

Company Registration Number 04128401  
(England & Wales)

## **WOBURN ENERGY PLC**

**Amending Annual Report and Financial Statements for the period ended 31 December 2009  
by Supplementary Note dated 23 September 2013**

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Company Registration No 04128401  
(England and Wales)

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**WOBURN ENERGY PLC**  
**(FORMERLY BLACK ROCK OIL & GAS PLC)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2009**

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## **WOBURN ENERGY PLC**

### **CONTENTS**

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	<b>Page</b>
Directors, Secretary and Advisers	2
Vision Statement	5
Chairman's Statement	6
Managing Director's Report	7
Directors' Report	10
Directors' Biographies	18
Independent Auditors' Report	19
Consolidated Income Statement	21
Consolidated Balance Sheet	22
Company Balance Sheet	23
Consolidated Statement of Changes in Equity	24
Company Statement of Changes in Equity	25
Consolidated Cash Flow Statement	26
Company Cash Flow Statement	27
Notes to the Financial Statements	28
Notice of Annual General Meeting	45

**WOBURN ENERGY PLC**

**DIRECTORS, SECRETARY AND ADVISERS**

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**Directors:**  
**From 3 February 2009**

Arif Kemal  
Chairman (Non-Executive)

Antony Brian Baldry MA, LLB, FChI Arbitrators  
Deputy Chairman (Independent Non-Executive)

John Malcolm Cubitt BSc, PhD, CGeol  
Managing Director

Kamran Ahmed  
Director (Non-Executive)

Hasan Ali Hashwani  
Director (Non-Executive)

Rustom Bejon Kanga FCA  
Director (Non-Executive)

**Registered Office:**

16 Upper Woburn Place  
London  
WC1H 0AF

**Business Address:**

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London  
WC1H 0AF

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Facsimile 0207 380 0518  
Email [info@woburnenergy.com](mailto:info@woburnenergy.com)  
Web [www.woburnenergy.com](http://www.woburnenergy.com)

**Company Number:**

04128401

**Company Secretary:**

Deborah King FCIS  
47 The Grove  
London N3 1QT

Telephone 0208 922 9959  
Facsimile 0208 922 9959

**Nominated Adviser &  
Broker:**

Beaumont Cornish Limited  
2<sup>nd</sup> Floor  
Bowman House  
29 Wilson Street  
London EC2M 2SJ

Telephone 0207 628 3396  
Facsimile 0207 628 3393

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**WOBURN ENERGY PLC**

**DIRECTORS, SECRETARY AND ADVISERS**

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**Solicitors:**

Maclay Murray & Spens LLP  
12<sup>th</sup> Floor  
One London Wall  
London EC2Y 5AB

Telephone 0207 002 8500  
Facsimile 0207 002 8501  
Web [www.mms.co.uk](http://www.mms.co.uk)

**Group Auditors:**

UHY Hacker Young LLP  
Quadrant House  
4 Thomas More Square  
London E1W 1YW

Telephone 0207 216 4600  
Facsimile 0207 628 6413  
Web [www.uhy-uk.com](http://www.uhy-uk.com)

**Share Registry:**

Computershare Services PLC  
PO Box 82  
The Pavilions  
Bridgwater Road  
Bristol BS99 7NH

Telephone 0870 702 0003  
Facsimile 0877 703 6116

**Bankers:**

Barclays Bank PLC  
London Business Banking  
7th Floor  
United Kingdom House  
180 Oxford Street  
London W1D 1EA

**Colombian Branch:**

Black Rock Oil & Gas Sucursal Colombia  
CRA 1 Este # 70-A-42  
Edificio Arcolsa  
Barrio Rosales  
Bogotá  
Colombia

Telephone +571 348 1535  
Principal Legal Representative Luis Ernesto Monroy

**WOBURN ENERGY PLC**

**DIRECTORS, SECRETARY AND ADVISERS**

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**Las Quinchas Resource  
Corporation:**

c/o Oceanic Managers (Barbados) Inc  
Braemar Court  
Deighton Road  
St Michael, BB14017  
Barbados

Telephone +1 246 467 6677  
Company Secretary Janelle Ifill  
Company No 30000 incorporated in Barbados

**Las Quinchas Resource  
Corporation Sucursal  
Colombia:**

c/o Posse, Herrera & Ruiz Abogados  
Carrera 7 No 71 - 52 Torre A Piso 5  
Bogotá  
Colombia

Telephone +571 325 7300  
Legal Representative Jaime Herrera Rodrigues

**Qualified Person:**

Dr John Cubitt (a Director of the Company) has been involved in the oil and gas production industry for more than 29 years. Dr Cubitt is a registered Chartered Geologist (CGeol) and has a BSc and PhD in geology. He has compiled, read and approved the technical disclosure as it relates to Woburn Energy Plc in the financial report for the period

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## **WOBURN ENERGY PLC**

### **VISION STATEMENT**

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Woburn Energy Plc, formerly Black Rock Oil & Gas Plc (the "Company" or "Woburn Energy"), is a United Kingdom registered public company whose shares are traded on AIM, a market operated by the London Stock Exchange. The Company is engaged in oil and gas exploration and its objective is to grow through an active exploration and appraisal programme and, where appropriate, selective asset acquisitions.

The Company's strategy is to acquire lower risk opportunities which have a higher chance of early success leading to production and hence cash flow. To achieve this goal, the Company focuses on the appraisal, development and production of projects within proven and recognised hydrocarbon producing provinces and areas of by-passed pay. To date, the emphasis within Woburn Energy has been to concentrate on projects in the politically stable and fiscally attractive areas of the Southern North Sea and Colombia.

## WOBURN ENERGY PLC

### CHAIRMAN'S STATEMENT

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2009 marked a significant turning point for Woburn Energy Plc ("Woburn")

Whilst the deterioration of the international economic climate flattened out and has now partially rebounded, the last 18 months have seen the worst international economic conditions for most countries and companies that any of us can ever remember. Thankfully at the height of the world's economic woes, we were pleased to announce that negotiations had been successfully concluded for a significant recapitalisation of the Company.

As announced on 17 December 2008 agreement was reached with Cetus Investment to subscribe conditionally £2,000,000 for 200,000,000 new Ordinary Shares of 1p each representing 86.147% of the enlarged issued share capital of the Company ("First Subscription"). Cetus Investment was a newly-formed company established specifically to make the investment in the Company and is a wholly-owned subsidiary of Zaver Petroleum. The First Subscription was subject to a number of conditions, including the approval by the shareholders of the Company of the waiver of any obligations of Cetus Investment to make a general offer to Shareholders pursuant to Rule 9 of the City Code on Takeovers and Mergers. All the necessary resolutions were passed at the Extraordinary General Meeting of the Company held on 15 January 2009 and the First Subscription was completed on 3 February 2009.

Cetus Investment also conditionally committed to fund, subject to commercial and technical evaluation, the next stage of the Company's exploration, appraisal and well development programme in Colombia. Cetus Investment agreed to provide a minimum of £5,000,000 and a maximum of £10,000,000 either by arranging third party debt for Woburn or itself providing the funding either by additional equity or a shareholder loan.

As announced in our corporate update in September 2009, there has been limited progress with Woburn's assets in Colombia and the UK. This is described in more detail in the Managing Director's report but in summary:

- 1 In Colombia, Woburn along with its partners in the Alhucema E&P Contract decided to relinquish the Block back to Agencia Nacional de Hidrocarburos ("ANH"), the Colombian government agency responsible for overseeing Colombia's oil and gas exploration and production sector. This follows the Arrinconada dry hole and the lack of encouraging prospects identified in the 2D seismic acquired in 2009.
- 2 In the Las Quinchas Association Contract, the Acacia Este 1 well has remained in long-term production testing and is now producing around 24 barrels of oil per day ("BOPD"). Cold production testing was also undertaken on Arce 4 but never reached commercially justifiable levels and therefore testing ceased in March 2010. Some of the production equipment on the Arce field has now been moved to the Acacia Este field to enhance its production capabilities.
- 3 A workover of Acacia Este-2 has been completed in order to undertake a trial of the Cold Heavy Oil Production with Sand ("CHOPS") production technique, pioneered in Canada. Las Quinchas Resource Corporation is working with the operator to run as soon as possible a 4 month test to assess the potential impact this innovative approach may have to the problems of producing sand from the unconsolidated Mugrosa sand reservoir and increasing heavy oil production.
- 4 Woburn has a 15% interest in the Southern North Sea licence P1147 that has been running on a care and maintenance basis whilst Woburn and the Joint Venture ("JV") has sought a buyer or a farm-in partner for our interests. As there have been no firm expressions of interest in the assets, the JV is now seeking to relinquish the Block, subject to approval from the UK Department of Energy and Climate Change.

Our Board nevertheless remains committed to growing the Company through the development of existing assets and the acquisition of new assets or companies. The Board of Woburn has therefore undertaken a thorough review of its asset portfolio and has implemented a new strategy for growth. Initially it aims to acquire or farm-in to one or more new assets/companies and is targeting a production acquisition as a first step.

Arif Kemal  
Non-executive Chairman

20 April 2010



## WOBURN ENERGY PLC

### MANAGING DIRECTOR'S REPORT

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The 2008/9 financial period has been one of financial success for Woburn Energy Plc with the refinancing of the Company at a time of serious international economic weakness but, as previously announced in our corporate update in September 2009, slow progress or negative results on the Company's existing appraisal and near-production opportunities in Colombia and the UK Southern North Sea

#### Colombia

##### Las Quinchas Association Contract ("Las Quinchas")

On Las Quinchas, Woburn has completed all its obligations under the farm-in contract signed with the operator, Kappa Resources Colombia ("Kappa"), a wholly owned subsidiary of Pacific Rubiales Energy Corp, in April 2005 in which it agreed to fund certain exploration drilling activities in order to earn a right to obtain, subject to approval, a 50% interest in the Contract. In early 2008, Woburn transferred its interests in the Las Quinchas Association Contract to Las Quinchas Resource Corp ("LQRC"), through which it now participates in the joint execution of exploration and production activities in the Las Quinchas Block with Kappa

Woburn participated in the acquisition of a 33 square kilometre 3D seismic programme over the Acacia Este discovery during 2008. This survey was acquired by Kappa, the operator, in order to gain a greater definition of the basement including topographic highs and faults and any impact these may have on the nature and distribution of the fluvial sands that constitute the reservoir in the Acacia Este field

As previously announced, the 3D seismic survey has now shown that Acacia Este is more complex than originally considered with a number of major NE-SW and NW-SE faults dividing the field into a series of discrete compartments that may account for the productivity and reservoir differences between AE-1 and AE-2. The results of the sole-risk drilling of AE-4 and AE-5 by the operator have supported the view that the widespread but complicated distribution of hydrocarbons in the field is potentially controlled by structural configuration and reservoir characteristics

