

KRYSO RESOURCES plc (“the Company”) (KYS.L)

Interim Results to June 2006

Kryso Resources, the mineral exploration company operating in Tajikistan, is pleased to announce its results for the six months to 30 June 2006.

Highlights

- **The company has now completed over 5,900 metres of drilling on the Pakrut Gold Deposit**
- **540 metres of underground adit development**
- **Excellent assay results from the drilling programme confirmed by internationally accredited laboratories in South Africa**
- **Cash balance at period end of \$1.6m**
- **Further licence awarded for the Hukas Nickel Copper prospect**
- **Pakrut resource model to be completed by early 2007 with feasibility study to follow, leading to production in 2008**

Dr. Trevor Davenport commented that he was pleased to report that during the last six months the Company was “extremely active” with its ongoing drill programme at the Pakrut Gold Deposit and, “that reconfirmation” of the Soviet exploration results had commenced at its Hukas Nickel-Copper prospect.

Enquiries:

Kryso Resources plc.

Dr. Trevor Davenport, Chairman
Telephone 01481 822 972

Vassilios Carellas, Managing Director
Mobile 07970 756352

Hichens, Harrison & Co

Dave Paxton
Telephone 020 7382 7785

Ruegg & Co Limited

Brett Miller
Telephone 020 7584 3663

Adventis Financial PR:

Peter Binns 020 7034 4760 / 07768 392 582

Chris Steele 020 7034 4759 / 07979 604 687

KRYSO RESOURCES plc

Company Registration Number 0519050

Interim Results for the 6 month period ended 30 June 2006

28 September 2006

Chairman's Statement

I am pleased to report to shareholders that during the last six months Kryso Resources plc ('the Company') has been extremely active with the ongoing drill programme at the Pakrut Gold Deposit. Most recently, the Company through its 100% owned subsidiary in Tajikistan, LLC "Kuhi Zarrin", has been awarded the exploration licence for the Hukas Nickel – Copper prospect by the Tajikistan Government.

With the commissioning of the Company's third drill rig, underground drilling at the Pakrut Gold Deposit has steadily increased to over 1,000 metres in July 2006. To date, over 5,900 metres have been drilled, 542 linear metres of underground adit have been developed and 2,043 linear metres of trenches have been manually excavated.

The Company has drilled over 45 holes and has another 10 more holes to drill before it believes a preliminary resource model can be generated that will contain sufficient resources for both an open pit and an underground operation. Additional channel sampling of the adit wall will also be completed in the coming months and this information, along with the drill hole data, will be used to generate the JORC standard resource model by the beginning of 2007.

Samples from the first 25 diamond drill holes at the Pakrut Gold Deposit were sent to two independent laboratories in South Africa. The results received from these laboratories were recently announced and are extremely encouraging with very good grades and widths intersected.

Reconfirmation of the Soviet exploration results has commenced at the Hukas Nickel-Copper prospect, where 152.5 linear metres of trenches have been manually excavated during the month of August. The trench samples are now at the Company's sample preparation laboratory in Dushanbe.

The Company expects 2007 to be an active and exciting year with the anticipated completion of the feasibility study by Snowden Mining Industry Consultants on the Pakrut Gold Deposit and the commencement of diamond core-drilling at the Hukas Nickel – Copper prospect.

With reference to my first Chairman's statement I mentioned two of Tajikistan's neighbours, namely Uzbekistan and Kyrgyzstan, where conditions appear to have worsened for the few western companies operating in these countries. The Directors' view remains that Tajikistan is developing both commercially and democratically. The Company has received continuous support from the Tajik government and this has been confirmed by their grant to the Company of a second exploration licence.

The profit and loss account shows a decreased loss to \$354,000 for the six months ended 30 June 2006 compared to \$587,000 during the six months ended 30 June 2005. The decreased loss is mainly due to an exchange gain of \$61,000 during the period ended June 2006 compared to an exchange loss of \$221,000 during the six month period ended 30 June 2005.

During the six month period ended 30 June 2006, \$749,000 of site expenditure was capitalised. This site expenditure consisted of drilling, trenching, underground development, and laboratory costs. These pre-production costs are part of the ongoing feasibility study.

Dr. Trevor Davenport
Chairman

		Six months to 30 June 2006 US\$'000	Six months to 30 June 2005 US\$'000	Audited Year ended 31 December 2005 US\$'000
Group Turnover		-	-	-
Cost of sales		-	-	-
		<hr/>	<hr/>	<hr/>
Gross Profit		-	-	-
Administrative expenses		(226)	(233)	(527)
Development expenditure		(2)	-	-
Exceptional gain/(loss) on foreign exchange		61	(221)	(305)
Amortisation of goodwill		(250)	(250)	(504)
		<hr/>	<hr/>	<hr/>
Operating Loss		(417)	(704)	(1,336)
Interest receivable		63	117	218
		<hr/>	<hr/>	<hr/>
Loss on Ordinary Activities before Taxation	2	(354)	(587)	(1,118)
Tax on (loss) on ordinary activities		-	-	-
		<hr/>	<hr/>	<hr/>
Loss on Ordinary Activities after Taxation		(354)	(587)	(1,118)
		<hr/>	<hr/>	<hr/>
Loss Per Share		(0.0063)	(0.01)	(0.0199)
		<hr/>	<hr/>	<hr/>

All of the activities of the Group are classed as continuing.

