FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

AMERISUR RESOURCES PLC

REGISTERED NUMBER: 04030166 (England and Wales)

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For the year ended 31 December 2013

CORPORATE DIRECTORY

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Giles Clarke (Chairman)

John Wardle (Chief Executive Officer)

Victor Valdovinos (Executive Director)

Nick Harrison (Finance Director)

Douglas Ellenor (Non Executive Director)

George Woodcock (Non Executive Director)

Nigel Luson (Non Executive Director)

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Chairman´s Statement

The Platanillo field in Colombia continues to deliver exceptional results across its development wells with huge credit owed to the CEO and his operational team. The uplift in production during 2013 was impressive, and is reflected in the step-change in revenues which we have delivered. I was also very satisfied by the independent reserves report, whose strong increases demonstrate increasing solidity in this our base asset, despite a growing production over the year of over 1.7 million of barrels of oil (“MMBO”).

Instrumentally, we are also progressing well with the pipeline linking the Platanillo field to Ecuador and thence to the Pacific Coast, which will access an important reduction in transport costs while allowing the Platanillo field to produce at a higher but still efficient capacity and giving access to third party transport options.

We have already made a strong start to 2014 with two new wells brought on stream in the first quarter, being the 11th and 12th successful wells in the Platanillo field, thus maintaining our 100% success rate to date.

Whilst the main focus of the team has been on the safe and efficient drilling in Platanillo, progress has been made across our portfolio, in our Putumayo 12, Fenix and Paraguayan assets.

The Put-12 block shares the same geology as Platanillo, and the management have identified a potential of 400MMBO of net, risked (P50) resources. The continuing success of the Company’s drilling programme in the Platanillo field has given considerable and growing confidence in the geological analysis and expectations for the exploration programme for Put-12. We look forward with considerable confidence as our informed, well-calibrated and fully funded exploration programme continues in Put-12.

In Paraguay the Company retains its 100% ownership of five blocks, holding two exploration and production and three prospecting permits extending over 6.4mm hectares. In San Pedro, a 416km seismic acquisition programme initiated and was completed on time and budget post-period end. This data is currently being processed and integrated into the reprocessed legacy data. Initial indications from the data are positive and so the Company is investigating a number of drilling rig and service options with regional providers with a view to drilling the first new well in San Pedro towards the end of 2014.

2013 has seen great progress with the Company’s drilling and production programme, with success across our assets. The current production is at a rate exceeding 7,000BOPD, albeit constrained by export options, which we are working very hard to remove. We continue to maximise the availability of production routes to point of sale and our average production per month during the first quarter of 2014 was 205,905 barrels.

Based upon the major cash flows from our Colombian assets, your Board intends to investigate several major opportunities in other areas of Colombia, and enter new markets where the immense experience of the Chief Executive and Board members in Latin America can be exploited. Our intention is to develop a significant regional independent oil company which we believe will bring substantial benefits to shareholders. In closing I would like to thank all our stakeholders for their continued support and valued efforts in building our Company.

Giles Clarke
Chairman
17 April 2014

Chief Executive's Statement

Colombia

Platanillo

The Platanillo field production remains constrained in the range 7,000 to 7,500 BOPD at the time of writing, which is in line with 2013 estimates. This rate of production has been relatively constant as more capacity was brought on stream by each successful well, since we are currently constrained at those levels by transport and reception facilities. The Company has made important progress in developing a robust solution by which significantly higher volumes of oil may be brought to market. Production in January 2013 was 80,717 barrels, February 114,886 barrels and March 124,473 barrels. The average in the last quarter of 2013 was 200,298 barrels per month and 205,905 in the first quarter of 2014. From the wells drilled to date we estimate that a prudent current production capacity of the field in the absence of logistical constraint is approximately 10,000BOPD.

Drilling in 2013

Platanillo-1, drilled in 2007, and not tested by the previous operator, ECOPETROL, was re-entered and sidetracked to a location approximately 2,485ft to the east. The objective of this sidetrack was to further delineate the oil columns in the Platanillo reservoirs and potentially to provide a water injection facility for the field. This well, named Platanillo-1 ST1, was successful beyond our expectations and encountered a 22ft net pay interval in the U sands, of which 7ft was perforated, producing 530 BOPD on test. This well, located alone on Pad 1N was subsequently re-entered to test the potential of water disposal in the Pepino formation. That test was successful, and is currently on long term injection test. This facility has removed the need to move water out of the field by truck, thus reducing operating costs and liberating logistical resources that can be used to increase the transport of oil. This action was instrumental in allowing the Company to increase daily oil flow from 3,541 (Jan 2013) to 7,250BOPD.

The well Platanillo-10 located on the Platform 5 South pad (5S) was drilled to a total depth of 8,715ft MD using the Latco-01 drilling rig. Platanillo-10 was a directional well, deviated approximately 1,950ft north east of platform 5S. The well encountered an interval of 72ft Gross, 45ft net indicated pay in the U sand and 14ft gross, 12.5ft net in the T sand. An interval of 32ft in the U sand was perforated with tubing conveyed guns and the well flowed 1,800 barrels of 31.2° API oil per day over a controlled choke with 55 psi at the wellhead and trace water.

Following Platanillo 10, the Latco-01 rig was skidded to drill well Platanillo-11. The well Platanillo-11, located on Platform 5 South (5S) was drilled to a total depth of 8,733ft MD. Platanillo-11 is a directional well, deviated approximately 1,697ft south east of platform 5S. The well encountered an interval of 95ft Gross, 49.5ft net indicated pay in the U sand and 34ft gross, 17ft net in the T sand. As predicted by our geophysical model, the N sand was not well developed at this point. Platanillo 11 produced at a controlled rate of 1,500 BOPD with trace water in natural flow.

