

ETF5 OIL SECURITIES LIMITED

Registered No: 88371

**Unaudited Interim Financial Report for the
Six months to 30 June 2008**

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ETFS OIL SECURITIES LIMITED

DIRECTORS' REPORT

The directors of ETFS Oil Securities Limited ("OSL"/"the Company") submit herewith the Unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2008.

Directors

The names and particulars of the directors of the Company during or since the end of the financial period are:

Mr Graham John Tuckwell — Chairman (appointed 20 August 2004)

Mr Tuckwell is a founder and the chairman of Gold Bullion Securities Limited (Jersey) and Gold Bullion Securities Limited (Australia), which companies obtained the world's first listings of a commodity on a stock exchange. Gold Bullion Securities are traded on the London Stock Exchange (code: GBS) and on the Australian Stock Exchange (code: GOLD). Mr Tuckwell was also the founder and managing director of Investor Resources Limited, a boutique corporate advisory firm established more than eight years ago, which specialises in providing financial, technical and strategic advice to the resources industry. Mr Tuckwell no longer has any association with this Company. He has more than 20 years of corporate and investment banking experience. Prior to establishing Gold Bullion Securities Limited and Investor Resources Limited, Mr Tuckwell was Head of Mining Asia/Pacific at Salomon Brothers, Group Executive Director at Normandy Mining responsible for Strategy and Acquisitions and Head of Mergers and Acquisitions at Credit Suisse First Boston in Australia. He holds a Bachelor of Economics (Honours) and a Bachelor of Laws degree from the Australian National University.

Dr. Vince FitzGerald — Non-Executive Director (appointed 1 February 2005)

Dr FitzGerald is Chairman of The Allen Consulting Group Pty Ltd, an Australian consulting company in the fields of economics, public policy and economic and financial regulation. He has been a director of that company since 1989, soon after its foundation. Prior to that time, he was a senior government official in Canberra, his career involving assignments in the Departments of the Treasury, Prime Minister and Cabinet, Finance (Deputy Secretary), Trade (Secretary) and Employment, Education and Training (Secretary). He is a well known expert on the superannuation industry in Australia, and is a superannuation fund trustee. During the 10 years to 2004, Dr FitzGerald was a director of ING Australia Holdings Ltd and its subsidiaries, and was Chairman of its Audit and Risk Management Committees. He is a non-executive director of Gold Bullion Securities Limited in Jersey and Australia and chairs the group's Risk Management and Audit Committee. He holds a Bachelor of Economics (First class Honours in Econometrics) from the University of Queensland and a PhD in Economics from Harvard University.

Graeme Ross — Non-Executive Director (appointed 1 February 2005)

Mr Ross graduated from Abertay University Dundee in 1980 and joined Arthur Young McClelland Moores in Perth, Scotland. He qualified as a chartered accountant in 1984 and joined KPMG Peat Marwick's practice in Jersey shortly afterwards. Graeme joined the Jersey practice of Rawlinson & Hunter, Chartered Accountants, in 1986 as a manager in the fund administration division. In 1994 he was admitted to the Jersey partnership. Graeme has been the managing director of R&H Fund Services (Jersey) Limited since 1996 and has in-depth knowledge and experience of the fund management industry and in particular retail funds. He has worked in the offshore fund management industry for 18 years and also served as a committee member of the Jersey Fund Managers Association for three years. Graeme is also a director of Computershare Investor Services (Channel Islands) Limited and one of his roles is to maintain the day to day operations of Gold Bullion Securities Limited (Jersey), of which he is a non-executive director.

ETFS OIL SECURITIES LIMITED

DIRECTORS' REPORT - CONTINUED

Directors - continued

Craig Stewart — Non-Executive Director (appointed 1 February 2005)

Mr Stewart graduated from Edinburgh University in 1987 with a degree in Politics and worked in commercial roles for two blue chip companies headquartered in London. In 1993, he joined Arthur Andersen's Audit and Business Advisory practice in Jersey and qualified as a chartered accountant in 1996. He has specialised in the investment fund sector and been particularly involved with retail, institutional and private equity funds. In 1997, he was promoted to manager with sole responsibility for Andersen's asset management clients in European offshore jurisdictions. He was also the manager on a significant number of consulting assignments including controls reviews, operational reviews, due diligence projects, benchmarking studies and forensic investigations. In April 2000, he joined Rawlinson & Hunter's fund administration division and in January 2001 he was promoted to Director of R&H Fund Services (Jersey) Limited. Craig is also a director of Computershare Investor Services (Channel Islands) Limited and a non-executive director of Gold Bullion Securities Limited (Jersey), ETFS Commodity Securities Limited and ETFS Metal Securities Limited.