A comprehensive evaluation and synthesis of all the data collected by drilling and seismic exploration of Acacia Este conducted in 2009 by the operator suggests that we are dealing with an alluvial fan complex as the most likely depositional environment for the Mugrosa Reservoir. This in turn indicates that sweet spots in the reservoir are likely to occur within migrating fluvial channels running over the fan surface in a NW to SE direction. Consequently, both structural and stratigraphic changes are likely to be factors adding uncertainties to any future development plan for the field

One further consideration at the present moment is whether the Lower Unit of the Mugrosa Reservoir can be considered as a producing interval or not. As announced in the discovery of AE-1, the lower sand horizon in the Mugrosa was found to contain oil but productivity was significantly lower than in the upper sands. This was also reflected in AE-2 and overall Mugrosa target reservoir productivity is therefore a major uncertainty factor for field development and, in exploration settings, prospect definition and risking

One additional issue being constantly examined is the unconsolidated nature of the Mugrosa sand reservoir and the problems of frequent sanding up of the well completions leading to expensive workovers or a perception of marginal field economics at best. One solution to this problem may be CHOPS. This is a technique originally developed in Canada in the early 1990s as a means of dealing with the large amounts of sand generated when heavy oil is extracted from unconsolidated reservoir sandstones. Traditionally oil companies have tried to limit the amount of sand generated when extracting heavy oil from unconsolidated sand reservoirs by controlling pump pressure or using screens, slotted liners or gravel packs. This unfortunately has in the past frequently resulted in a slow plugging of the screen or liner reducing inflow. In Canada today, the conventional wisdom in this situation is to produce, using an open-hole completion, as much sand as possible at the interface between the reservoir and the well bore to create numerous higher permeability "worm-holes". Once the pressure at the interface has dropped, because of the significant increase in surface area to the point of little sand production, heavy oil will start to be produced at the well head. As a result of over 15 years of experience in the heavy oil belt of Canada, it has been observed that CHOPS has resulted in higher production rates and higher total recovery levels per well than through conventional production approaches. This innovative technology has been so successful in Canada that over 20% of its oil is now produced by this method and CHOPS is used as a "quasi primary" production approach in unconsolidated sandstones. The JV believes that the utilisation of CHOPS may enhance productivity from

## **WOBURN ENERGY PLC**

### **MANAGING DIRECTOR'S REPORT**

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the Acacia Este field and therefore a trial of the technology is being applied to the Acacia Este 2 well. A workover of AE-2 has been completed and a hydraulic pump will be installed in order to conduct the test of the well using CHOPS in the near future.

Acacia Este 1 well has remained in long-term production testing since November 2008. Initially production rose to 122 BOPD and has now settled back to around 24 BOPD with over 25,000 barrels cumulative production and no increase in water. For comparison, Acacia Este 2 well has been on intermittent production in this financial period.

As reported previously, the Arce Field project has proved to be currently uneconomic. Little has changed since the previous annual report. Just briefly to review the issues involved with Arce, Woburn reported that a pilot steam injection project, utilising the Arce 2, 3 and 4 wells, had been initiated in October 2006 and operations were expected to last until June 2007. However, Ecopetrol requested that the cold flow stage of the test be extended. As the cold flow production in effect created some void space, steam was to be sequentially injected into each well for a period of 1-2 weeks, followed by a soak period of 1-2 weeks whilst the reservoir heated up. Each well was then expected to be put into production for the remainder of a 3-month test cycle. Each steam injection test should have involved a minimum of 2 cycles for a total test lasting approximately 6 months.

Subsequently, as reported by our Chairman, Kappa experienced difficulties in completing a full steam injection cycle on any of these wells due to equipment breakdown or well completion failures. In November 2007 when the steam generator was determined to require two further months of repair, Kappa and Woburn decided that injection operations on Arce Field should be suspended whilst options for the future appraisal and development of the field were reconsidered. This potential discovery has therefore not yet been properly appraised due to equipment failure, and the Company continues to review the best way to progress testing.

In October 2007, Ecopetrol authorised Kappa and Woburn to proceed with the development of a 77 acre area, including the 4 existing Arce wells and the surrounding area, at their sole risk in October 2007. As is customary, Ecopetrol retained the right to participate at a future date by reimbursing past costs, including a penalty premium for those costs expended during sole risk operations. Exploration operations outside of the sole risk area, including the Acacia Este discovery and untested extensions of the Arce accumulation, will also continue to be funded by Kappa and Woburn. Ecopetrol also confirmed that the Contract's exploration period is now over, and the exploitation period has commenced.

In the meantime, extended cold production testing has been undertaken on Arce 4. This was initiated on 6 December 2008 with initial production peaking at 23 BOPD. Production has now settled back to around 5-6 BOPD with 4 barrels of water per day ("BWPD"). Cold flow testing was completed on 5 March 2010 and some of the production equipment has now been moved to the Acacia Este Field to enhance their production capabilities. This cold flow test confirmed that the oil in the reservoir is mobile and supports the need for additional work to establish the optimal development strategy to convert this structure into a producing reservoir.

In the Las Quinchas Association Contract, Woburn's interest is vested with its subsidiary, the Las Quinchas Resource Corp ("LQRC") in which Woburn holds a 51% interest. Woburn has therefore a 25.5% working interest in the Las Quinchas Association Contract.

Fifty percent of the remaining acreage in the Las Quinchas Association Contract was relinquished in 2009. Subject to approval by Ecopetrol, the JV has retained 25,000 Hectares around Acacia Este, Arce, Baul and Bukhara whilst relinquishing the less prospective and more risky sections in the NE of the Contract area. A further and final relinquishment is due in the summer of 2010 at which point all areas outside of producing fields or protected areas are due to be returned to ANH. The JV is looking to retain the area around Acacia Este and Arce at a minimum.

#### **Alhucema E&P Contract**

Woburn held a 25.5% working interest, via Alhucema Resource Corporation, in the Alhucema E&P Contract. As reported at the 2009 Annual General Meeting, our year 3 obligations on the Alhucema E&P Contract consisted of the acquisition of a 50 km programme of 2D seismic. Technical interpretation of the processed seismic was disappointing and revealed only high-risk prospects that were considered inappropriate for

## **WOBURN ENERGY PLC**

### **MANAGING DIRECTOR'S REPORT**

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drilling in view of the results of the Arrinconada well and the structural complexity revealed in the equivalent Mugrosa sequences along strike in Acacia Este

As announced on 1 September 2009, following careful review of the remaining opportunities on the Contract area, further expenditure could not be justified. The operator, Kappa, in agreement with all interest holders in the property, has therefore decided not to proceed with the next exploration phase of the Alhucema E&P Contract (year 4) and has submitted a notice to the ANH to such effect. The ANH has acknowledged the surrender of the property and has conditioned its acceptance to evidence of compliance with certain contractual matters. The ANH E&P Contract for the block has six phases and all work commitments have been completed up to and including phase 3 of the programme.

#### **North Sea**

The Company has a 15% interest in Block 49/8c, in the Southern North Sea, operated by Wintershall Noordzee, which contains the undeveloped Monterey gas field. Discovered in 1989, the Monterey gas field is located approximately 15 kilometres west of the Windermere gas platform and south of the Schooner and Ketch gas fields. The water depth in this location is about 35 metres. The Monterey gas field has been estimated by the field operator on completion of the 49/8c-4 appraisal well to contain over 100 billion cubic feet of gas reserves although no formal resource or reserve report has been prepared under any of the accepted standards.

Development of Monterey is now realistically unlikely to take place before the end of the current licence period in October 2011 as further technical work, including possibly drilling a horizontal appraisal well, will be required to determine the most appropriate development scenario for this Carboniferous tight gas sand field. Also, despite the unusually cold winter, gas prices remain depressed as a result of the weak economic conditions in the UK.

Woburn has worked with its partners over the last 18 months to seek a buyer for its interest or to farm down its interest to companies who will carry us through any future work obligations required to take Monterey into development. However, there have been no firm expressions of interest in this opportunity to date and, as a result, the partners have agreed in principle, to relinquish the licence, subject to approval from the UK Department of Energy and Climate Change, prior to 1 October 2011 including abandoning the 49/8c-4 well. In the meantime, the JV will continue to operate on a care and maintenance basis.

#### **Portfolio Development**

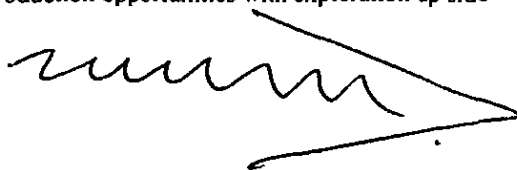
Woburn continues regularly to review the structure of and risks associated with its portfolio of assets, and it recognises that significant modifications to the Company's portfolio will be required in the future to increase its breadth of opportunities, create cash flow and reduce its exposure to financial risk. Consequently, Woburn has reviewed its asset portfolio in 2009 and implemented a new strategy for growth with the support of its largest shareholder. It is now anticipating acquiring or farming-in to one or more new assets/companies in the near future.

In particular, Woburn is looking at new onshore, oil or gas opportunities within its current areas of activity together with those proven oil basins where it has existing experience or influence. In particular, we would highlight Europe, Africa, the Middle East and the Indian Sub-Continent as our first new target areas. Any assets acquired will be generally non-operated but Woburn is looking in the long-run to build a technical team and establish operational capabilities.

Initially we are seeking to acquire production to create immediate cash flow and profits but we are also actively examining development and appraisal opportunities for longer-term growth and upside for the Company. Exploration remains even further down the line but if suitable high-class opportunities arise as a result of the current weak market conditions, Woburn will review them.

Woburn has over the past 12 months evaluated a series of acquisition and farm-in opportunities and currently, it is actively targeting production opportunities with exploration up-side.

J M Cubitt  
Managing Director  
20 April 2010



## **WOBURN ENERGY PLC**

### **DIRECTORS' REPORT**

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The Directors present their report together with the audited financial statements of the Company and the Group for the 18 month period ended 31 December 2009

#### **Change of Company name**

On 15 January 2009, the shareholders at an Extraordinary General Meeting voted in favour of changing the name of the Company from Black Rock Oil & Gas Plc to Woburn Energy Plc ("Woburn")

#### **Change of accounting reference date**

The Company changed its accounting reference date to 31 December from 30 June. These financial statements therefore cover the financial period from 1 July 2008 to 31 December 2009. The comparative amounts in these financial statements cover the year ended 30 June 2008.

#### **Principal activity**

The Company is registered in England and Wales. The Company is part of a Group whose principal activity is oil and gas exploration and production. The Group operates through Woburn Energy Plc, a company traded on AIM, a Market operated by the London Stock Exchange, and through wholly owned subsidiary company, Black Rock Oil & Gas Sucursal, together with Woburn's other subsidiary companies, Las Quinchas Resource Corporation and Alhucema Resource Corporation, details of which are set out in note 12 to these accounts.

Early in 2009 a significant recapitalisation of the Company was announced. Cetus Investment Resources Inc (Cetus Investment) subscribed conditionally £2,000,000 for 200,000,000 new Ordinary Shares of 1p each representing 86.147% of the enlarged issued share capital of the Company. Cetus Investment is a wholly-owned subsidiary of Zaver Petroleum.