Following Platanillo 11, the Latco-01 rig was skidded onto the next slot within the 5S location and drilled Platanillo-12. Platanillo-12 was a directional well whose reservoir target is located 1,837ft to the south west of the 5S location. The well encountered an interval of 65ft in the U sand and produced at 2,371 BOPD on test from the U sand. The well was placed on controlled production at approximately 1,450 BOPD with 217 psi at the wellhead, in line with good reservoir management principles.

Alea-1, drilled in 1988 and re-entered in 2007 by ECOPETROL, was sidetracked to a location approximately 1,008ft to the north west of the original well location. This well, named Alea-1R ST1, encountered a gross pay interval of 85ft and 40ft net pay interval in the U sands. The T sand exhibited 18ft gross and 8.5ft net. Alea-1R ST1 was therefore a success and was placed on production, initially producing 700 BOPD at a controlled rate with 20% water cut, in line with expectations from the log interpretation.

Post the completion and testing of Alea-1R ST1, the Serinco D-10 drilling rig was moved to the Platanillo-2 well in the same location in order to sidetrack it. It was planned to re-enter and sidetrack that well to a structurally more favourable position for oil production.

Platanillo-2 ST1 was drilled to a depth of 9,396ft, entering the reservoir approximately 3,102ft south of Platform A. The well encountered 68ft gross, 39ft net of oil column in good quality U sands. This result further confirmed the geological model and was in line with the pre-drill prognosis. This well produced 1,023BOPD from a 39ft perforated interval in the U sands.

In October 2013 Platanillo-14 was successfully drilled to a total depth of 9,333ft MD, achieving an offset of 3,646ft to the south west of Platform 9S. The reservoir section was logged and initial log analysis indicated the presence of 77ft gross, 30ft net oil column in the U sand formation, using Logging While Drilling (“LWD”) tools, in line with the pre-drill prognosis. This well produced 934BOPD from an 18ft interval in the U sands.

At the end of December 2013, Platanillo-7, the 10th new well of the drilling campaign was successfully drilled on time and under budget, to a total depth of 8,533ft MD, achieving an offset of 1,181ft to the east of Platform 3N. Platform 3N is the most northerly platform constructed to date in the Platanillo field. The Company completed the well for commercial production from the U sand. A total of 23ft of the 46ft net oil pay was perforated and flowed 3,052 BPD of 30.2 API oil on test under natural flow over a 34/64" choke with 180 psig at the wellhead and trace water. The well was then choked back and placed on commercial production at approximately 1,300 BOPD.

Platanillo Field Facilities

The production facilities within the Platanillo field are now well developed, with two 20,000BFPD separators, a 7,500 barrel capacity Gun Barrel and 27,000 barrels of storage at Platform 9S, 5,000 at Platform 5, and 3,000 at both Platform 3N, and Platform A.

Post period end – Ecuadorian pipeline and current transport arrangements

The Ecuadorian pipeline project is progressing well with completion set for H2 2014. Although less than 10km in length, the pipeline will be key in transforming production levels, connecting the Platanillo field to the Victor Hugo field and so via the existing Cuyabeño gathering system to the “SOTE” (light oil) Trans-Andean pipeline, which delivers oil to the Pacific coast, where the crude is exported from the port of Esmeraldas. In point of fact, Amerisur is the most suitably located and most advanced of all Putumayo operators to make such an interconnection and as such is sizing the line to receive other crude streams. The result of this installation will be reduced transportation costs and significant improvements in cash flow by removal of volume constraints. As in any inter-system connection there are technical complexities to be satisfied and we have overcome the majority of these challenges already. Concurrently with the operational aspects, we are in the process of seeking environmental approvals from both the Ecuadorian and Colombian Environmental Ministries. The project enjoys strong political support on both sides of the border and is facilitated by a number of high level intergovernmental accords. In the meantime we continue to export oil to both the ECOPETROL Orito facility (19% in 2013) and Rio Loro (Emerald Energy, 81% in 2013).

Drilling post period end

Post period end, Platanillo-16 became the 11th successful well of the current drilling campaign maintaining a 100% record for the programme. Platanillo-16 was drilled on time and under budget, to a total depth of 8,858 ft MD, achieving an offset of 2,387 ft to the north east of Platform 3N. The reservoir section was logged and initial log analysis indicates the presence of 21ft gross, 7ft net oil column in the U sand formation. This is regarded as a conservative analysis due to the use of LWD tools which tend to underestimate oil pay compared with wire line conveyed tools. The N sand was not well developed at this location, which is in line with Amerisur's seismic attributes model. The oil column was affected by a slightly deeper position of the U sand at this location than predicted by the seismic model. The model has now been refined by the acquisition of a high resolution Vertical Seismic Profile (VSP) survey.

Subsequently the Platanillo-17 well has been successfully drilled. It was delivered on time and under budget, to a total depth of 8,760ft MD, achieving an offset of 2,118ft to the south of Platform 3N. The reservoir section was logged and log analysis indicated the presence of 86ft gross, 53ft net oil column in the U sand formation, using Schlumberger Anadrill Logging While Drilling tools. The Company completed the well for commercial production from the U sand. A total of 33ft of the 53ft net oil pay was perforated and flowed 1,527 BOPD of 31.5 API oil on test under natural flow over a 34/64" choke with 250 psi at the wellhead and trace water. The well was choked back and placed on commercial production at approximately 1,100 BOPD.

The Serinco D-10 rig was then moved to Platform 9S in order to drill a further 3 wells subsequent to the completion of a comprehensive inspection and maintenance programme.