Dr. Leanne M. Baker — Non-Executive Director (appointed 3 March 2006)

Dr. Baker is managing director of Investor Resources LLC, a U.S.-based corporate advisory firm that provides financial, investment banking and investor relations expertise to the natural resources industry. She holds her required U.S. regulatory licenses as an independent contractor with broker-dealer Puplava Securities Inc. She has more than 20 years of Wall Street research and banking experience, including managing the commodity research team at Philipp Brothers, Inc. in the 1980s and helping to build a metals and mining equity research/banking franchise at Salomon Brothers Inc in the 1990s. She also serves on the boards of directors of Agnico-Eagle Mines Ltd., Kimber Resources Inc., Reunion Gold Corporation and US Gold Corporation. Dr. Baker received her M.S. and Ph.D. degrees in mineral economics from Colorado School of Mines.

Benjamin Cukier — Non-Executive Director (appointed 20 March 2007)

Mr Cukier is a Partner in FTVentures (L.P.) with investment responsibilities in Business Services. Mr Cukier was previously with the Telecommunications and Media Team at Madison Dearborn Partners in Chicago. Prior to joining Madison Dearborn Partners, Mr Cukier was with McKinsey & Co. in New York, where he consulted to clients in the telecommunications, Internet, and healthcare industries. Prior to joining FTVentures, Mr Cukier spent a summer working in the Business Development group at Allegiance Telecom. Mr Cukier received his BS and BA from the University of Pennsylvania and an MBA from Stanford.

Jim Wiandt – Non-Executive Director (appointed 14 March 2008)

Jim Wiandt is Editor of the Journal of Indexes and Publisher of IndexUniverse.com and Exchange-Traded Funds Report (ETFR). Wiandt also oversees the Index Research Group and Financial Technology and Design Group (FTDG) subsidiaries of Index Publications LLC, which provide research and consulting services to many companies in the index and ETF business. In his past, Wiandt has served as editor of IndexFunds.com and a researcher for Compton's encyclopaedia and has worked variously a writer and editor (as well as a legal assistant, teacher and Peace Corps volunteer) in Boston, Japan, New York, West Africa, Venezuela, San Francisco and now Spain. Jim lives with his wife and two young boys in San Sebastian, Spain.

ETFS OIL SECURITIES LIMITED

DIRECTORS' REPORT - CONTINUED

Principal Activities

During the financial period there were no significant changes in the nature of the company's activities.

Review of Operations

A total of 1,302,931 Brent one month Oil Securities, 13,350 Brent one year Oil Securities, 2,500 Brent two year Oil Securities, 33,000 Brent three year Oil Securities, 447,904 WTI two month Oil Securities, 12,500 WTI one year Oil Securities, 12,500 WTI two year Oil Securities and 70,000 WTI three year securities were in issue at 30 June 2008.

During the period, the Company generated Creation and Redemption fees connected with the issue of and redemption of ETFS Oil Securities. Income from these sources amounted to USD7,554 (31Dec07: USD32,371). In addition, the Company received from Shell Trading Switzerland A.G. ("Shell") a Management Fee calculated at 0.5% per annum based on the total daily value of Oil Contracts outstanding. Income from this source amounted to USD468,065 (31Dec07: USD933,964), giving a total trading income of USD475,619 (31Dec07: USD966,335) for the period ended 30 June 2008.

The operating costs of the Company over the same period amounted to USD468,065 (31Dec07: USD933,964). These comprised paying a Management Fee to ETF Securities Limited ("ETFSL") of 0.5% per annum.

As a result, the Company realised a profit from trading operations of USD9,037 (31Dec07: USD33,927) after bank interest and charges.

Future Developments

The directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial periods not already disclosed in this report or the attached interim financial statements.

Dividends

The directors do not recommend the provision or payment of a dividend to holders of Ordinary Shares for the period. It is the Company's policy that dividends will only be declared when the directors are of the opinion that there are sufficient retained reserves.

Employees

The Company does not have any employees. It is the Company's policy to use the services of specialist subcontractors or consultants as far as possible.