#### **Review of the business and future prospects**

The Group's results for the period and financial position at 31 December 2009 are considered satisfactory by the Directors. A review of the activities for the period and future prospects is contained in the Chairman's statement and Managing Director's report.

Due to the early stage of the development of the Group, the Directors do not consider it meaningful to consider a review of the key performance indicators in respect of the period under review. Critical non-financial KPIs, at this stage, are the adherence to licence commitments and the availability of funding to meet those commitments.

#### **Principal risks and uncertainties facing the Company**

The principal risks and uncertainties facing the Company at the present time are the price of world oil, the identification and funding of international production and development projects in the oil and gas industry and obtaining investment funds to pursue corporate or asset acquisitions. At a time of global financial turmoil, raising finance is recognised as difficult but not impossible, and discussions were satisfactorily concluded resulting in a subscription for shares by Cetus Investment, early in 2009. This investment group has encouraged and supported Woburn in the acquisition of a portfolio of production, development and exploration assets to provide growth, cash flow and profits for the future development of the Company.

Further risks and uncertainties have been identified regarding the technical appraisal of our Colombian heavy oil assets in the Acacia Este and Arce fields of the Las Quinchas Association Contract area. Principal risks and uncertainties facing the Group include but are not limited to

- Market price of oil and gas and foreign exchange rates which are affected by numerous factors

## WOBURN ENERGY PLC

### DIRECTORS' REPORT

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beyond the Group's control but could have a material effect on the financial condition and value of its future reserves

- No assurance that oil and gas will be discovered and if it is, that it is not economically viable to be recovered
- Delays in commissioning of appraisal and development projects may result in the Group's projected target dates for production being delayed or further capital expenditure required
- Reliance on facilities operated by others over which the Group has no control
- Operations may be disrupted by a variety of risks and hazards which are beyond the control of the Group, including environmental hazards, accidents, technical failures, and inclement or hazardous weather conditions
- Future exploration and development and/or acquisition of new properties may be dependent upon the Group's ability to obtain suitable financing and at reasonable terms
- The Group competes with other companies in the search for oil and gas and other interests as well as for the recruitment and retention of qualified employees

#### Results and dividends

The Group results for the period are set out on page 21. The Group made a loss of \$4,483,256 for the 18 month period ended 31 December 2009 (2008 \$7,410,217). The Directors are not recommending a dividend for the period ended 31 December 2009 (2008 \$Nil).

#### Group structure and changes in share capital

Details of movements in share capital during the period are set out in note 17 to these financial statements.

#### Directors

The following Directors held office during the period

K Ahmed	From 3 February 2009
A B Baldry	
J M Cubitt	
H A Hashwani	From 3 February 2009
R B Kanga	From 3 February 2009
A Kemal	From 3 February 2009
P J Kitson	Resigned 3 February 2009
C R K Moore	Resigned 3 February 2009

#### Employees' health and safety

It is the policy of the Group to consider the health and welfare of employees by maintaining a safe place and system of work as required by the Safety, Health and Welfare at Work Act, 1989.

#### Significant shareholders

Pursuant to the Companies Act 2006 the Company has been notified of major shareholdings. In accordance with "Disclosure and Transparency Rules", issued by the Financial Services Authority, the interests in the Company's Ordinary Shares as at 12 April 2010 its major shareholders were as follows:

	<i>Number of Ordinary Shares</i>	<i>% of Issued Share Capital</i>
Cetus Investment Resources Inc	200,000,000	86.15%

No other individual or organisation holds more than 3% of the Company's Ordinary Shares.

## **WOBURN ENERGY PLC**

### **DIRECTORS' REPORT**

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#### **Environment**

The Group's exploration activities within the United Kingdom and Colombia are subject to the relevant environment protection acts of each country. While at 31 December 2009 the Group is not an operator of any exploration projects, it closely monitors activities of the operators to ensure to the best of its knowledge there is no potential for any such breach. There have been no convictions in relation to breaches of these acts recorded against the Group during the reporting period.

#### **Use of financial instruments**

The Group's financial risk management objectives are to minimise debt, to fund exploration activity through equity financing and to ensure sufficient working capital for the Group's overhead and capital expenditure commitments. This is achieved by prudent financial management and careful management of the Group's cash balances, both short and long term.

#### **Information to shareholders - Website**

In compliance with AIM Rule 26, the Company has its own website ([www.woburnenergy.com](http://www.woburnenergy.com)) for the purposes of improving information flow to shareholders as well as to potential investors.

#### **Internal controls**

The Board is responsible for identifying and evaluating the major business risks faced by the Group and for determining and monitoring the appropriate course of action to manage these risks.

#### **Creditor payment policy and practice**

The Group agrees terms of contracts when orders are placed and on entering exploration joint ventures. It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Group and its suppliers, providing that all trading terms and conditions have been complied with.

#### **Political and charitable contributions**

There were no political or charitable contributions made by the Group during the period ended 31 December 2009.

#### **Events after the balance sheet date**

There have been no significant events after the balance sheet date that require disclosure.

#### **Corporate Governance**

Although AIM listed companies are not required to report on the Combined Code, the Directors are committed to proper standards of corporate governance and will continue to keep procedures under review.

#### **The Board**

The Board is responsible to the shareholders for the leadership and control of the Company and it meets on a regular basis. Meetings are conducted when important matters or issues require discussion. Circular resolutions of the Directors are undertaken on minor issues. In addition, the Managing Director keeps all members of the Board appraised on a regular basis. Directors also meet regularly on an informal basis to discuss various matters relating to the Group's activities, objectives and to ensure Corporate Governance is maintained.

## WOBURN ENERGY PLC

### DIRECTORS' REPORT

The Board considers and monitors all matters as are specifically vested to it under the Company's Articles of Association ("the Articles"). The Company's management provides formal and transparent procedures to appoint or re-elect Board Members. The Articles provide for the re-election of all Directors at regular intervals. In this regard Tony Baldry will offer himself for re-election at the forthcoming Annual General Meeting, details of which are given in the Notice of Annual General Meeting on page 45.

Those Directors appointed during the period will put themselves up for election at the Annual General Meeting on 19 May 2010. In this regard, Kamran Ahmed, Hasan Hashwani, Rustom Kanga and Arif Kemal, all of whom were appointed on 3 February 2009, will offer themselves up for election at the forthcoming Annual General Meeting.

### Remuneration Report

#### Introduction

This report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002, except for the inclusion of a performance graph and provision of details of how remuneration packages have been benchmarked. Woburn Energy, as an AIM listed company rather than a fully listed company, is not required to comply with these requirements but it is committed to the highest standards of Governance.

#### Remuneration Committee

The purpose of the Committee is to make recommendations to the Board on an overall remuneration policy for Executive Directors in order to attract, retain and motivate high quality executives capable of achieving the Company's objectives. The Company's Remuneration Committee currently comprises Hasan Hashwani (Chairman), Arif Kemal and Rustom Kanga.

#### Remuneration packages

Remuneration packages currently consist of base salaries and a pension contribution for John Cubitt. There are no performance related bonuses, long term incentive awards or health and other benefits.

#### Remuneration policy

Woburn Energy has undertaken to review the packages of the Directors in the coming year and in particular the alignment between the interests of shareholders and executives.

#### Directors' remuneration and service contracts

There are no service contracts with the Directors other than an employment contract between Dr J M Cubitt and Woburn Energy Plc. Under this service contract Dr Cubitt was paid an annual salary of £120,000 from 3 February 2009 and his employment was subject to a 30 days' termination period.

#### Directors' interests

The beneficial interests in the Company's shares of the Directors and their families were as follows:

	31 December 2009		30 June 2008	
	Ordinary shares of 1p each	Warrants re: Ordinary shares of 1p each	Ordinary shares of 1p each	Warrants re: Ordinary shares of 1p each
K Ahmed (from 03 02 09)	-	-	-	-
A B Baldry	72,222	-	72,222	100,000
J M Cubitt	244,149	-	244,149	60,000
H A Hashwani (from 03 02 09)	-	-	-	-
R B Kanga (from 03 02 09)	-	-	-	-
A Kemal (from 03 02 09)	-	-	-	-
P J Kitson (up to 03 02 09)	213,903	-	213,903	-
C R K Moore (up to 03 02 09)	-	-	-	-

## WOBURN ENERGY PLC

### DIRECTORS' REPORT

The Warrants are not traded on AIM nor quoted on any recognised stock exchange but are freely transferable. None of the Directors exercised any Warrants during the period.

None of the Directors had any interests in the share capital of any of the Company's subsidiaries at 31 December 2009 or 30 June 2008.

Kamran Ahmed, Hasan Hashwani, Rustom Kanga and Arif Kemal are Directors appointed by Cetus Investment which is a wholly-owned subsidiary of Zaver Petroleum which is itself a wholly-owned subsidiary of United Paramount Holding Corp. Mr Hashwani is beneficially interested in the entire issued share capital of United Paramount Holding Corp. Zaver Petroleum's principal asset is its 55% interest in Orient Petroleum International Inc ("OPII"). Messrs Hashwani, Kanga and Kemal are all Directors of OPII.

#### *Pensions*

The Company paid \$30,491 to privately administered pension plans in respect of Dr Cubitt who was a Director of the Company during the period. The Group does not operate a pension scheme for any of the other Directors or employees.

#### *Directors' remuneration*

Remuneration of Directors was as follows:

	Fees/basic salary \$	Compensation for loss of office \$	Pension contributions \$	2009 Total \$	2008 Total \$
<i>Executive</i>					
J M Cubitt	320,960	-	30,491	351,451	435,200
P J Kitson (up to 03 02 09)	-	48,144	-	48,144	244,280
<i>Non-Executive</i>					
K Ahmed (from 03 02 09)	-	-	-	-	-
A B Baldry	90,939	-	-	90,939	115,000
H A Hashwani (from 03 02 09)	-	-	-	-	-
R B Kanga (from 03 02 09)	-	-	-	-	-
A Kemal (from 03 02 09)	-	-	-	-	-
C R K Moore (up to 03 02 09)	-	-	-	-	-
<b>Total</b>	<b>411,899</b>	<b>48,144</b>	<b>30,491</b>	<b>490,534</b>	<b>794,480</b>

Aggregate emoluments disclosed above do not include any amounts for the value of warrants to subscribe for Ordinary Shares in the Company granted to or held by the Directors.

There were no contracts existing during or at the end of the period in which a Director was or is materially interested.

Directors' remuneration shown comprises all of the fees, salaries and other benefits and emoluments paid to Directors. Messrs Ahmed, Hashwani, Kanga and Kemal chose to waive their Directors' Fees for the period.

#### **Audit Committee**

The Audit Committee is responsible for maintaining an appropriate relationship with the Group's external auditors and for monitoring the Group's internal financial controls and the audit process. Its duties also include approving the Group's accounting policies and reviewing the interim and the annual financial statements before submission to the Board. It aids the Board in seeking to ensure that the financial and non-financial information supplied to shareholders presents a balanced assessment of the Group's position.