Drilling plans Platanillo 2014
The Company plans to drill a total of 7 firm wells in the Platanillo field during 2014. These will include the 2 wells drilled from Platform 3N (Platanillo 16 and 17), 3 wells from Platform 9S and 2 wells from Platform 5S. A further contingent well from Pad A is under consideration. Further wells drilled into the area between Platform 3N and Platform A are also under study and may be added before year end.

We are also making the required technical studies in order to cross the river Piñuna Blanca to the north of Platform 3N in order to drill into the structure in that area. This activity is likely to be undertaken in 2015.

New 3D seismic Platanillo
It is planned to acquire a further approximately 56km^2 of 3D seismic data in the north of the Platanillo contract, where existing 2D seismic indicates the presence of a number of interesting structures. These structures are in addition to the independent closure already shown on existing 3D/3C seismic coverage.

Platanillo Reserves

Following receipt of an independent reserves report as at 31 December 2013 undertaken by Petrotech Engineering Ltd, certified 1P (Proven) gross field reserves increased from 12.0 MMBO (2012) to 19.8 MMBO, and 2P (Proven and Probable) gross field reserves increased from 29.9 MMBO (2012) to 32.8 MMBO. These 2P reserves have been evaluated by Petrotech to represent a Net Present Value ("NPV") to Amerisur after all royalties of US$1,974m undiscounted and $1,251m at a 10% discount rate.

The Company has also calculated additional prospective resources within the structure of the Platanillo field at 35.3 MMBO on a P50 basis. We also intend to further evaluate the N sand potential within the block during 2014, with a view to including those resources in the 2014 report.

Put-12

The Put-12 block covers approximately 54,444 hectares (approximately five times larger than Platanillo), shares the same geology and is adjacent to our existing Platanillo field in the Putumayo basin. The block has multiple Platanillo type structures, together with adjacent analogue fields in Ecuador. In 2014 we plan to acquire 263km of new 2D seismic data to complement the existing reprocessed data set. A particular advantage enjoyed by the Company is the ability to correlate the data in Put-12 with the depth-controlled and drilled 3D data in Platanillo. This benefit does not completely remove the advantage of 3D in new exploration but significantly upgrades the level of confidence in 2D information to the extent that we feel that 2D in Put-12 can reliably confirm drilling targets. Using this approach we can cover far more area in this very large block while maintaining data quality. The new seismic programme will be initiated in the next months, following finalisation of community and environmental procedures. We expect to drill the first of a set of three wells towards the end of this year.

Fenix

In February 2014, the exploration well Ave-1 was drilled and tested in the Fenix Block. Ave-1 was drilled to a depth of 3,300ft MD (2,752ft TVD) with a maximum inclination of 44.7 degrees. The objective of the well was to evaluate the oil potential in the Mugrosa formation which is located below the reservoirs previously discovered in the Esmeraldas formation by the well Isabel-1. To the drilled total depth no prospective sands were encountered in the Mugrosa formation. Within the overlying Esmeraldas formation, a gross column of 99ft TVD and net column of 73ft TVD of Hydrocarbon bearing sands was encountered. That zone was tested and flowed gas with associated oil. This confirmation of the continuation of the Esmeraldas sand bodies first seen in Iguasa-1, and previously tested in Isabel-1 provides important insight into what could be an extensive resource in the Fenix block. We maintain the view that Fenix contains significant resources in both shallow and deep plays and are working to provide a solution to access and commercialise those resources.

Paraguay

The Company maintains its current 100% ownership of the 5 blocks in Paraguay, holding two exploration and production and three prospecting permits extending over 6.4mm hectares. In our view Paraguay offers very significant conventional oil and gas potential in at least 2 of the 5 basins within the national boundaries, in both of which Amerisur holds strong acreage positions. Also, the US Energy Information Administration estimates there may be up to 62 TCF of unconventional gas reserve potential.

During 2012, Amerisur performed gravity mapping work over most of Paraguay which, among other things, indicated the extension of the Lomas de Olmedo sub-basin of Argentina into this area of Paraguay. During 2013 we performed an extensive in-fill gravity measurement programme in our western Chaco blocks to increase the detail of the final basement mapping. This work confirmed our view that the Lomas de Olmedo basin extends into our blocks.

In the San Pedro block, situated within the Parana Basin of eastern Paraguay we re-evaluated our seismic and stratigraphic models in order to identify the main points of risk in the leads previously identified using legacy data. These data include the two wells drilled by Shell Pecten; Asuncion 1 and 2. The outcome of this analysis indicated that the principal risks are associated with structural closure and reservoir quality. In order to address the structural issue a focussed 2D seismic programme was designed. It bears mentioning that the legacy seismic data within the San Pedro block only covers approximately 25% of the block area. The gravity and magnetic data developed by Amerisur indicates the potential for additional prospectivity in the remainder of the block, which will be further explored over the coming years.

Post Period End

A seismic acquisition programme of approximately 416km of new, high quality 2D seismic data over 5 leads has been acquired in the early part of the year. That data is currently being processed together with the re-processed legacy data set in order to have a consistent seismic model. Interpretation of the previously identified leads will begin in late April 2014. The leads are associated with multiple stacked reservoirs within the Lima and Santa Helena formations which are of Devonian age. The Company currently estimates a potential unrisked Stock Tank Oil Initially In Place ("STOIIP") for the Lima formation of 501MMBO, with unrisked prospective resources of 200 MMBO. The Santa Elena leads are estimated to hold unrisked STOIIP of 1,206 MMBO with unrisked prospective resources of 422 MMBO.