Directors' Remuneration

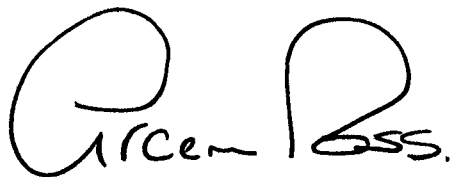
The following table discloses the remuneration of the directors of the Company which has been paid by the Company or by the parent company, ETFSL, during the financial period:

Name	Fees 30 June 2008	Fees 31 Dec 2007
Specified Directors:		
Graham J Tuckwell	Nil	Nil
Graeme D Ross (paid by ETFSL)	£2,500	£5,000
Craig A Stewart (paid by ETFSL)	£2,500	£5,000
Vincent WJ FitzGerald	Nil	Nil
Leanne M Baker	Nil	Nil
Benjamin Cukier	Nil	Nil
Jim Wiandt	Nil	Nil

ETFS OIL SECURITIES LIMITED

DIRECTORS' REPORT - CONTINUED

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Graeme D Ross'.

Graeme D Ross
Director

Jersey
27 August 2008

ETFS OIL SECURITIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the interim financial statements in accordance with applicable Jersey law and generally accepted accounting principles.

Jersey Company law requires the directors to prepare interim financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the interim financial statements comply with the Law and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The interim directors' report includes a fair review of the business and the associated risks and uncertainties for the period covered by the interim financial statements and the remaining six months of the financial year.

The interim directors' report also includes a fair review of all related party transactions that have occurred during the period covered by the interim financial statements.

ETFFS OIL SECURITIES LIMITED

CONDENSED INCOME STATEMENT FOR THE SIX MONTHS TO 30 JUNE 2008

	Note	Unaudited Six months to 30 June 2008 USD	Audited Year ended 31 December 2007 USD
Revenue From Ordinary Activities			
Increase in the fair value of Oil Contracts	7	84,224,575	82,780,370
Creation and Redemption Fees	2	7,554	32,371
Management Fee	2	468,065	933,964
Exchange Gain		278	-
Bank Interest Received		<u>1,408</u>	<u>2,354</u>
		<u>84,701,880</u>	<u>83,749,059</u>
Expenses From Ordinary Activities			
Increase in fair value of the ETFs Oil Securities	8	84,224,575	82,780,370
Management Fee	2	468,065	933,964
Bank Charges		202	330
Exchange Loss		<u>-</u>	<u>468</u>
		<u>84,692,842</u>	<u>83,715,132</u>
Profit From Ordinary Activities	2	<u>9,038</u>	<u>33,927</u>
Retained Profit			
Retained profit brought forward		85,899	51,972
Profit from ordinary activities		<u>9,038</u>	<u>33,927</u>
Retained Profit carried forward		<u>94,937</u>	<u>85,899</u>

The directors consider the Company's activities are continuing.

Under IAS 34 the results to 30 June 2007 should be included as a comparative, however there are no comparative figures available for this period. It is the Director's intention to include a complete set of comparatives in the next interim financial statements.

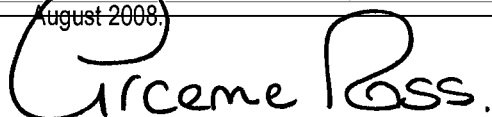
The notes on pages 10 to 14 form part of these financial statements

ETFS OIL SECURITIES LIMITED

CONDENSED BALANCE SHEET AS AT 30 JUNE 2008

	Note	Unaudited 30 June 2008 USD	Audited 31 December 2007 USD
Current Assets			
<i>Financial Assets at fair value through profit or loss</i>			
Oil Contracts held	7	233,581,487	164,387,640
<i>Other current assets</i>			
Debtors	6	23,242	23,935
Creation and Redemption Fees receivable		21,560	31,857
Management Fee and Selling Concession receivable		90,901	63,773
Cash and short-term deposits		<u>51,877</u>	<u>31,849</u>
Total Current Assets		<u>233,769,067</u>	<u>164,539,054</u>
Total Assets		<u>233,769,067</u>	<u>164,539,054</u>
Current Liabilities			
<i>Financial Liabilities at fair value through profit or loss</i>			
ETFS Oil Securities in issue	8	233,581,487	164,387,640
<i>Other current liabilities</i>			
Management Fee and Selling Concession payable		<u>90,901</u>	<u>63,773</u>
Total Current Liabilities		<u>233,672,388</u>	<u>164,451,413</u>
Equity			
Stated Capital	9	1,742	1,742
Retained Profits		<u>94,937</u>	<u>85,899</u>
Total Equity		<u>96,679</u>	<u>87,641</u>
Total Equity and Liabilities		<u>233,769,067</u>	<u>164,539,054</u>

The financial statements on pages 6 to 14 were approved by the board of directors and signed on its behalf on 27 August 2008.



