	-	1,031	1,031	153,969
Total Other Expenses	85,773	1,031	86,804	254,294

The Company has an agreement with R&H Fund Services (Jersey) Limited to provide administrative, compliance oversight and company secretarial services to the Company. Under the administration agreement, the Administrator will be entitled to a fee based on the gross asset value of the Company. The minimum fee is £40,000 per annum. Once the Company reaches a fund value of £40 million, the fee payable to the administrator will be equivalent to 0.1% of gross assets up to £50 million and 0.075% of gross assets in excess of £50 million, with a cap on the fee of £100,000 per annum from the period from inception. The fee includes the director's fee payable to Mr Ross.

The Company has an agreement with Computershare Investor Services (Channel Islands) Limited to provide registrar services. Under the registrar agreement the Registrar will be entitled to a fixed fee of £2,250 per quarter. The total fees incurred under this agreement were £4,787, of which £2,280 was outstanding at the period end.

The remuneration paid to the Chairman, the highest paid Director, for the period was £11,304.

No pension contributions were payable in respect of any of the Directors.

The Company does not have any employees.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS TO 31 MARCH 2009

8. DIVIDENDS

Amounts recognised as distributions to equity holders in the period to 31 March 2009:	Register date	Payment date	Unaudited 31 March 2009 £
First interim of 0.4p per ordinary share	17 December 08	23 January 09	212,785
Second interim of 0.4p per ordinary share (less withholding tax)	25 March 09	30 April 09	211,040
Total			423,825

9. OTHER RECEIVABLES

	Unaudited Six months 31 March 2009 £	Audited Period ended 30 Sept 2008 £
Prepayments	21,076	8,942
Swap Reset Debtor	855,178	-
Unpaid Trading Equity Gain/Loss	44,708	-
Total other receivables	920,962	8,942

10. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited Six months 31 March 2009 £	Audited Period ended 30 Sept 2008 £
Margin Account	5,247,974	9,910,496
Swap Reset Creditor	-	1,458,689
Total financial liabilities	5,247,974	11,369,185

The margin account and the swap reset creditor account represent amounts payable arising from investments held under Contracts for Difference with Credit Suisse Securities (Europe) Limited, the Company's custodian and prime broker.

The Company pays interest in accordance with the agreed terms and conditions, which is equivalent to 20 basis points over 1 month LIBOR after adding a relevant spread. Interest is payable monthly. Interest expense to 31 March 2009 amounted to £119,419, which is charged to Capital in the Income Statement.

As security for the margin and swap creditor accounts, the Company has given the following charges to Credit Suisse (Europe) Limited:

- (a) by way of first fixed charge, any and all right, title and interest in all cash held and all assets other than specified assets held by Credit Suisse (Europe) Limited
- (b) by way of first floating charge and any right title and interest of the Company's in its investments

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS TO 31 MARCH 2009

11. SHARE CAPITAL

Authorised

The authorised share capital of the Company is represented by an unlimited number of ordinary shares of no par value.

Alloted, called up and fully-paid

	Number of subscription shares	Number of ordinary shares	Unaudited Six months to 31 March 2009 £
Total issued share capital at 1 October 2008	24,554,050	53,196,173	27,027,334
Total issued share capital at 31 March 2009	24,554,050	53,196,173	27,027,334

Each subscription share confers the right upon the shareholder to subscribe for one ordinary share at 70p following the issuance of the audited financial statements for each of the financial periods ending 2008 to 2013.

12. RELATED PARTIES TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

- **Secretarial and administration fee**

The Company has engaged the services of R&H Fund Services (Jersey) Limited (R&H), to provide secretarial and administrative services. Graeme Ross and Craig Stewart, directors of the company, are also directors of R&H. Total fund administration fees for the period amounted to £19,945, with outstanding accrued fees of £9,863 at the end of the period.

- **Registrar fee**

Mr Ross and Mr Stewart are also directors of the Company's registrar, Computershare Investor Services (Channel Islands) Limited which receives fees from the Company. Total registrar fees for the period amounted to £4,787 with outstanding accrued fees of £2,280 at the end of the period.

- **Board of Directors' remuneration**

The Company had four directors during the year. Total short-term employee benefits paid to directors for the period from 1 October 2008 to 31 March 2009 was £20,891. Included in this is a fee of £5,000 per annum payable to Mr Stewart, this is in addition to the fund administration fee.

Total expenses and outstanding payable balances incurred from above transactions are disclosed in Note 7.