The Audit Committee reviews the objectivity and independence of the external auditors and also considers the scope of their work and fees paid for audit and non-audit services.



## **WOBURN ENERGY PLC**

### **DIRECTORS' REPORT**

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The Audit Committee has unrestricted access to the Group's documents and information, as well as to employees of the Group and the external auditors. Members of the Committee may, in pursuit of their duties, take independent professional advice on any matters at the Group's expense. The Committee Chairman reports the outcome of meetings to the Board.

The members of the Audit Committee who held office during the period and at the date of this report are

- Peter Kitson and Chris Moore until 3 February 2009 when both resigned from the Board
- Kamran Ahmed (Chairman), Tony Baldry and Rustom Kanga from 3 February 2009 to date

Membership of the Audit Committee is determined by the Board, from amongst the Directors of the Group. Its terms of reference are set by the Board and are modelled closely on the provisions of the Combined Code.

#### **Acquisition of new projects**

Prior to acquiring new projects, the Company initially evaluates both the political and legal risk associated with the country in which the project is located. If either of these are considered too much of a concern, no further evaluation is undertaken. The Board, as a whole, has elected at this point in the Company's history, not to get involved in projects located in basins which do not have significant hydrocarbon systems. Final sign-off on new acquisitions is only taken following technical evaluation of the available data. Initially, areas are evaluated by senior in-house staff, technical consultants, and where warranted, by expert international consulting groups. The Managing Director, who is technically trained, then reviews all information and presents to the full Board for approval. In addition, no formal agreements contracting the Company to a project area are signed without approval from senior legal advisers.

#### **Going concern**

The Board's consideration of the going concern basis is set out in note 3.2 to these financial statements.

During the 18 month period ended 31 December 2009 the Group made a loss of \$4,483,256 (30 June 2008 - \$7,410,217). At the balance sheet date the Group had net assets of \$7,118,328 (30 June 2008 - \$5,051,758) and net current assets of \$379,133 (30 June 2008 - net current liabilities \$570,886).

On 17 December 2008 the Board announced that negotiations had been successfully concluded for a significant recapitalisation of the Company. Agreement was reached with Cetus Investment to subscribe conditionally £2,000,000 for 200,000,000 new Ordinary Shares of 1p each (the "First Subscription"). Cetus Investment is a newly-formed company established specifically to make the investment in Woburn Energy and is a wholly-owned subsidiary of Zaver Petroleum International Inc. The First Subscription was subject to a number of conditions, including the approval by the shareholders of the Company of the waiver of any obligations of Cetus Investment to make a general offer to shareholders pursuant to Rule 9 of the City Code on Takeovers and Mergers. All the necessary resolutions were passed at the Extraordinary General Meeting of the Company held on 15 January 2009 and the First Subscription was completed on 3 February 2009.

Cetus Investment also conditionally committed to fund, subject to commercial and technical evaluation, the next stage of the Company's exploration, appraisal and well development programme in Colombia. Subject to the technical and commercial evaluation by Cetus Investment's management team, Cetus Investment agreed to provide a minimum of £5,000,000 and a maximum of £10,000,000 either by arranging third party debt for Woburn Energy or itself providing the funding either by additional equity or a shareholder loan.

The Group had \$2,216,678 of cash as at 31 December 2009 and had trade and other payables due within one year outstanding of \$2,751,190 and expected operating costs of \$1,860,000 for the year ending 31 December 2010. As at 31 March 2010 the Group had \$1,825,000 of cash with future expected costs, including operating costs, to 31 March 2011 of \$2,870,000. In view of the current market conditions and the need to continue the exploration activities, the Board continues to review its options, in particular the need for future

## **WOBURN ENERGY PLC**

### **DIRECTORS' REPORT**

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#### **finance**

The Group is not currently earning significant revenues and therefore is not profitable because it is still in the exploration phase of its business. The Group is therefore reliant on the future support from its existing shareholders or its ability to raise funds in the open market in order to be able to meet its obligations in the foreseeable future.

The Directors have reviewed the Group's overall position and outlook and, as further discussed in note 3.2 to the financial statements, the Directors are satisfied that the Group will have adequate resources to continue its operations for the foreseeable future, and for at least one year from the date of approval of these financial statements and they, therefore, continue to adopt the going concern basis in preparing the Group's financial statements.

#### **Changes in share capital**

Details of movements in share capital and share warrants during the year are set out in note 17 to these financial statements.

#### **Statement of responsibilities of those charged with governance**

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRS").

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 Directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**WOBURN ENERGY PLC**

**DIRECTORS' REPORT**

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**Statement of disclosure to auditor**

So far as each of the Directors at the time of approval of the report are aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**Auditors**

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that UHY Hacker Young LLP be re-appointed as auditors of the Company and that the Directors be authorised to fix their remuneration will be put to the next Annual General Meeting

On behalf of the Board

J M Cubitt  
Managing Director

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

20 April 2010

## **WOBURN ENERGY PLC**

### **DIRECTORS' BIOGRAPHIES**

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#### **Kamran Ahmed**

##### **Non-Executive Director**

Kamran Ahmed is a graduate of Ithaca College, Cornell University, with 26 years' experience in banking and oil and gas. He has worked with multinational financial institutions and oil and gas companies, including Shell, Mobil, Bankers Equity and Merrill Lynch. In 2002 he joined Orient Petroleum International Inc and is now based in the UK as Director of Orient Petroleum (UK) Limited, a wholly-owned subsidiary of OPII. Mr Ahmed is the Chairman of the Company's Audit Committee.

#### **Antony Brian Baldry**

##### **Deputy Chairman, Independent Non-Executive Director**

Tony Baldry is the Conservative Member of Parliament for Banbury (North Oxfordshire). He has been an MP for over 20 years and held various ministerial posts between 1990 and 1997. These include Parliamentary Under Secretary of State at the Department of Energy where, alongside John Wakeham, he oversaw the privatisation of the UK electricity industry.

A practising barrister, Tony is also a director of a number of public and private companies. Tony has a wealth of experience of giving strategic and financial advice to growing companies across a range of sectors, including natural resources.

Mr Baldry is a member of the Company's Audit Committee.

#### **Dr John Malcolm Cubitt CGeol**

##### **Managing Director**

John Cubitt has more than 29 years' commercial experience in the exploration and production industry, following a period in academic research and graduate/post-graduate education in the UK and USA. He is a registered Chartered Geologist (CGeol) and has a BSc and PhD in geology. His experience has included asset evaluation and project management, as well as board level strategic and operational direction.

#### **Hasan Ali Hashwani**

##### **Non-Executive Director**

Hasan Hashwani has over 12 years' international experience in the oil and gas industry. He has held various management positions and is currently a director and President of OPII and serves on the board of several other private companies. Mr Hashwani studied business administration at the University of Phoenix and attended business and management courses at Columbia and Rice Universities in the US, as well as the Young Managers Programme at INSEAD, France.

Mr Hashwani is the Chairman of the Company's Remuneration Committee.

#### **Rustom Bejon Kanga FCA**

##### **Non-Executive Director**

Rustom Kanga has over 27 years' diverse experience in business and commerce. He has been involved in the upstream oil and gas industry since 1996 and has valuable experience in starting new ventures, acquisitions, divestitures and financing. He is a Fellow of the Institute of Chartered Accountants in England and Wales and serves on the board of several private companies.

Mr Kanga is a member of the Company's Remuneration Committee and its Audit Committee.

#### **Arif Kemal**

##### **Chairman, Non-Executive Director**

Arif Kemal has over 46 years' experience in exploration, production and management of oil and gas resources. He has a BSc Hons in Geology and an MSc in Petroleum Geology and attended a post-graduate training course in Petroleum Engineering at the Institut Français du Pétrole, France. Mr Kemal is a member of the Society of Petroleum Engineers, the American Association of Petroleum Geologists and the Houston Geological Society.

Mr Kemal is a member of the Company's Remuneration Committee.

## **WOBURN ENERGY PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WOBURN ENERGY PLC**

We have audited the financial statements of Woburn Energy Plc for the 18 month period ended 31 December 2009 which comprise the Consolidated income statement, the Consolidated and Parent Company balance sheets, the Consolidated and Parent Company statements of changes in equity, the Consolidated and Parent Company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Statement of responsibilities of those charged with governance, set out in page 16, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2009 and of the Group's loss for the period then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 3.2 to the financial statements concerning the Group's and Company's ability to continue as a going concern. The Group incurred a loss of \$4,483,256 during the period ended 31 December 2009 and is still incurring losses. Along with similar companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. As discussed in note 3.2 the Group currently expects that it will need to raise funds from existing or future shareholders to meet its obligations. These conditions, along with other matters discussed in note 3.2, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**WOBURN ENERGY PLC**

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF WOBURN ENERGY PLC**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Colin Wright (Senior Statutory Auditor)**  
**For and on behalf of UHY Hacker Young**  
Chartered Accountants  
Statutory Auditor

Quadrant House  
4 Thomas More Square  
London E1W 1YW

20 April 2010

**WOBURN ENERGY PLC**
**CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

		18 months ended 31 December 2009	Year ended 30 June 2008 (Restated)
	Notes	\$	\$
<b>Revenue</b>	4	182,045	38,428
<b>Operating expenses</b>		(1,550,115)	(1,111,995)
<b>Gross profit</b>		(1,368,070)	(1,073,567)
Administrative expenses before impairment of assets		(1,535,388)	(1,923,560)
Impairment of exploration assets	11	(650,044)	(4,435,936)
<b>Total administrative expenses</b>		(2,185,432)	(6,359,496)
<b>Group operating loss</b>	5	(3,553,502)	(7,433,063)
<b>Bank interest receivable</b>		1,185	22,846
<b>Loss before taxation</b>		(3,552,317)	(7,410,217)
<b>Taxation</b>	6	-	-
<b>Loss for the period from continuing operations</b>		(3,552,317)	(7,410,217)
<b>Discontinued operations</b>			
Loss for the period from discontinued operations	7	(930,939)	-
<b>Loss for the period</b>		(4,483,256)	(7,410,217)
<b>Attributable to:</b>			
Equity holders of the Parent Company		(3,160,630)	(6,837,083)
Minority interest	18	(1,322,626)	(573,134)
		(4,483,256)	(7,410,217)
<b>Loss per share (cents): Continuing operations</b>	8		
Basic		(1.77)	(11.03)
Diluted		(1.77)	(11.03)
<b>Loss per share (cents): Discontinuing and continuing operations</b>			
Basic		(2.07)	(11.03)
Diluted		(2.07)	(11.03)