Graeme D Ross
Director

The notes on pages 10 to 14 form part of these financial statements

ETFS OIL SECURITIES LIMITED

CONDENSED CASH FLOW STATEMENT FOR THE SIX MONTHS TO 30 JUNE 2008

	Unaudited Six months to 30 June 2008 USD	Audited Year ended 31 December 2007 USD
Cash Flows From Operating Activities		
Creation and Redemption Fees received	17,851	30,359
Management Fee and Selling Concession received	440,937	945,293
Proceeds from the issue of ETFS Oil Securities	53,524,708	129,536,236
Payment on redemption of ETFS Oil Securities	(68,555,436)	(241,241,994)
Payment for purchase of Oil Contracts	(53,524,708)	(129,536,236)
Proceeds on redemption of Oil Contracts	68,555,436	241,241,994
Management Fee and Selling Concession paid	(440,937)	(945,293)
Bank charges paid	(202)	(330)
<i>Net cash provided by operating activities</i>	17,649	30,029
Cash Flows From Investing Activities		
Bank interest received	2,101	1,661
<i>Net cash provided by investing activities</i>	2,101	1,661
Cash Flows From Financing Activities		
Proceeds from issue of ordinary shares	-	-
Loans made	-	-
<i>Net cash (used in) financing activities</i>	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	19,750	31,690
<i>Exchange adjustment on revaluation of bank account</i>	278	(468)
<i>Cash and Cash Equivalents at the beginning of the year</i>	31,849	627
Cash and Cash Equivalents at the end of the year	51,877	31,849

Under IAS 34 the results to 30 June 2007 should be included as a comparative, however there are no comparative figures available for this period. It is the Director's intention to include a complete set of comparatives in the next interim financial statements.

The notes on pages 10 to 14 form part of these financial statements

ETFS OIL SECURITIES LIMITED**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS TO 30 JUNE 2008**

	Share Premium USD	Retained profit USD	Total equity USD
Opening Balance at 1 January 2007	1,742	51,972	53,714
Profit for the year	<u>-</u>	<u>33,927</u>	<u>33,927</u>
Audited Balance at 31 December 2007	<u>1,742</u>	<u>85,899</u>	<u>87,641</u>
Opening Balance at 1 January 2008	1,742	85,899	87,641
Profit for the period	<u>-</u>	<u>9,038</u>	<u>9,038</u>
Unaudited Balance at 30 June 2008	<u>1,742</u>	<u>94,937</u>	<u>96,679</u>

The notes on pages 10 to 14 form part of these financial statements

1. Accounting Policies

The main accounting policies of the Company are described below.

Basis of preparation

The interim financial statements for the six months ended 30 June 2008 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The interim financial statements have been prepared on a historical cost basis, except for financial instruments which have been designated as financial assets and financial liabilities at fair value through profit or loss which have been measured at fair value. The interim accounts should be read in conjunction with the annual financial statements for the year ended 31 December 2007 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2007. The interim financial statements 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 31 December 2007.

This half yearly report has not been audited or reviewed by auditors.

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2007.

The presentation of interim financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The accounting policies appropriate to the company are detailed below.

Standards, amendments and interpretations not impacting on the company, issued but not effective for the period ended 30 June 2008:

IAS 23, Borrowing Costs. Revised

IAS 32, Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation

IFRIC 11, IFRS2: Group and Treasury Share Transactions

IFRIC 12, Service Concession Arrangements

IFRIC 13, Customer Loyalty Programmes

ETFS OIL SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2008 - CONTINUED

1. Accounting Policies - continued

Segmental Reporting

The Company has not provided segment information, as the Company has only one business/geographical segment and all information relevant to the understanding of the Company's activities is included in these interim financial statements.

2. Profit from Ordinary Activities

Profit from ordinary activities includes the following items of revenue and expense:

	Unaudited Six months to 30 June 2008 USD	Audited Year ended 31 December 2007 USD
a) Revenue from ordinary activities includes:		
Creation and Redemption Fees	7,554	32,371
Management Fee receivable from Shell	<u>468,065</u>	<u>933,964</u>
	<u>475,619</u>	<u>966,335</u>

The Creation and Redemption Fees are receivable from the Authorised Participants. The amount received was £500 for each day that an Authorised Participant creates and/or redeems, regardless of the number of creations and/or redemptions that they issue and/or redeem

The Management Fee is calculated at 0.5% per annum based on the total daily value of Oil Contracts outstanding.