Assuming the new seismic data confirms our previous mapping and allows us to control the risk to structural closure, **t**he Company expects to drill the first new well in San Pedro towards the end of 2014. The Company is currently investigating a number of drilling rig and service options with regional providers.

Financial Review

Revenue for the period was up from US$42.2m in 2012 to US$169.2m, an increase of 301.0%. Profit before tax was up 274.6% to US$75.3m (2012: US$20.1m) and operating profit increased from US$19.6m to US$74.3m (279.1% improvement) At the period end, the Group had a cash position of US$71.6m (2012: US$47m). All commitments and planned discretionary programmes for 2014 are fully funded from internal resources. The capital expenditure programme for 2014 is $75m. The Directors will not be recommending payment of a dividend.

Summary and Outlook

We have made significant progress in developing the Platanillo field with 6 new wells drilled in 2013 and 3 successfully re-entered and sidetracked wells. The inauguration this year of our Ecuador interconnector will be a further important step in the development of a region where Amerisur leads in terms of assets, acreage, operating ability and understanding of the opportunities and risks. Our Paraguay assets continue to gain in importance and attractiveness, with important step change activities to begin this year. We look forward to developing our portfolio further in 2014 with our fully funded and very active programme. Our strong balance sheet and cash flow allows us significant options and flexibility in our strategy going forward, supporting our efforts to build a bigger, more successful and diversified company.

We are confident that our programme for 2014 will allow us to significantly increase production, increase our reserves and continue our strategically sound approach to exploration.

I echo our Chairman in expressing my appreciation and thanks to all our investors, staff, consultants and other stakeholders for their support, hard work, initiative, creativity and perseverance during 2013, which were the key aspects in building our success to date.

John Wardle
Chief Executive Officer
17 April 2014

The Directors present their report for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal continuing activity of the Company and the Group is investing in oil and gas exploration and development in South America, principally in Paraguay and Colombia.

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES OF DIRECTORS

The names and details of the Directors of the Company in office during the year to 31 December 2013 and/or as at the date of this report were as follows:

GILES CLARKE (Chairman)

Mr Clarke (60) has considerable experience in the City and a number of commercial interests. He is Chairman of the England and Wales Cricket Board and Chairman of several private organisations. He founded Majestic Wine in 1981 and built it into a national chain of wine warehouses. He also co-founded Pet City Plc in 1990, which he expanded nationwide before it was listed and subsequently sold in 1996 for $150 million. He also co-founded Safestore plc and orchestrated the sale of the company to Bridgepoint in 2003.

JOHN WARDLE (Executive Director – Chief Executive Officer and Technical)

Dr Wardle (54) has been managing the Company’s operations since 2006. He holds a B.Sc. in Mining Engineering from the University of Nottingham and a Ph.D. in Rock Mechanics and Geophysics from the University of Wales. He is an experienced drilling engineer, having worked with BP, and has held a number of senior management positions with oil exploration companies. Dr Wardle first arrived in Colombia in 1994, when he was working for BP Exploration Colombia, and subsequently was General Manager for Emerald Energy in Colombia, where he was responsible for the discovery of the Campo Rico and Vigia oilfields.

VICTOR M. VALDOVINOS (Regional Director – South America)

Mr Valdovinos (49) is a Paraguayan lawyer, with a Masters degree in Energy and Environmental Law from Tulane University School of Law, and is resident in Asunción. He has been a legal adviser to both the United Nations Development Programme and the Minister of the Environment for the Government of Paraguay and has a professional affiliation to the Environmental Law Institute in Washington. Mr Valdovinos is the Group’s Regional Director for South America, dealing with administrative issues in Paraguay and Colombia.

NICK HARRISON (Finance Director)

Mr Harrison (55) is a graduate of Liverpool University. He qualified with Arthur Andersen and subsequently held senior positions at Deloittes, Midland Bank (International) and Coopers & Lybrand. He was Finance Director of Pet City Plc and has been Finance Director of a number of private companies with international activities.

DOUGLAS ELLENOR (Non Executive Director – Technical)

Mr Ellenor (70) has over 38 years experience in the E&P industry, having spent 25 of those on international assignments with the Royal Dutch Shell Group in Australasia, Europe, and North and South America. Douglas left Royal Dutch Shell in 1996 after four years as CEO of the Shell Companies of Colombia to become CEO of the Colombian E&P company Hocol SA, a position he held until 1998. After a posting as Business Development Director in London with Nimir Petroleum Limited, he returned to Canada and established an oil and gas consulting company. In 2002 Douglas returned to Hocol SA on temporary assignment as CEO, serving until the end of 2004. In 2004-05 he was CEO of Orca Petroleum Inc.

GEORGE WOODCOCK (Non Executive Director – Technical)

Mr Woodcock (73) holds a degree in Pure and Applied Physics from the University of Salford, started his career in the oil industry in 1968 when he joined BP Exploration. During 20 years with BP he occupied multiple technical and managerial posts, most notably Vice President Exploration and Production BP Developments Australia (North West Shelf Project), and Chief Geophysicist BP Colombia, where he was responsible for the discovery of the Cusiana field.