**WOBURN ENERGY PLC**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2009**

	Notes	31 December 2009		30 June 2008 (Restated)	
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	11		11,692,754		10,489,999
<b>Current assets</b>					
Receivables	13	913,645		790,564	
Cash and cash equivalents		2,216,678		31,424	
			3,130,323		821,988
<b>Total Assets</b>			<b>14,823,077</b>		<b>11,311,987</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	14		(2,751,190)		(1,392,874)
<b>Non-current liabilities</b>					
Borrowings	15	(4,274,000)		(4,274,000)	
Provision for decommissioning	16	(679,559)		(593,355)	
			(4,953,559)		(4,867,355)
<b>Total Liabilities</b>			<b>(7,704,749)</b>		<b>(6,260,229)</b>
<b>Net Assets</b>			<b>7,118,328</b>		<b>5,051,758</b>
<b>EQUITY</b>					
<b>Capital and reserves</b>					
Share capital	17		13,596,651		10,738,490
Share premium			17,815,055		17,815,055
Share-based payments reserve			190,800		268,440
Retained losses			(27,374,489)		(24,291,499)
<b>Shareholders' Funds</b>			<b>4,228,017</b>		<b>4,530,486</b>
Minority interests	18		2,890,311		521,272
			<b>7,118,328</b>		<b>5,051,758</b>

These financial statements were approved by the Board of Directors on 20 April 2010 and signed on its behalf by

Director – J M Cubitt

Company Registration Number: 04128401



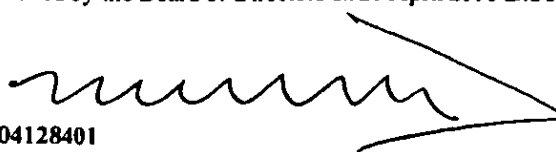
**WOBURN ENERGY PLC**

**COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2009**

	Notes	31 December 2009		30 June 2008 (Restated)	
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	12		4,168,283		5,290,746
Intangible assets	11		4,274,000		5,460,008
			<u>8,442,283</u>		<u>10,750,754</u>
<b>Current assets</b>					
Receivables	13	219,066		373,568	
Cash and cash equivalents		1,320,644		15,836	
			<u>1,539,710</u>		<u>389,404</u>
<b>Total Assets</b>			<u>9,981,993</u>		<u>11,140,158</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	14		(81,898)		(313,576)
<b>Non-current liabilities</b>					
Borrowings	15	(4,274,000)		(4,274,000)	
Provision for decommissioning	16	(537,460)		(593,354)	
			<u>(4,811,460)</u>		<u>(4,867,354)</u>
<b>Total Liabilities</b>			<u>(4,893,358)</u>		<u>(5,180,930)</u>
<b>Net Assets</b>			<u>5,088,635</u>		<u>5,959,228</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders</b>					
Share capital	17		13,596,651		10,738,490
Share premium			17,815,055		17,815,055
Share-based payments reserve			190,800		268,440
Retained losses			(26,513,871)		(22,862,757)
<b>Total Equity</b>			<u>5,088,635</u>		<u>5,959,228</u>

These financial statements were approved by the Board of Directors on 20 April 2010 and signed on its behalf by

Director – J M Cubitt



Company Registration Number: 04128401

WOBURN ENERGY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2009

	Share Capital \$	Share Premium \$	Share-based Payments Reserve \$	Retained Losses \$	Total \$	Minority Interest \$	Total Equity \$
Balance at 1 July 2007	10,515,511	14,434,404	77,640	(17,722,984)	7,304,571	-	7,304,571
Fractional adjustment on consolidation of shares	406	-	-	-	406	-	406
Share issues less costs	222,573	3,380,651	-	-	3,603,224	-	3,603,224
Share based payments	-	-	190,800	-	190,800	-	190,800
Exchange difference	-	-	-	-	-	12,686	12,686
Minority's interest in share capital of subsidiary	-	-	-	-	-	1,350,288	1,350,288
Loss for year ended 30 June 2008 – as previously stated	-	-	-	(6,288,986)	(6,288,986)	(573,134)	(6,862,120)
Prior year adjustment (note 11)	-	-	-	(279,529)	(279,529)	(268,568)	(548,097)
Loss for year ended 30 June 2008 – restated	-	-	-	(6,568,515)	(6,568,515)	(841,702)	(7,410,217)
Balance at 1 July 2008	10,738,490	17,815,055	268,440	(24,291,499)	4,530,486	521,272	5,051,758
Share issues less costs	2,858,161	-	-	-	2,858,161	-	2,858,161
Loss for period ending 31 December 2009	-	-	-	(3,160,630)	(3,160,630)	(1,322,626)	(4,483,256)
Disposal of minority interest	-	-	-	-	-	39,647	39,647
Minority's interest in share capital of subsidiary	-	-	-	-	-	3,652,018	3,652,018
Transfer on expiry of warrants	-	-	(77,640)	77,640	-	-	-
Balance at 31 December 2009	13,596,651	17,815,055	190,800	(27,374,489)	4,228,017	2,890,311	7,118,328

**WOBURN ENERGY PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

	Share Capital	Share Premium	Share-based Payments Reserve	Retained Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2007	10,515,511	14,434,404	77,640	(17,647,522)	7,380,033
Fractional adjustment on consolidation of shares	406	-	-	-	406
Share issues less costs	222,573	3,380,651	-	-	3,603,224
Share based payments	-	-	190,800	-	190,800
Loss for 2008	-	-	-	(5,215,235)	(5,215,235)
Balance at 1 July 2008	10,738,490	17,815,055	268,440	(22,862,757)	5,959,228
Share issues less costs	2,858,161	-	-	-	2,858,161
Transfer on expiry of warrants	-	-	(77,640)	77,640	-
Loss for 2009	-	-	-	(3,728,754)	(3,728,754)
Balance at 31 December 2009	13,596,651	17,815,055	190,800	(26,513,871)	5,088,635

**WOBURN ENERGY PLC**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

	<b>18 months ended 31 December 2009</b>	<b>Year ended 30 June 2008 (Restated)</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Group operating loss from continuing operations	(3,553,502)	(7,433,063)
Operating loss from discontinued operations	(987,824)	-
Adjustment for items not requiring an outlay of funds		
Impairment of exploration assets - continuing operations	650,044	4,435,936
Impairment of exploration assets - discontinuing operations	1,209,198	-
Foreign exchange differences	1,067,513	39,566
Adjustment arising from consolidation of shares	-	406
Operating loss before changes in working capital	(1,614,571)	(2,957,155)
Increase in receivables	(125,506)	(688,334)
Increase in trade and other payables	1,474,518	989,540
<b>Net cash used in operating activities</b>	<b>(265,559)</b>	<b>(2,655,949)</b>
<b>Investing activities</b>		
Funds used for exploration and evaluation	(4,058,314)	(2,956,235)
Interest received	1,185	22,846
Cash disposed with subsidiary	(2,237)	-
<b>Net cash used in investing activities</b>	<b>(4,059,366)</b>	<b>(2,933,389)</b>
<b>Financing activities</b>		
Proceeds from issue of ordinary shares	2,858,161	4,006,500
Share issue costs	-	(212,476)
Proceeds from minorities for issue of ordinary shares	3,652,018	1,350,288
<b>Net cash from financing activities</b>	<b>6,510,179</b>	<b>5,144,312</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>2,185,254</b>	<b>(445,026)</b>
Cash and cash equivalents at beginning of period	31,424	476,450
<b>Cash and cash equivalents at end of period</b>	<b>2,216,678</b>	<b>31,424</b>

**WOBURN ENERGY PLC****COMPANY CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

	<b>18 months ended 31 December 2009</b>	<b>Year ended 30 June 2008</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Company operating loss	(3,648,289)	(5,166,284)
Adjustment for items not requiring an outlay of funds		
Impairment of loans due from subsidiaries	69,684	2,678,070
Impairment of exploration assets	157,389	593,354
Loss on disposal of subsidiary	1,040,813	-
Foreign exchange adjustments on translations	986,267	26,914
Adjustment arising from consolidation of shares	-	406
	<hr/>	<hr/>
Operating loss before changes in working capital	(1,394,136)	(1,867,540)
Decrease/(increase) in receivables	154,502	(271,338)
Decrease in trade and other payables	(231,678)	(79,754)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(1,471,312)</b>	<b>(2,218,632)</b>
	<hr/>	<hr/>
<b>Investing activities</b>		
Acquisition of subsidiary companies	-	(5,000)
Loans granted to subsidiary companies	-	(1,977,828)
Funds used for exploration and evaluation	(83,226)	(69,684)
Interest received	1,185	22,846
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(82,041)</b>	<b>(2,029,666)</b>
	<hr/>	<hr/>
<b>Financing activities</b>		
Proceeds from issue of ordinary shares	2,858,161	4,006,500
Share issue costs	-	(212,476)
	<hr/>	<hr/>
<b>Net cash from financing activities</b>	<b>2,858,161</b>	<b>3,794,024</b>
	<hr/>	<hr/>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>1,304,808</b>	<b>(454,274)</b>
Cash and cash equivalents at beginning of period	15,836	470,110
	<hr/>	<hr/>
<b>Cash and cash equivalents and borrowings at end of period</b>	<b>1,320,644</b>	<b>15,836</b>

## WOBURN ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

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**1. Authorisation of financial statements**

Woburn Energy Plc (formerly Black Rock Oil & Gas Plc) is a public limited company incorporated in England and Wales whose shares are traded on AIM, a market operated by the London Stock Exchange. The principal activities of the Company and its subsidiaries ("the Group") are exploration, and development of oil and gas.

The Group's financial statements for the period ended 31 December 2009 were authorised for issue by the Board of Directors on 20 April 2010 and the balance sheets were signed on the Board's behalf by J M Cubitt.

**1.1 Change of accounting reference date**

The Company changed its accounting reference date to 31 December from 30 June. These financial statements therefore cover the financial period from 1 July 2008 to 31 December 2009. The comparative amounts in these financial statements cover the year ended 30 June 2008.

**2. Adoption of International Financial Reporting Standards**

The Company's and Group's financial statements for the period ended 31 December 2009 and for the comparative year ended 30 June 2008 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC (International Financial Reporting Interpretations Committee) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

**3. Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated below.

**3.1 Basis of preparation**

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with International Financial Reporting Standards, as adopted by the European Union, including IFRS6 'Exploration for and Evaluation of Mineral Resources' and in accordance with the Companies Act 2006. The Parent Company's financial statements have also been prepared in accordance with IFRS and the Companies Act 2006.

**3.2 Going concern**

During the 18 month period ended 31 December 2009 the Group made a loss of \$4,483,256 (30 June 2008 - \$7,410,217). At the balance sheet date the Group had net assets of \$7,118,328 (30 June 2008 - \$5,051,758) and net current assets of \$379,133 (30 June 2008 net current liabilities - \$570,886).