	Unaudited Six months to 30 June 2008 USD	Audited Year ended 31 December 2007 USD
b) Expenses include:		
Management Fee payable to ETFSL	468,065	933,964
Bank Charges	<u>202</u>	<u>330</u>
	<u>468,267</u>	<u>934,294</u>

3. Directors' Remuneration

The directors of ETFS Oil Securities Limited during the period were:

- Mr Graham John Tuckwell
- Dr Vincent William John FitzGerald
- Mr Graeme David Ross
- Mr Craig Andrew Stewart
- Dr Leanne Baker
- Mr Benjamin Cukier (appointed 20 March 2007)
- Mr Jim Wiandt

ETFS OIL SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2008 - CONTINUED

3. Directors' Remuneration continued

The parent entity reviews and revises remuneration packages of all specified directors from time-to-time. The following table discloses the remuneration of the directors of the Company, and details of whether these have been paid by the Company or ETFSL (the parent company) during the period:

	Unaudited Six months to 30 June 2008 Fees	Audited Year ended 31 December 2007 Fees
Specified Directors:		
Graham J Tuckwell	Nil	Nil
Vincent W J FitzGerald	Nil	Nil
Graeme D Ross (paid by ETFSL)	£2,500	£5,000
Craig A Stewart (paid by ETFSL)	£2,500	£5,000
Leanne Baker	Nil	Nil
Benjamin Cukier	Nil	Nil
Jim Wiandt	Nil	Nil

Mr Tuckwell and Mr Cukier are not entitled to receive any emoluments in respect of their Directorships.

No fees have been paid to any of the Director's during the period.

4. Jersey Exempt Company

Under Article 123A of the Income Tax (Jersey) law 1961, as amended, the Company has obtained Jersey exempt company status for 2008 and is therefore exempt from Jersey income tax on non-Jersey source income and bank interest (by concession). A £600 annual exempt company fee is payable by the company. This fee is paid by ETFSL and is not recognised within these financial statements. A general zero rate of corporate income tax is due to be introduced in 2009.

5. Employee Benefits

The Company has no employees and has paid no remuneration or benefits during the period in respect of employees.

6. Debtors

	Unaudited 30 June 2008 USD	Audited 31 December 2007 USD
Unpaid stated capital	1,742	1,742
Loan to parent company	21,500	21,500
Accrued income	<u>-</u>	<u>693</u>
	<u>23,242</u>	<u>23,935</u>

7. Oil Contracts held for ETFS Oil Securities Issued

	Unaudited 30 June 2008 USD	Audited 31 December 2007 USD
Fair Value at designation as fair value through profit or loss	149,356,912	81,607,270
Change in fair value	<u>84,224,575</u>	<u>82,780,370</u>
Fair value at balance sheet date	<u>233,581,487</u>	<u>164,387,640</u>

ETFS OIL SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2008 - CONTINUED

7. Oil Contracts held for ETFS Oil Securities Issued continued

A total of 1,302,931 ETFS Brent one month Oil Contracts (31Dec07: 1,531,456) with a fair value of \$154,024,893 (31Dec07: \$119,357,393), 13,350 ETFS Brent one year Oil Contracts (31Dec07: 6,360) with a fair value of \$1,983,320 (31Dec07: \$591,975), 2,500 ETFS Brent two year Oil Contracts (31Dec07: 2,500) with a fair value of \$363,959 (31Dec07: \$222,808), 33,000 ETFS Brent three year Oil Contracts (31Dec07: 43,400) with a fair value of \$4,712,399 (31Dec07: \$3,795,385), 447,904 (31Dec07: 385,904) ETFS WTI two month Oil Contracts with a fair value of \$59,039,906 (31Dec07: \$33,636,902), 12,500 (31Dec07: 5,000) ETFS WTI one year Oil Contracts with a fair value of \$1,854,803 (31Dec07: \$468,418), 12,500 (31Dec07: 10,000) ETFS WTI two year Oil Contracts with a fair value of \$1,789,187 (31Dec07: \$883,831) and 70,000 (31Dec07: 62,500) ETFS WTI three year Oil Contracts with a fair value of \$9,813,020 (31Dec07: \$5,430,928) are on issue from Shell Trading Switzerland A.G. At the balance sheet date, these Oil Contracts are shown at fair value.