NIGEL LUSON (Non Executive Director) appointed 14th May 2013

Mr Luson (58) is the Chairman of the British & Colombian Chamber of Commerce in London and is an independent consultant on foreign trade and investment. He has many years of experience advising international companies on risk management and business development, and has held a number of Board-level roles involved in international compliance and risk, investment fund management and international M&A. Originally an Economics graduate of Reading University, he spent 28 years with Lloyds Banking Group in Europe and the Americas, including 3 years as General Manager in Colombia and subsequently Deputy Director for Latin America. He is a visiting lecturer in politics and economics at the European School of Economics**.**

DISCLOSURE OF DIRECTORS' INTERESTS

The beneficial and other interests of the Directors and their families in the shares of the Company and its subsidiary undertakings as at 1 January 2013 (or date of appointment, if later) and 31 December 2013 were as follows:

SHARES	Shares Held 1 January 2013	Shares Held 31 December 2013
G Clarke	17,216,776	16,556,776
J Wardle	8,865,860	17,394,505
N Harrison	3,938,797	5,660,152
V Valdovinos	2,750,000	2,750,000
D Ellenor	1,000,000	1,000,000
G Woodcock	1,276,000	1,276,000

SHARE OPTIONS	1 January	Number of options during the year		31 December	Exercise	Exercise
Director	2013	Granted	Exercised	2013	price	dates
G Clarke	3,000,000	-	-	3,000,000	15.00p	2009–2019
	1,500,000	-	-	1,500,000	0.10p	2012-2017
	-	1,300,000	-	1,300,000	0.10p	2013-2016
J Wardle	10,000,000	-	(10,000,000)	-	7.53p	2008–2013
	8,000,000	-	-	8,000,000	11.05p	2009–2019
	3,750,000	-	(3,750,000)	-	0.10p	2012-2017
	-	3,500,000	-	3,500,000	0.10p	2013-2016
N Harrison	5,500,000	-	(5,500,000)	-	7.53p	2008–2013
	3,000,000	-	-	3,000,000	15.00p	2009–2019
	1,500,000	-	-	1,500,000	0.10p	2012-2017
	-	1,300,000	-	1,300,000	0.10p	2013-2016
V Valdovinos	-	300,000	-	300,000	0.10p	2013–2016
D Ellenor	-	300,000	-	300,000	0.10p	2013–2016
G Woodcock	-	300,000	-	300,000	0.10p	2013–2016

The fair values of the share options listed above have been arrived at using a Black-Scholes and Monte Carlo models. The assumptions inherent in the use of these models have been set out in Note 18.

DIRECTORS' EMOLUMENTS

	Amounts paid to third parties in respect of directors services	Basic salary and fees	Benefits to third parties in respect of directors services*	Benefits*	Pension	**Dec 2013 Total**	Dec 2012 Total
	$'000	$'000	$'000	$'000	$'000	**$'000**	$'000
J Wardle**	1,048	-	799	-	-	1,847	1,691
N Harrison	-	338	-	119	19	476	566
V Valdovinos	-	128	-	28	-	156	225
G Clarke	-	285	-	119	22	426	628
D Ellenor**	133	-	-	28	-	161	250
G Woodcock	-	73	-	28	-	101	190
N Luson	-	50	-	-	-	50	-
	1,181	874	799	322	41	3,217	3,550

*Benefits include the fair value of share options vesting during the year
**Details of consultancy fees paid to companies under the control of these Directors can be found in note 21 to the financial statements

The aggregate gain made by the Directors in the year in exercising their share options amounts to $12,653,564. The gain relating to the highest paid Director is $9,163,000 (2012: $4,016,000). Details can be found within note 21 to the financial statements.

RETIREMENT OF DIRECTORS

In accordance with the Company's Articles of Association Victor Valdovinos and Douglas Ellenor will retire by rotation and will be seeking re-election.

RESULT AND DIVIDENDS

There was a profit for the year after taxation of $46,811,000 (December 2012: $12,792,000).

The Directors recommend that no final dividend be declared or paid for the year ended 31 December 2013 (December 2012: £nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade receivables and payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments are liquidity risk and foreign currency risk and, to a limited extent, interest rate risk. The Directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Liquidity Risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably. The Group's operating cash flow is driven by annual production from the Platanillo reserves. This cash has principally been used to fund the Group's continued investments in its development, exploration and appraisal activities.

Currency Risk

The Group is exposed to transaction and translation foreign exchange risk. In relation to translation risk, assets held in foreign currency are in the form of cash for specific obligations in that same currency and are therefore not separately hedged. Transaction exposures have been managed by holding both US dollars and Colombian Pesos and the use of dual currency deposits, which it uses to settle foreign currency payments thus reducing transaction risk.

Interest Rate Risk

The Group finances its operations through equity placing and internally generated funds. Deposits made at banks receive interest at commercial rates which are variable and therefore exposed to movements in those rates.

GOING CONCERN

The directors have reviewed the cash position of the Group for a period of two years from the year end against the expected recurring operational income, expenditure and anticipated specific contractual costs in Colombia and Paraguay. On this basis the Directors consider that the Group has more than sufficient resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group's financial statements.

The cash held in Group bank accounts at the balance sheet date was $71,600,000 (Dec 2012: $47,037,000).

SHARE OPTIONS

Unissued shares
As at the balance sheet date there were 28,624,800 unissued ordinary shares of 0.1p under options. Note 18 of the financial statements sets out further details of the options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on the date stated in the Notice of Meeting, which has been sent to shareholders.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' and Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounts Practice (United Kingdom Accounting Standard and applicable laws).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 confirm that so far as each director is aware:
- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included 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.

AUDITOR

Grant Thornton UK LLP have expressed their willingness to continue in office as auditors and a resolution will be proposed to reappoint them at the Annual General Meeting.

Signed on behalf of the Board in accordance with a resolution of the Directors.

N. Harrison
Director
17 April 2014

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report on the group for the year ended 31 December 2013.

Review of Business

Amerisur Resources is an independent full-cycle oil and gas company focused on South America, with assets in Colombia and Paraguay. Amerisur's strategy is to acquire, explore and develop large acreage positions in major underexplored basins located in South America. The Company's distinctive approach has been to own 100% of its assets at early stages in order to have full control over the fields' development. That requirement is now being relaxed as a sound production baseline has been established and in response to the widening opportunity set to which the Company has access.