	Six months to 30 June 2006 US\$'000	Six months to 30 June 2005 US\$'000	Audited Year ended 31 December 2005 US\$'000
Fixed Assets			
Intangible assets	5,680	4,615	5,181
Tangible assets	801	765	970
	<hr/>	<hr/>	<hr/>
	6,481	5,380	6,151
	<hr/>	<hr/>	<hr/>
Current Assets			
Stocks	188	320	215
Debtors	264	158	122
Cash at bank	1,618	3,445	2,465
	<hr/>	<hr/>	<hr/>
	2,070	3,923	2,802
Creditors: amounts falling due within one year	(103)	(89)	(151)
	<hr/>	<hr/>	<hr/>
Net Current Assets	1,967	3,834	2,651
	<hr/>	<hr/>	<hr/>
Total Assets less Current Liabilities	8,448	9,214	8,802
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Capital and Reserves			
Called-up equity share capital	1,035	1,027	1,035
Share premium account	8,865	8,754	8,865
Profit and loss account	(1,452)	(567)	(1,098)
	<hr/>	<hr/>	<hr/>
Shareholder funds	8,448	9,214	8,802
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Six months to 30 June 2006 US\$'000	Six months to 30 June 2005 US\$'000	Audited Year ended 31 December 2005 US\$'000
Net Cash Outflow from Operating Activities	(128)	(710)	(679)
Returns of Investments and Servicing of Finance			
Interest received	63	117	218
Net Cash Inflow from Returns on Investments and servicing of finance	63	117	218
Capital Expenditure and Financial Investment			
Payments to acquire intangible fixed assets			
Payments to acquire tangible fixed assets	(33)	(701)	(1,019)
Development Expenditure Capitalised as Intangible Assets	(749)	(199)	(1,112)
Net cash outflow from capital expenditure and financial Investment	(782)	(900)	(2,131)
Cash acquired with Subsidiaries		-	-
Cash Outflow before Financing	(847)	(1,493)	(2,592)
Financing			
Issue of Equity Share Capital (Net of Issue Costs)	-	-	119
Net Cash Inflow from Financing	-	-	119
Decrease in Cash	(847)	(1,493)	(2,473)
Reconciliation of Operating Loss to Net Cash (Outflow)/Inflow from Operating Activities			
Operating (loss)/profit	(417)	(704)	(1,336)
Amortisation	250	250	504
Depreciation	202	11	217
Decrease/(increase) in stocks	27	(302)	(197)
(Increase)/decrease in debtors	(142)	69	105
(Decrease)/increase in creditors	(48)	(34)	28
Net Cash Outflow from Operating Activities	(128)	(710)	(679)

1. Accounting Policies**Basis of Accounting**

The Financial Statements have been prepared under the historical cost convention and in accordance with UK generally accepted accounting principles.

The unaudited Financial Statements for the six months ended 30 June 2006 have been prepared in accordance with accounting principles applied by the Group in the prior accounting period. These Financial Statements are unaudited and do not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The functional currency of the company and group is US dollars and accordingly the amounts in the Financial Statements are denominated in that currency. The balance sheet rates of exchange for the US dollar to UK Sterling were US\$1.8163 to: £1.

The statutory financial statements for Kryso Resources plc for the year ended 31 December 2005 received an unqualified Auditors Report and have been filed with the Registrar of Companies.

Basis of Consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Company and all Group undertakings. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition. The results of companies acquired or disposed of are included in the Group profit and loss account after or up to the date that control passes respectively.

Amortisation of Goodwill

Goodwill that arose on the acquisition of Kryso Resources Limited by Kryso Resources plc in 2004 has been amortised over a period of 10 years which is the period of the initial exploration and mining licence.

Exploration and Development expenditure

Exploration expenditure is written off in the year in which it is incurred. When a decision is taken that a mining property becomes viable for commercial production, all further pre-production development expenditure is capitalised. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Capitalised research and development expenditure is amortised upon commencement of production using a suitable method based on the volumes of proved and probable reserves of ore and are written off if the property is abandoned.

2. Operating (Loss)/Profit

Operating (loss)/profit is stated after charging:

	Six months to 30 June 2006 US\$'000	Six months to 30 June 2005 US\$'000	Year ended 31 December 2005 US\$'000
Amortisation of Goodwill	250	250	504
Depreciation of owned fixed assets	202	11	217
Auditors' remuneration - as auditors	8	-	13
- non-audit services	-	6	31