8. ETFS Oil Securities in Issue	Unaudited 30 June 2008 USD	Audited 31 December 2007 USD
Fair Value at designation as fair value through profit or loss	149,356,912	81,607,270
Change in fair value	<u>84,224,575</u>	<u>82,780,370</u>
Fair value at balance sheet date	<u>233,581,487</u>	<u>164,387,640</u>

A total of 1,302,931 ETFS Brent one month Oil Securities (31Dec07: 1,531,456) with a fair value of \$154,024,893 (31Dec07: \$119,357,393), 13,350 ETFS Brent one year Oil Securities (31Dec07: 6,360) with a fair value of \$1,983,320 (31Dec07: \$591,975), 2,500 ETFS Brent two year Oil Securities (31Dec07: 2,500) with a fair value of \$363,959 (31Dec07: \$222,808), 33,000 ETFS Brent three year Oil Securities (31Dec07: 43,400) with a fair value of \$4,712,399 (31Dec07: \$3,795,385), 447,904 (31Dec07: 385,904) ETFS WTI two month Oil Securities with a fair value of \$59,039,906 (31Dec07: \$33,636,902), 12,500 (31Dec07: 5,000) ETFS WTI one year Oil Securities with a fair value of \$1,854,803 (31Dec07: \$468,418), 12,500 (31Dec07: 10,000) ETFS WTI two year Oil Securities with a fair value of \$1,789,187 (31Dec07: \$883,831) and 70,000 (31Dec07: 62,500) ETFS WTI three year Oil Securities with a fair value of \$9,813,020 (31Dec07: \$5,430,928) are on issue from Shell Trading Switzerland A.G. At the balance sheet date, these Oil Securities are shown at fair value.

9. Stated Capital	Unaudited 30 June 2008 USD	Audited 31 December 2007 USD
1,000 shares of £1 each	<u>1,742</u>	<u>1,742</u>

The Company has an unlimited capital of no par value shares.

All shares issued by ETFS Oil Securities Limited carry one vote per share without restriction and carry the right to dividends. All shares are held by the parent entity, ETFSL, a Jersey registered company.

	No.	Stated Capital	
		2008 USD	2007 USD
Balance at beginning of period/year	1,000	1,742	1,742
Movement during the period/year	-	-	-
Balance at end of period/year	<u>1,000</u>	<u>1,742</u>	<u>1,742</u>

10. Contingent Liabilities and Contingent Assets

The Company does not have any material contingent liabilities or contingent assets at 30 June 2008.

ETFS OIL SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2008 - CONTINUED

11. Related Party Disclosures

The immediate and ultimate parent company is ETFSL, a Jersey company registered No: 88370.

Entities which have a significant influence over the Company through the ownership of ETFSL shares, or by virtue of being a director or trustee of the Company or the holding company are related parties of ETFS Oil Securities Limited.

The following transactions with ETFSL took place during the period:

	Unaudited 30 June 2008 USD	Audited 31 December 2007 USD
Management Fee for the period/year	<u>468,065</u>	<u>933,964</u>

This management fee has been calculated in accordance with the prospectus.

The following balances were due (to)/from ETFSL at the period/year end:

Management Fees payable at the end of the period/year	<u>(90,901)</u>	<u>(63,773)</u>
Loan receivable	21,500	21,500
Share premium receivable	<u>1,742</u>	<u>1,742</u>
	<u>23,242</u>	<u>23,242</u>

The loan is interest free and there is no set date for repayment.

As disclosed in note 3 above, ETF Securities Limited paid Directors fees in respect of the Company of £5,000 (31Dec07: £10,000).

Graeme Ross and Craig Stewart are directors of Computershare Investor Services (Channel Islands) Limited, the registrar and R&H Fund Services (Jersey) Limited, the administrator. During the period, ETF Securities Limited paid registrar, secretarial and administration fees to the registrar and administrator of £20,000 (31Dec07: £24,250).

£10,000 (31Dec07: £10,000) was outstanding at the period end.

Benjamin Cukier is also a Partner of FTVentures (L.P.) ("FTV"). FTV own the majority of the preference shares in the Company's holding company, ETFSL.

12. Ultimate Controlling Party

The ultimate controlling party is Graham Tuckwell.