In Colombia, the Company is operator and has a 100% working interest in the Platanillo block. The 11,048 hectare block is located in the Putumayo Basin, in the south of Colombia, and currently produces at a logistically constrained rate of 7,000 to 7,500BOPD. In November 2012, the Company successfully bid for block Putumayo-12, a 54,444 Hectare block which is adjacent to Platanillo, sharing its geology and is operator with a 60% working interest. The Company also holds 100% of the Fenix block, a 24,117 hectare area in the Middle Magdalena Basin of Colombia and has recently confirmed the continuation of the Esmeraldas sand bodies first seen in Iguasa-1 of the Fenix block. In Paraguay, Amerisur is the largest acreage holder in the country, with 6.2 million hectares covering two 100% owned oil and gas permits in the Paraguayan part of the Chaco and Parana Basins.

<u>Operational review</u>

The 2013 operational activities and the post period end updates are provided in detail on page 5 to 9 of the Chief Executive's Statement and this is considered to form part of the strategic report.

<u>Trading performance</u>

The revenue growth in 2013 was underpinned by the continued success of the drilling program with 10 new wells brought on stream increasing the average output to 4,730 BOPD. Revenue for the period was up from $42.2m in 2012 to $169.2m, an increase of 301%.

The revenue growth was constrained by transport and reception facilities. The Company has made important progress in developing a robust solution by which significantly higher volumes of oil may be brought to market. Production in January 2013 was 80,717 barrels, February 114,886 barrels and March 124,473 barrels. The average in the last quarter of 2013 was 200,298 barrels per month and 205,905 in the first quarter of 2014. From the wells drilled to date we estimate that the current production capacity of the field in the absence of logistical constraint is approximately 10,000BOPD.

<u>Financial Performance</u>

The gross profit margin rate in 2013 decreased from 67.1% to 49.4%. Cost of sales rose due to the costs involved of bringing new wells on stream and the impact of logistical constraints. We expect the percentage rate to increase in 2014.

We continue to manage our cost base carefully. Administrative expenses rose by 6.9% to $9.3m in 2013 following investment to support our continued growth activities.

As a result of the decrease in gross margin, but alleviated by good overhead control, the operating profit margin rate in 2013 decreased from 46.5% in 2012 to 43.9% in 2013.

Cash generation has remained very strong throughout the year, with the cash position at year end US$71.6m (2012 : US$47m), all 2014 commitments and planned programmes are fully funded.

<u>Earnings per share</u>

Basic EPS improved 231.1% to 4.47 cents per share (2012 : 1.35 cents per share), while diluted EPS improved 235.9% to 4.40 cents per share (2012 : 1.31 cents per share). During 2013 the number of shares in issue increased by 19.9m to 1,057m.

Key Performance Indicators

The Directors have considered the financial and non-financial key performance indicators (KPIs) for the group and consider the following to be relevant on assessing performance

- Production as measured in “barrels of oil per day”. In the 12 months to December 2013 this figure amounted to 4,730 BOPD (2012: 1,186 BOPD)
- The development of proven and probable (2P) reserves. As at December 2013 the company had 32.8 MMBO of 2P reserves. The comparable figure at December 2012 was 29.9 MMBO.
- The execution of the company’s capital expenditure/ drilling program (in the twelve months to December 2013 the company drilled 10 wells (2012: 4)

Strategy

On a group basis, the strategy is contained within the Chairman's Statement and Chief Executive's Statement and these are considered to form part of this strategic report.

Principal Risks, Uncertainties and Mitigation Strategies

The group faces a number of business risks in its operations. These are recognised by the Board and are addressed in a systematic way. The principal risks and mitigation strategies are summarised below:

Oil price fluctuations – the group takes a conservative view of oil prices when undertaking capital appraisal. This means that excessive investment or other expenditure based on expectations of a rise are avoided and, as the group has a relatively low level of operating costs, this means that any reduction in oil prices would have to be very significant before production costs exceeded production revenues.

Inability to fund capital expenditure – the group takes a prudent approach to budgeting and business planning so that funds are not committed without the Group being certain of obtaining such funds. The business relies on substantial investment in drilling and exploration which are both capital intensive. Restrictions on the availability of this funding would curtail the growth of the Group.

Shortfall in operational cash flow – the group undertakes scenario planning for both oil price and production volumes to provide comfort as to funding headroom. It is essential that production is maintained and revenues secured and to ensure this the group holds substantial cash sums. Current cash balances of $71.6m are sufficient to provide for all operational purposes on any scenario stress test.

Health, safety and environmental incidents – the group has rigorous health, safety, environment and quality processes and procedures. Regulatory regimes monitoring the environmental impact of the Groups operations can impose sanctions which would potentially disrupt and ultimately levy penalties, increasing costs unnecessarily.

Ineffective capital expenditure – the group undertakes rigorous analysis before any drilling programme or other capital expenditure. Expert analyses of all aspects of the geological and physical environment are examined and only when it is deemed appropriate are funds allocated to capital projects. A record of successful exploration is also essential for the credibility of the Group in its future fund raising.

Failure to maintain regulatory approval for projects/operations – the group has a detailed understanding of legal and regulatory requirements and has regular engagement with government and regulators to ensure compliance. Local and industry experts are used to ensure the smooth running of this aspect of project management. Legal sanctions are possible if compliance is not adequate and increased costs or penalties are possible.

Signed on behalf of the Board in accordance with a resolution of the Directors.