13. EVENTS AFTER THE BALANCE SHEET DATE

There were no material post-balance sheet events.

INDEPENDENT REVIEW REPORT BY MOORE STEPHENS TO NEW CITY ENERGY LIMITED

INTRODUCTION

We have reviewed the accompanying condensed balance sheet of New City Energy Limited as of 31 March 2009 and the related condensed statements of income, changes in equity, cash flows and the notes 1 to 13 for the six month period then ended. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information. This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Listing Rules of the Channel Islands Stock Exchange. Our review has been undertaken so that we might state to the company those matters we are required to do in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for the review work, for this report, or for the conclusions we have reached.

DIRECTORS' RESPONSIBILITIES

The interim financial information is the responsibility of, and has been approved by the directors. The Listing Rules of the Channel Island Stock Exchange require that where the interim report is not prepared on a basis consistent with that of the annual accounts, the interim report must include a statement of that fact. As disclosed in note 2, the annual financial statements of the company are prepared in accordance with IFRS as adopted by the European Union. The condensed set of interim financial information has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

OUR RESPONSIBILITY

Our responsibility is to express a conclusion on this interim financial information based on our review.

REVIEW WORK PERFORMED

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion.

REVIEW CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Moore Stephens
Chartered Accountants
First Island House, Peter Street
St Helier, JE2 4SP
Channel Islands

6 July 2009

INVESTMENT PORTFOLIO (BY GEOGRAPHICAL AREA)

AS AT 31 MARCH 2009

Equities

Holding	Investment	Market Value (bid) GBP	Percentage to Total Net Assets %
Australia			
1,000,000	Eastern Star Gas	389,925	2.37
200,000	Karooon Gas Australia	291,596	1.77
6,000,000	Nido Petroleum	290,627	1.76
	Other holdings (10 investments)	1,490,552	9.05
		2,462,700	14.95
Canada			
500,000	Gran Tierra Energy	889,199	5.40
20,000	Niko Resources	650,196	3.95
500,000	Coastal Energy (Canadian)	628,811	3.82
	Other holdings (9 investments)	2,226,332	13.51
		4,394,538	26.68
Canada - CFD			
90,000	Crescent Point Energy	1,310,862	7.96
75,000	ARC Energy	585,459	3.55
135,000	Daylight Resources	506,345	3.07
	Other holdings (9 investments)	2,379,759	14.45
		4,782,425	29.03
United Kingdom			
130,000	Valiant Petroleum	572,000	3.47
100,000	BP	471,500	2.86
800,000	Caledon Resources PLC - CDI	240,000	1.46
	Other holdings (6 investments)	769,175	4.67
		2,052,675	12.46
USA			
70,000	Exco Resources	489,550	2.97
100,000	Sandridge Energy	460,876	2.80
234,000	Mitra Energy	450,036	2.73
		1,400,462	8.50
Other Listed Securities (5 investments)		1,237,371	7.51
Other Current Assets		142,257	0.86
Net Assets		16,472,428	100.00

CORPORATION INFORMATION

Board of Directors:	David Norman Douglas Breen Graeme Ross Craig Stewart
Registered Address:	Ordnance House 31 Pier Road St Helier Jersey, JE4 8PW
Investment Manager:	CQS Cayman Limited Partnership PO Box 309 Ugland House South Church Street George Town, KY1 - 1104 Grand Cayman Cayman Islands
Administrators:	R&H Fund Services (Jersey) Limited Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW
Registrar:	Computershare Investor Services (Channel Islands) Limited PO Box 83 Ordnance House 31 Pier Road St Helier Jersey JE4 8PW
Custodian and Bankers:	Credit Suisse Securities (Europe) Limited 1 Cabot Square London EC2Y 5AB

CORPORATION INFORMATION CONTINUED

Investment Adviser:	New City Investment Managers Limited 5th Floor 33 Grosvenor Place London SW1X7HY
Legal Advisers in Jersey:	Ogier Whiteley Chambers Don Street St Helier Jersey JE4 9WG
Legal Advisers in London:	MacLay, Murray & Spens LLP One London Wall London EC2Y 5AB
Auditors:	Moore Stephens (Chartered Accountants) PO Box 236 First Island House Peter Street St Helier Jersey JE4 8SG
Market Makers:	Canaccord Angelo Sofocleous +44 (0) 207 050 6547 Winterflood Jason Robins +44 (0) 203 100 0261