On 17 December 2008 the Board announced that negotiations had been successfully concluded for a significant recapitalisation of the Company. Agreement was reached with Cetus Investment to subscribe conditionally £2,000,000 (\$2,858,161) for 200,000,000 new Ordinary Shares of 1p each (the "First Subscription"). Cetus Investment is a newly-formed company established specifically to make the investment in Woburn Energy and is a wholly-owned subsidiary of Zaver Petroleum International Inc. The First Subscription was subject to a number of conditions, including the approval by the shareholders of the Company of the waiver of any obligations of Cetus Investment to make a general offer to shareholders pursuant to Rule 9 of the City Code on Takeovers and Mergers. All the necessary resolutions were passed at the Extraordinary General Meeting of the Company held on 15 January 2009 and the First Subscription was completed on 3 February 2009.

Cetus Investment also conditionally committed to fund, subject to commercial and technical evaluation, the next stage of the Company's exploration, appraisal and well development programme in Colombia. Subject to the technical and commercial evaluation by Cetus Investment's management team, Cetus Investment agreed to provide a minimum of £5,000,000 and a maximum

## WOBURN ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

of £10,000,000 either by arranging third party debt for Woburn Energy or itself providing the funding either by additional equity or a shareholder loan

The Group had \$2,216,678 of cash as at 31 December 2009 and had trade and other payables due within one year outstanding of \$2,751,190 and expected operating costs of \$1,860,000 for the year ending 31 December 2010. As at 31 March 2010 the Group had \$1,825,000 of cash with future expected costs, including operating costs, to 31 March 2011 of \$2,870,000. In view of the current market conditions and the need to continue the exploration activities, the Board continues to review its options, in particular the need for future finance.

The Group is not currently earning significant revenues and therefore is not profitable because it is still in the exploration phase of its business. The Group is therefore reliant on the future support from its existing shareholders or its ability to raise funds in the open market in order to be able to meet its obligations and planned expenditures in the foreseeable future.

The Directors believe that the Group will be able to raise finance from existing or future shareholders in the foreseeable future. The Group's majority shareholder has confirmed that it will continue to provide financial support for the foreseeable future. The Directors therefore believe that the Group will therefore have appropriate levels of financing and that the Group will have sufficient cash to fund its activities and to continue its operations for the foreseeable future and for the Group to continue to meet its liabilities as they fall due, and for at least the next twelve months from the date of approval of these financial statements. The financial statements have, therefore, been prepared on the going concern basis.

#### 3.3 New IFRS standards and interpretations not applied

At the date of approval of these financial statements, the following Standards and Interpretations which will be applicable to the Group, but have not been applied in these financial statements, were in issue but not yet effective:

<i>International Financial Reporting Standards (IFRS/IAS)</i>		<i>Effective date</i>
IFRS 8	Operating Segments	1 January 2009
IFRS 2	Share-based payments (Amendment)	1 January 2009
IAS 23 (Amendment)	Borrowing Costs	1 January 2009
IAS 1	Presentation of Financial Statements (Amendment)	1 January 2009
IFRS 3	Business combinations (revised)	1 July 2009
IAS 27	Consolidated and Separate Financial Statements	1 July 2009
IFRIC 16	Hedges of a net investment in a foreign operation	1 October 2008
IFRIC 17	Distributions of non-cash assets to owners	1 July 2009
IFRIC 18	Transfers of assets from customers	1 July 2009

The Group does not anticipate that the adoption of these standards will have a material effect on its financial statements except for additional disclosures on Operating Segments when IFRS 8 comes into effect for its year ending 31 December 2010.

#### 3.4 Basis of consolidation

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries and have been prepared by using the principles of acquisition accounting ("the purchase method") which includes the results of the subsidiaries from their date of acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

#### 3.5 Goodwill

Goodwill is the difference between the amount paid on the acquisition of the subsidiary undertakings and the aggregate fair value of their separable net assets - of which oil and gas exploration expenditure

## **WOBURN ENERGY PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009**

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is the primary asset. Goodwill is capitalised as an intangible fixed asset and in accordance with IFRS3 'Business Combinations' is not amortised but tested for impairment annually and when there are any indications that its carrying value is not recoverable. As such, goodwill is stated at cost less any provision for impairment in value. If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit and loss on sale.

#### **3.6 Oil and Gas Exploration and Evaluation Expenditure**

All exploration and evaluation costs incurred or acquired on the acquisition of a subsidiary are accumulated in respect of each identifiable project area. These costs, which are classified as intangible assets, are only carried forward to the extent that they are expected to be recouped through the successful development of the areas or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves (successful efforts). Pre licence/project costs are written off immediately. Other costs are written off unless commercial reserves have been established or the determination process has not been completed. Thus accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences the accumulated costs for the relevant area of interest are transferred from intangible assets to tangible assets as 'Developed Oil and Gas Assets' and amortised over the life of the area according to the rate of depletion of the economically recoverable costs.

#### **3.7 Impairment of Oil and Gas Exploration and Evaluation Expenditure and Related Goodwill**

The carrying value of unevaluated areas and the related goodwill is assessed on at least an annual basis or when there has been an indication that impairment in value may have occurred. The impairment of unevaluated prospects is assessed based on the Directors' intention with regard to future exploration and development of individual significant areas and the ability to obtain funds to finance such exploration and development.

#### **3.8 Impairment of Developed Oil and Gas Assets**

When events or changes in circumstances indicate that the carrying amount of any developed oil and gas assets included within tangible assets may not be recoverable from future net revenues from oil and gas reserves attributable to that asset, a comparison between the net book value of the asset and the discounted future cash flows from estimated recoverable oil and gas reserves is undertaken. To the extent that the carrying amount exceeds the recoverable amount, the asset is written down to its recoverable amount and the write off being charged as amortisation in the income statement.

#### **3.9 Amortisation of Developed Oil and Gas Assets**

Developed oil and gas assets will be amortised on a unit of production basis using the ratio of oil and gas production in the period to the estimated quantity of commercial reserves at the end of the period plus production in the period. Changes in estimates of commercial reserves or future development costs are dealt with prospectively.

#### **3.10 Decommissioning costs**

Where a material liability for the removal of production facilities and site restoration at the end of the field life exists, a provision for decommissioning is recognised. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. An asset of an amount equivalent to the provision is also created and depreciated on a unit of production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated asset.

#### **3.11 Investments**

The Parent Company's investments in subsidiary companies are stated at cost less provision for impairment in the Company's balance sheet.



## WOBURN ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

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#### 3.12 Share based payments

The Company made share-based payments to certain Directors and advisers by way of issue of share options. The fair value of these payments is calculated by the Company using the Black Scholes option pricing model. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of shares that will eventually vest.

#### 3.13 Foreign currency translation

##### *(i) Functional and presentational currency*

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). With effect from 1 July 2008, the Directors consider the US Dollar to be the Group's functional currency. Comparative figures have been restated into US Dollars from Pounds Sterling (£). The effective exchange rate at 31 December 2009 £1 = \$1.5986.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Transactions in the accounts of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. All differences are taken to the income statement.

#### 3.14 Deferred taxation

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

#### 3.15 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and comprise cash in hand, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. For the purposes of the cash flow statement, cash and cash equivalents also include the bank overdrafts.

#### 3.16 Receivables

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in the income statement.

## **WOBURN ENERGY PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009**

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**3.17 Payables**

Payables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method

**3.18 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the increase of new shares or options are shown in equity as a deduction from the proceeds.

**3.19 Critical accounting judgements and estimates**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRS also require management to exercise its judgement in the process of applying the Group's accounting policies.

The prime areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, are as follows:

*Impairment of intangible assets*

Determining whether intangible assets are impaired requires an estimation of whether there are any indications that its carrying value is not recoverable.

## WOBURN ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

#### 4. Segmental reporting

##### a) Primary reporting format – Business Segment

For the purposes of segmental information, the operations of the Group currently comprise one business segment Oil and Gas Exploration and Production

##### b) Secondary reporting format – Geographical

The Group's activities are currently in two geographical areas – Europe and South America, as shown below

##### Revenue

The Group's revenue during the year was attributable solely to its activities in Colombia and resulted from well testing activities and not commercial production

	Period ended 31.12.2009 \$	Year ended 30.06.2008 \$
<i>Operating loss</i>		
Europe	(1,713,283)	(2,488,214)
South America	(1,840,219)	(4,944,849)
	<u>(3,553,502)</u>	<u>(7,433,063)</u>
<i>Total assets</i>		
Europe	5,813,710	5,505,094
South America	9,009,367	5,806,893
	<u>14,823,077</u>	<u>11,311,987</u>

Capital expenditure is located entirely in South America

#### 5. Group operating loss

The Group's operating loss is stated after charging

	Period ended 31.12.2009 \$	Year ended 30.06.2008 \$
Impairment of exploration assets (note 11)	650,044	4,435,936
Employee costs (note 10)	720,351	933,282
Rental of properties	130,418	73,286
Auditors' remuneration - audit services	41,603	60,000
- non-audit services	20,000	20,000

Non-audit fees consist of \$10,000 (2008 \$10,000) for tax compliance services and \$10,000 (2008 \$10,000) for reviewing the Group's half yearly results

**WOBURN ENERGY PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

**6. Taxation**

	<b>Period ended 31.12.2009</b>	<b>Year ended 30.06 2008</b>
	<b>\$</b>	<b>\$</b>
<b>Current Tax</b>		
UK corporation tax	-	-
Overseas tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

The tax charge can be reconciled to the loss for the year as follows

	<b>Period ended 31.12.2009</b>	<b>Year ended 30.06 2008</b>
	<b>\$</b>	<b>\$</b>
Group loss before tax	(3,552,317)	(7,410,217)
Tax at the standard rate of UK corporation tax of 28% (2008 30%)	(994,649)	(2,223,065)
<i>Effects of</i>		
Expenses not deductible for tax purposes	135,276	186,769
Deferred tax not recognised	859,373	2,036,296
Total current tax charge	<u>-</u>	<u>-</u>

At the balance sheet date, the Group had unused tax losses of \$10.6 million (2008 \$8 million) available for offset against suitable future profits. A deferred tax asset has not been recognised in respect of such losses due to the uncertainty of future profit streams. The contingent deferred tax asset is estimated to be \$3 million (2008 \$2,240,000).

## WOBURN ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

#### 7. Discontinued operations

Discontinued operations consist of the disposal of Alhucema Resource Corporation. The post-tax loss of the discontinued operations is classified as a single line on the face of the consolidated income statement, together with the post-tax gain on the disposal of the operations.

On 1 August 2009, the Company sold its shareholding in the entire issued share capital of Alhucema Resources Corporation ("ARC") for a consideration of \$nil.