N. Harrison
Director
17 April 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMERISUR RESOURCES PLC

We have audited the group financial statements of Amerisur Resources plc for the year ended 31 December 2013 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 13 and 14, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law 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 Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following:
Under the Companies Act 2006 we are required to report to you if, in our opinion;

- 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.

Other Matters

We have reported separately on the parent company financial statements of Amerisur Resources plc for the year ended 31 December 2013.

Rhian Owen
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
CARDIFF
17 April 2014

Consolidated income statement
for the year ended 31 December 2013

	Notes	Year ended 31 December 2013 $'000	Year ended 31 December 2012 $'000
Revenue	3	169,200	42,190
Cost of sales		(85,592)	(13,850)
Gross profit		83,608	28,340
Total administrative expenses		(9,316)	(8,714)
Operating profit		74,292	19,626
Finance income	7	1,046	516
Profit before tax	5	75,338	20,142
Capital taxation	8	(494)	(555)
Profit after capital taxation		74,844	19,587
Income taxation	8	(28,033)	(6,795)
Profit attributable to equity holders of the parent		46,811	12,792
Earnings per share			
Basic (cents per share)	9	4.47	1.35
Diluted (cents per share)	9	4.40	1.31

Consolidated statement of comprehensive income
for the year ended 31 December 2013

	Year ended 31 December 2013 $'000	Year ended 31 December 2012 $'000
Profit attributable to equity holders of the parent	46,811	12,792
Other comprehensive income:		
Items that may be classified subsequently to profit/(loss)		
Foreign exchange differences on retranslation to presentational currency*	(465)	251
Revaluation of available for sale financial asset*	704	-
Total other comprehensive income	239	251
Total comprehensive income for the year	47,050	13,043

*The deferred tax effect of these adjustments are not considered to be material.

Consolidated balance sheet	Notes	31 December 2013 $'000	Restated 31 December 2012 $'000	Restated 31 December 2011 $'000
Assets				
Non-current assets				
Goodwill	10	514	514	514
Other intangible assets	10	26,580	23,443	20,978
Property, plant and equipment	11	112,969	59,060	26,266
Deferred tax asset		-	-	1,009
Total non-current assets		140,063	83,017	48,767
Current assets				
Trade and other receivables	15	20,701	22,498	3,086
Inventory (crude oil)		1,204	370	147
Investments	13	11,379	-	-
Cash and cash equivalents	16	71,600	47,037	17,249
Total current assets		104,884	69,905	20,482
Total assets		244,947	152,922	69,249
Equity and liabilities				
Equity				
Issued capital	19	1,535	1,504	1,311
Share premium	19	108,160	106,350	60,906
Revaluation reserve	20	704	-	-
Other reserve	18	3,932	3,866	4,155
Foreign exchange reserve		9,343	9,808	9,557
Retained earnings		52,281	3,852	(11,153)
Total equity		175,955	125,380	64,776
Non-current liabilities				
Deferred tax liability	12	10,698	5,403	-
Total non-current liabilities		10,698	5,403	-
Current liabilities				
Trade and other payables	17	43,204	22,139	4,473
Current tax liabilities		15,090	-	-
Total current liabilities		58,294	22,139	4,473
Total liabilities		68,992	27,542	4,473
Total equity and liabilities		244,947	152,922	69,249

The financial statements were approved by the Board of Directors on 17 April 2014.

N. Harrison
Director

Company number: 04030166

Consolidated statement of changes in equity

	Share capital	Share premium	Revaluation reserve	Other reserves	Foreign exchange reserve	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2012	**1,311**	**60,906**	-	**4,155**	**9,557**	**(11,153)**	**64,776**
Share placing	112	42,043	-	-	-	-	42,155
Share options exercised	81	5,513	-	(2,213)	-	2,213	5,594
Reclassification of NIC provision included in other reserve to other creditors	-	-	-	(603)	-	-	(603)
Share issue costs	-	(2,112)	-	-	-	-	(2,112)
Equity settled share options	-	-	-	2,527	-	-	2,527
Transactions with owners	193	45,444	-	(289)	-	2,213	47,561
Profit for the year	-	-	-	-	-	12,792	12,792
Foreign exchange differences on retranslation to presentational currency	-	-	-	-	251	-	251
Total comprehensive income	-	-	-	-	251	12,792	13,043
At 31 December 2012	**1,504**	**106,350**	-	**3,866**	**9,808**	**3,852**	**125,380**
Share options exercised	31	1,810	-	(1,618)	-	1,618	1,841
Equity settled share options	-	-	-	1,684	-	-	1,684
Transactions with owners	31	1,810	-	66	-	1,618	3,525
Profit for the year	-	-	-	-	-	46,811	46,811
Foreign exchange differences on retranslation to presentational currency	-	-	-	-	(465)	-	(465)
Revaluation of available for sale financial assets	-	-	704	-	-	-	704
Total comprehensive income	-	-	704	-	(465)	46,811	47,050
At 31 December 2013	**1,535**	**108,160**	**704**	**3,932**	**9,343**	**52,281**	**175,955**