The loss from discontinued operations is as follows:

	Period ended 31.12.2009 \$
Loss from operations (note (a) below)	(987,824)
Profit on disposal (note (b) below)	56,885
	<u>(930,939)</u>

a) Loss from discontinued operations may be analysed as follows:

	Period ended 31.12.2009 \$
Revenue	-
Operating expenses	(1,164,991)
Other income	177,167
Finance costs	-
	<u>987,824</u>

**WOBURN ENERGY PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

b) Profit on disposal of discontinued operations may be analysed as follows

	<b>Period ended 31.12.2009 \$</b>
Proceeds received	-
Net liabilities on disposal (see below)	(56,885)
Goodwill released on disposal (net of impairment)	-
	<hr/>
<b>Total profit on disposal</b>	<b>(56,885)</b> <hr/>
 The book values of the net liabilities disposed were	
Cash and cash equivalents	2,237
Trade and other receivables	2,425
Trade and other payables	(116,202)
Taxation payable	-
Borrowings	-
	<hr/>
<b>Net liabilities disposed</b>	<b>(111,540)</b> <hr/>
<b>Group's 51% share of net liabilities</b>	<b>(56,885)</b> <hr/>
 The effect of the disposal on the group's cash flow is	
Cash proceeds from disposal	-
Cash balance included in disposal	(2,237)
	<hr/>
<b>Net cash outflow from the disposal</b>	<b>(2,237)</b> <hr/>

**8. Loss per share**

	<b>Period ended 31.12.2009 \$</b>	<b>Year ended 30 06 2008 \$</b>
Loss attributable to equity shareholders - Continuing	(2,713,719)	(6,837,083)
Loss attributable to equity shareholders - Continuing and Discontinuing	(3,160,630)	(6,837,083)
Weighted average number of shares in issue	152,963,327	62,003,632
	<hr/>	<hr/>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share – Continuing	(1 77)	(11 03)
Basic loss per share – Continuing and Discontinuing	(2 07)	(11 03)
	<hr/>	<hr/>

## WOBURN ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

The diluted loss per share has been calculated using a weighted average number of shares in issue and to be issued of 152,963,327 (2008 62,003,632). The diluted loss per share has been kept the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

**9. Parent Company income statement**

In accordance with the provisions of the Section 408 of the Companies Act 2006, the Parent Company has not presented an income statement. The loss for the 18 month period ended 31 December 2009 of \$3,728,754 (2008 \$5,215,235) has been included in the consolidated income statement.

**10. Employee costs**

The employee costs of the Group, including Directors' remuneration, are as follows:

	Period ended 31.12.2009 \$	Year ended 30.06.2008 \$
Wages, salaries and fees	634,284	637,702
Social security costs	55,576	81,100
Pension costs	30,491	214,480
	<hr/>	<hr/>
	720,351	933,282
	<hr/>	<hr/>

The number of employees at 31 December 2009 (including Directors) was 6 Directors and 2 staff (2008 – 4 Directors and 1 staff).

The above employee costs include the Company's Directors' remuneration. Further details of their remuneration are shown below and in the Directors' Report.

	Period ended 31.12.2009 \$	Year ended 30.06.2008 \$
Wages, salaries and fees	411,899	580,000
Compensation for loss of office	48,144	-
Social security costs	47,022	69,478
Pension contributions	30,491	214,480
	<hr/>	<hr/>
	537,556	863,958
	<hr/>	<hr/>

Benefits in kind comprise of \$Nil (2008 \$Nil)

**WOBURN ENERGY PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

<b>11. Intangible assets</b>			
<b>Group:</b>	<b>Exploration and evaluation assets</b>	<b>Goodwill</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>			
At 1 July 2007	12,473,554	1,006,794	13,480,348
Additions in 2008	4,097,686	-	4,097,686
Prior period adjustment (see below)	(548,097)	-	(548,097)
At 30 June 2008	16,023,143	1,006,794	17,029,937
Additions in 2009	4,058,314	-	4,058,314
Foreign exchange adjustments	(996,317)	-	(996,317)
Disposed of with subsidiary	(2,373,710)	-	(2,373,710)
At 31 December 2009	16,711,430	1,006,794	17,718,224
<b>Amortisation and impairment</b>			
At 1 July 2007	(1,097,208)	(1,006,794)	(2,104,002)
Impairment charge for 2008	(4,435,936)	-	(4,435,936)
At 30 June 2008	(5,533,144)	(1,006,794)	(6,539,938)
Impairment charge for 2009 (see below)	(1,859,242)	-	(1,859,242)
Disposed of with subsidiary	2,373,710	-	2,373,710
At 31 December 2009	(5,018,676)	(1,006,794)	(6,025,470)
<b>Net book value</b>			
At 31 December 2009	11,692,754	-	11,692,754
At 30 June 2008	10,489,999	-	10,489,999

The net book value of the exploration and evaluation assets can be analysed in the following geographical areas

	<b>31.12.2009</b>	<b>30.06.2008</b>
	<b>\$</b>	<b>\$</b>
Europe	4,274,000	5,460,008
South America	7,418,754	5,029,991
	<b>11,692,754</b>	<b>10,489,999</b>

Goodwill arose on the acquisition of the Company's subsidiary undertakings. The Group tests goodwill for impairment annually and when there are indicators of impairment. Goodwill was fully impaired in prior years.



**WOBURN ENERGY PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2009****11. Intangible assets (continued)**

The amounts for intangible exploration and evaluation ("E&E") assets represent costs incurred in relation to the Group's licences. These amounts will be written off to the income statement as exploration expenses unless commercial reserves are established or the determination process is not completed and there are no indicators of impairment. The outcome of ongoing exploration and evaluation, and therefore whether the carrying value of E&E assets will ultimately be recovered, is inherently uncertain. The Directors have assessed the value of the Group's oil and gas exploration and evaluation assets and in their opinion no further provision for impairment is currently necessary.

The prior year adjustment of \$548,097 arose as a result of reclassifying costs to operating costs that were previously capitalised to E&E assets due to the late submission of reports from the operator. The income statement and retained losses in the consolidated statement of changes in equity have been restated accordingly.

The impairment charge of \$1,859,242 shown above includes \$1,209,198 relating to the impairment of Alhucema Resource Corporation's E&E assets which is included in discontinued operations in the income statement. The balance of \$650,044 relates to the impairment of E&E assets from continuing operations and has been shown on the consolidated income statement.

<b>Company</b>	<b>Exploration and evaluation assets \$</b>
<b>Cost</b>	
At 1 July 2007	12,473,554
Additions in 2008	2,571,182
Transfer to subsidiaries	(7,894,166)
	<hr/>
At 30 June 2008	7,150,570
Additions in 2009	83,226
Foreign exchange adjustment	(1,111,845)
	<hr/>
At 31 December 2009	6,121,951
	<hr/>
<b>Amortisation and impairment</b>	
At 1 July 2007	(1,097,208)
Impairment charge for 2008	(593,354)
	<hr/>
At 30 June 2008	(1,690,562)
Impairment charge for 2009	(157,389)
	<hr/>
At 31 December 2009	(1,847,951)
	<hr/>
<b>Net book value</b>	
At 31 December 2009	4,274,000
	<hr/>
At 30 June 2008	5,460,008
	<hr/>

The Company transferred all of its E&E assets in Colombia to its subsidiary companies during the year ended 30 June 2008.

**WOBURN ENERGY PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

**12. Investments in subsidiary undertakings**

<b>Company</b>	<b>Loans to subsidiary undertakings \$</b>	<b>Shares in subsidiary undertakings \$</b>	<b>Total \$</b>
<b>Cost</b>			
At 1 July 2007	-	7,714,036	7,714,036
Loans granted in 2008	2,747,754	-	2,747,754
Acquisitions during 2008	-	5,209,096	5,209,096
	<hr/>	<hr/>	<hr/>
At 30 June 2008	2,747,754	12,923,132	15,670,886
Disposals during 2009	-	(1,052,779)	(1,052,779)
	<hr/>	<hr/>	<hr/>
	2,747,754	11,870,353	14,618,107
	<hr/>	<hr/>	<hr/>
<b>Impairment</b>			
At 1 July 2007	-	(7,702,070)	(7,702,070)
Impairment charge for 2008	(2,678,070)	-	(2,678,070)
	<hr/>	<hr/>	<hr/>
At 30 June 2008	(2,678,070)	(7,702,070)	(10,380,140)
Impairment charge for 2009	(69,684)	-	(69,684)
	<hr/>	<hr/>	<hr/>
	(2,747,754)	(7,702,070)	(10,449,824)
	<hr/>	<hr/>	<hr/>
<b>Net book values</b>			
At 31 December 2009	-	4,168,283	4,168,283
	<hr/>	<hr/>	<hr/>
At 30 June 2008	69,684	5,221,062	5,290,746
	<hr/>	<hr/>	<hr/>

The Company's directly-held subsidiary undertakings as at 31 December 2009 are

<b>Name</b>	<b>Ownership</b>	<b>Country of incorporation</b>	<b>Main activity</b>
Las Quinchas Resource Corporation	51%	Barbados	Oil and gas exploration
Black Rock Oil & Gas Sucursal Colombia	100%	Colombia	Oil and gas exploration
Wildlook Enterprises Pty Ltd	100%	Australia	Struck off 01/07/2009

**WOBURN ENERGY PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

<b>13</b>	<b>Receivables</b>	<b>31 December 2009</b>		<b>30 June 2008</b>	
		<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	Other receivables	884,077	189,783	775,940	358,944
	Prepayments	29,568	29,283	14,624	14,624
		<u>913,645</u>	<u>219,066</u>	<u>790,564</u>	<u>373,568</u>
<b>14.</b>	<b>Trade and other payables</b>	<b>31 December 2009</b>		<b>30 June 2008</b>	
		<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	Trade payables	-	-	253,660	-
	Other payables	39,964	39,694	5,794	5,794
	Accruals	2,711,226	42,204	1,133,420	307,782
		<u>2,751,190</u>	<u>81,898</u>	<u>1,392,874</u>	<u>313,576</u>
<b>15.</b>	<b>Borrowings</b>	<b>31 December 2009</b>		<b>30 June 2008</b>	
		<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>Non-current</b>				
	Non-recourse loan	4,274,000	4,274,000	4,274,000	4,274,000
		<u>4,274,000</u>	<u>4,274,000</u>	<u>4,274,000</u>	<u>4,274,000</u>
	<b>Total borrowings</b>	<u>4,274,000</u>	<u>4,274,000</u>	<u>4,274,000</u>	<u>4,274,000</u>

In September 2006 the Company entered into an arrangement with Gemini Oil & Gas Fund II, LP ("Gemini"), whereby Gemini is to fund up to US\$4.27 million in respect of the drilling of the Company's 49/8C-4 well in the Monterey Gas Field of the Southern Gas Basin of the North Sea. The loan has been fully drawn down. The loan is currently interest free and it is without recourse in return for an entitlement for Gemini to receive interest and principal payments based on the Company's share of future revenues from the Monterey Gas Field.

**16. Provision for decommissioning**

The Directors have considered environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation and the Group's licence obligations. In their view, apart from the provision for decommissioning of \$679,559 in the consolidated balance sheet, no further provision is necessary at 31 December 2009 for any future costs of decommissioning or any environmental damage.

**WOBURN ENERGY PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

**17. Share capital and share warrants**

	<b>31 December 2009</b>	<b>30 June 2008</b>
<b>Group and Company</b>	<b>Number</b>	<b>Number</b>
<b>Authorised</b>		
1,445,235,888 (2008 295,235,888) ordinary shares of 1p each	1,445,235,888	295,235,888
21,031,838 deferred shares of 24p each	21,031,838	21,031,838
	<u>1,466,267,726</u>	<u>316,267,726</u>
	<b>\$</b>	<b>\$</b>
<b>Allotted, called up and fully paid</b>		
232,160,407 (2008 32,160,407) ordinary shares of 1p each	3,501,369	643,208
21,031,838 deferred shares of 24p each	10,095,282	10,095,282
	<u>13,596,651</u>	<u>10,738,490</u>

The share capital issues in the period ended 31 December 2009 were as follows

	<b>Number of 1p ordinary shares</b>	<b>Number of 24p deferred shares</b>
As at 1 July 2008	32,160,407	21,031,837
Shares issued in year at 1p per share	200,000,000	-
	<u>232,160,407</u>	<u>21,031,837</u>
As at 31 December 2009		

The details of share warrants outstanding at 31 December 2009 are as follows

	<b>Number of warrants</b>
At 1 July 2008	577,018
Expired during the period (on 18 April 2009)	(200,000)
	<u>377,018</u>
At 31 December 2009	

By Ordinary resolution passed on 15 January 2009 the Company increased its Authorised Share Capital by the creation of 1,150,000,000 new Ordinary shares of 1p each

On 8 August 2007, the Company issued 377,018 warrants to VSA Resources Limited ("VSA") being 8% of £1,192,500 raised on placing the Company's new Ordinary Shares on 18 January 2007. These warrants are exercisable at 25p each at any time between 8 August 2007 and 8 August 2010.

## WOBURN ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

These warrants have been valued at \$190,800 and were debited in that year to the Company's share premium account as a cost of issuing shares

The Company's share price ranged between 5 38p and 2 31p during the period. The closing share price as at 31 December 2009 was 2 30p per share

#### 18. Minority interests

	Group 31.12.2009 \$	Group 30.06.2008 \$
Called up share capital	4,000,000	1,350,288
Accumulated losses	(1,109,689)	(573,134)
Translation reserve	-	12,686
Prior year adjustment	-	(268,568)
	<u>2,890,311</u>	<u>521,272</u>

The minority interests at 31 December 2009 represent a 49% holding by Alange (formerly Prospero) in Las Quinchas Resource Corporation

#### 19. Financial instruments

##### Interest rate risk

At 31 December 2009 the Group had US Dollar cash of \$896,034, and Pound Sterling cash deposits of £829,237. The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities, was as follows

	31.12.2009		30.06.2008	
	Floating interest rate \$	Non-Interest Bearing \$	Floating interest rate \$	Non-Interest Bearing \$
Financial assets.				
Cash at bank	<u>2,216,678</u>	<u>-</u>	<u>31,424</u>	<u>-</u>

##### Financial liabilities

At 31 December 2009, the Group had a non-recourse loan of \$4,274,000 as shown in note 15 above

##### Net fair value

The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the balance sheet and in the related notes

##### Financial risk management

The Directors recognise that this is an area in which they may need to develop specific policies should the Group become exposed to further financial risks as the business develops

## WOBURN ENERGY PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

#### Capital risk management

The Group considers capital to be its equity reserves. At the current stage of the Group's life cycle, the Group's objective in managing its capital is to ensure funds raised meet the exploration expenditure commitments. The Group ensures it is meeting its objectives by reviewing its KPIs to ensure its exploration activities are progressing in line with expectations, controlling costs and placing unused funds on deposit to conserve resources and increase returns on surplus cash held.

#### 20. Future exploration expenditure

The Group has no contractual future exploration expenditure commitments and awaits the technical review of its operations in Colombia before making future commitments.

#### 21. Related party transactions and compensation of key management personnel

Key management of the Group are considered to be the Directors of the Company. There are no transactions with the Directors other than their remuneration and interests in shares and share options.

The remuneration of Directors is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual Directors is shown in the Directors' Report and note 10.

	Period ended 31.12.2009 \$	Year ended 30.06.2008 \$
Short-term employee benefits	411,899	580,000
Termination benefits	48,144	-
Post-employment benefits	30,491	214,480
	<hr/>	<hr/>
	490,534	794,480
	<hr/>	<hr/>

#### 22. Control

The Group is controlled by Cetus Investment Resources Inc which owns 86.15% of the Company. Cetus Investment Resources Inc is a wholly-owned subsidiary of Zaver Petroleum International Inc which is itself a wholly-owned subsidiary of United Paramount Holding Corp. Mr Hashwani is beneficially interested in the entire issued share capital of United Paramount Holding Corp and is therefore the ultimate controlling party.

#### 23. Post balance sheet events

There have been no significant events after the balance sheet date that require disclosure.

Company Registration Number: 04128401  
(England & Wales)

## **WOBURN ENERGY PLC**

**Supplementary Note to the Statutory Accounts  
For the 18 months ended 31 December 2009**



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# **WOBURN ENERGY PLC**

## **Supplementary note to the statutory accounts for the 18 month period ended 31 December 2009**

### **Contents**

Details of the supplementary note to the original statutory accounts for the 18 month period ended 31 December 2009. . . . .	1
Revision to the directors' report for the 18 month period ended 31 December 2009 . . . . .	1
Revision to note 22 to the financial statements for the 18 month period ended 31 December 2009	2
Approval of the supplementary note to the original statutory financial statements for the 18 month period ended 31 December 2009 . . . . .	2
Independent auditors' report to the shareholders of Woburn Energy plc . . . . .	3



## **WOBURN ENERGY PLC**

### **Details of the supplementary note to the original statutory accounts for the 18 month period ended 31 December 2009**

The directors present a revised note to the original filed statutory accounts of the company for the period ended 31 December 2009 dated 20 April 2010 which is therefore a revision to the annual accounts of that date

The original directors' report and financial statements for the 18 month period ended 31 December 2009, that were approved by the board of directors on 20 April 2010 and laid before the company's members in general meeting and delivered to the registrar of companies, are being revised as of the approval date of 20 April 2010

The revision relates to a correction of directors' beneficial interests in the company's share capital as stated in the directors' report and in note 22 (Control) to the original 2009 financial statements. The original directors' report and note 22 to the 2009 financial statements stated that Mr H Hashwani was the ultimate controlling party of the company, whereas Mr S Hashwani should have been stated as the ultimate controlling party of the company

### **Revision to the directors' report for the 18 month period ended 31 December 2009**

This supplementary note revises in certain respects the original directors' report of the company and is to be treated as forming part of that report. The directors' report has been revised as at the date of (approval of) the original directors' report and not as at the date of (approval of) the revision and accordingly does not deal with events between those dates

The last paragraph under the sub-heading "Directors' interests" in the original directors' report should be replaced with the following.

*Kamran Ahmed, Hasan Hashwani, Rustom Kanga and Arif Kemal are Directors appointed by Cetus Investment which is a wholly-owned subsidiary of Zaver Petroleum which is itself a wholly-owned subsidiary of United Paramount Holding Corp*

## WOBURN ENERGY PLC

### **Revision to note 22 to the financial statements for the 18 month period ended 31 December 2009**

This supplementary note revises in certain respects the original 2009 financial statements of the company and is to be treated as forming part of those financial statements. The 2009 financial statements have been revised as at the date of the original financial statements and not as at the date of the revision and accordingly does not deal with events between those dates.

Note 22 per the original 2009 financial statements should be replaced with the following

*The Group is controlled by Cetus Investment Resources Inc which owns 86.15% of the Company. Cetus Investment Resources Inc is a wholly-owned subsidiary of Zaver Petroleum International Inc which is itself a wholly-owned subsidiary of United Paramount Holding Corp. Mr S Hashwani is beneficially interested in the entire issued share capital of United Paramount Holding Corp and is therefore the ultimate controlling party.*

### **Approval of the supplementary note to the original statutory financial statements for the 18 month period ended 31 December 2009**

This supplementary note on pages 1 and 2 was approved by the board of directors on 26 September 2013 and signed on behalf of the Board by



**K Ahmed**  
**Director**

**Company Registration Number: 04128401**

# **WOBURN ENERGY PLC**

## **Independent auditors' report to the shareholders of Woburn Energy plc**

We have audited the revised financial statements of Woburn Energy plc for the 18 month period ended 31 December 2009 which comprise the Consolidated income statement, the Consolidated and Parent Company balance sheets, the Consolidated and Parent Company statements of changes in equity, the Consolidated and Parent Company cash flow statements and the related notes. The revised financial statements replace the original financial statements approved by the directors on 20 April 2010 and consist of the attached supplementary note together with the original financial statements which were circulated to shareholders on 20 April 2010.

The revised financial statements have been prepared under The Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing revised financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and for being satisfied that they give a true and fair view are set out in the Statement of responsibilities of those charged with governance.

Our responsibility is to audit the revised financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the revised financial statements give a true and fair view, have been properly prepared in accordance with IFRS as adopted by the European Union and are prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008. We also report to you whether in our opinion the information given in the revised Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records or if we have not received all the information and explanations we require for our audit or if disclosures of directors' benefits, remuneration, pensions and compensation for loss of office specified by law are not made.

We read the revised Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the revised financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the revised financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

## WOBURN ENERGY PLC

### Independent auditors' report to the shareholders of Woburn Energy plc (continued)

The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the revised financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the revised financial statements.

#### Opinion

In our opinion

- the revised financial statements give a true and fair view, seen as at the date the original financial statements were approved, of the state of the Group's and the Parent Company's affairs as at 31 December 2009 and of the Group's loss for the period then ended;
- the revised financial statements have been properly prepared in accordance with IFRS as adopted by the European Union seen as at the date the original financial statements were approved;
- the revised financial statements have been properly prepared in accordance with the provisions of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008;
- the original financial statements for the period ended 31 December 2009 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the statement contained in the supplementary note; and
- the information given in the revised Directors' Report is consistent with the revised financial statements.

#### Emphasis of matter – Supplementary note to the financial statements

In forming our opinion on the revised financial statements, which is not qualified, we have considered the adequacy of the disclosures made in the supplementary note concerning the need to revise the directors' report and note 22 to the accounts. The original financial statements were approved on 20 April 2010 and our previous report was signed on that date. We have not performed a subsequent events review for the period from the date of our previous report to the date of this report.

#### Emphasis of matter – Going concern

In forming our opinion on the revised financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 3.2 to the original financial statements concerning the Group's and Company's ability to continue as a going concern. The Group incurred a loss of \$4,483,256 during the period ended 31 December 2009 and is still incurring losses. Along with similar companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. As discussed in note 3.2 the Group currently expects that it will need to raise funds from existing or future shareholders to meet its obligations. These conditions, along with other matters discussed in note 3.2, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

*UHY Hacker Young*  
Colin Wright (Senior Statutory Auditor)  
For and on behalf of UHY Hacker Young  
Chartered Accountants  
Statutory Auditor

Quadrant House  
4 Thomas More Square  
London E1W 1YW

26 September 2013