Consolidated cash flow statement

	Notes	Year ended 31 December 2013 $'000	Year ended 31 December 2012 $'000
Cash flows from operating activities			
Profit for the year		46,811	12,792
Adjustments for:			
Finance income in the income statement		(248)	(516)
Tax in the income statement		28,527	7,350
Depreciation		779	164
Depreciation of D&P oil and gas assets		10,765	250
Share options charge		1,684	1,925
(Increase) in inventory		(834)	(223)
Decrease/(Increase) in trade and other receivables		366	(19,412)
Increase in trade and other payables		20,370	17,666
Net cash generated by operations		108,220	19,996
Interest paid		-	-
Tax paid		(7,099)	(938)
Net cash generated by operating activities		101,121	19,058
Cash flows from investing activities			
Interest received		248	516
Payments for property, plant and equipment, other than for D&P oil and gas assets		(1,438)	(1,475)
Payments for investments		(10,675)	-
Payments for D&P oil and gas assets		(64,015)	(31,734)
Payments for E&E intangible assets		(3,137)	(2,465)
Net cash used in investing activities		(79,017)	(35,158)
Cash flows from financing activities			
Proceeds from issue of equity shares (option exercise and placing)		1,841	47,749
Issue costs		-	(2,112)
Net cash generated by financing activities		1,841	45,637
Net increase in cash and cash equivalents		23,945	29,537
Foreign exchange differences		618	251
Cash and cash equivalents at the start of the year		47,037	17,249
Cash and cash equivalents at the end of the year	16	71,600	47,037

1. Accounting policies - basis of preparation

The consolidated financial statements are for the year ended 31 December 2013. They have been prepared under the historic cost convention and in compliance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union and company law applicable to companies reporting under IFRS as at 31 December 2013.

Going concern

The directors have reviewed the cash position of the Group as at the year end against the expected recurring operational income, expenditure and anticipated specific contractual costs in Colombia and Paraguay for a period of two years from the balance sheet date. On this basis the Directors consider that the Group has more than sufficient resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group's financial statements.

The cash held in Group bank accounts at the balance sheet date was $71,600,000 (2012: $47,037,000).

New standards, amendments and interpretations issued and effective during the financial year beginning 1 January 2013

The following relevant new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2013, but had no significant impact on the Group:

Standard	Key requirements	Effective date as adopted by the EU
Amendment to IAS 1, 'Presentation of financial statements - presentation of other items regarding other comprehensive income'	The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.	1 July 2012
Amendment to IAS 1, 'Financial statement presentation regarding comparatives'	The amendment clarifies the difference between voluntary additional comparative information and the minimum required comparative information.	1 January 2013
Amendment to IAS 16, 'Property, plant and equipment'	The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment.	1 January 2013
Amendment to IAS 32, 'Financial instruments: Presentation'	The amendment clarifies the treatment of corporation tax relating to distributions and transaction costs such that corporation tax related to distributions is recognised in the income statement and the corporation tax related to the costs of equity transactions is recognised in equity.	1 January 2013
Amendment to IAS 34, 'Interim financial reporting'	The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements to bring it in line with the requirements of IFRS 8.	1 January 2013
Amendment to IFRS 7, 'Financial Instruments: Offsetting Financial Assets and Financial Liabilities'	The amendments require entities to disclose information about the rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar agreement.	1 January 2013

IFRS 13, Fair value measurement	The standard's objective is to define fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement. In accordance with these provisions, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparatives. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.	1 January 2013

Standards issued but not yet effective

The following relevant new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning on 1 January 2013, as adopted by the European Union, and have not been early adopted:

Standard	Key requirements	Effective date as adopted by the EU
IFRS 10, 'Consolidated financial statements' and corresponding amendment to IAS 27, 'Consolidated and separate financial statements'	IFRS 10 replaces guidance in IAS 27 regarding the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	1 January 2014
IFRS 11, 'Joint Arrangements'	IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures Proportional consolidation of joint ventures is no longer allowed.	1 January 2014
Amendment to IAS 28, 'Associates and joint ventures'	IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.	1 January 2014
IFRS 12, 'Disclosure of interests in other entities'	Provides disclosure requirements for IFRS 10, IFRS 11 and IAS 28 (Associates) and introduces disclosure requirements for unconsolidated structured entities.	1 January 2014
Amendment to IAS 32, 'Offsetting Financial Assets and Financial Liabilities'	The amendments clarify existing application issues relating to the offsetting requirements of financial assets and liabilities.	1 January 2014

2. Summary of significant accounting policies

Consolidation
Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of over one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated on the date control ceases.

The Group uses the acquisition method of accounting for the acquisition of a subsidiary. The cost of an acquisition is measured by the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any non-controlling interest. The excess of the fair value of consideration paid over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

Consolidation adjustments have been made where necessary to align the management accounts with Group accounting policies.

Goodwill
Goodwill arising from business combinations is the difference between the fair value of the consideration paid and the fair value of the assets acquired and liabilities and contingent liabilities assumed. It is recognised initially as an intangible asset at cost and is subject to impairment testing on an annual basis or more frequently if circumstances indicate that the asset may have been impaired. Details of impairment testing are described in the accounting policies.

Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is the person or Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its CODM is the Executive Board of Directors of the Group (excluding non-executive directors).

Foreign currency translation
1. Transactions and balances
   Foreign currency transactions are translated into the functional currency of each group entity using the exchange rates prevailing at the dates of the transactions. The functional currency is the currency of the primary economic environment in which the entity operates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2. Group companies
   The results and financial position of all Group entities that have a functional currency different from the presentation currency adopted in these Group financial statements are translated into the presentation currency as follows:
   i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
   ii) Income and expenses for each income statement are translated at the actual rate on the date of the transaction, and;
   iii) All resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken through the statement of comprehensive income. Differences initially brought to equity are reclassified to the income statement on disposal of the business.

Income and expense recognition
Revenues associated with the sale of oil, natural gas, natural gas liquids and liquefied natural gas and all other such items are recognised when the title passes to the customer as this is when the risks and rewards of ownership are considered to have passed to the customer. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, customs duties and sales taxes. Revenue is stated gross of any prevailing sales royalties that are payable, which are levied based on a contractual percentage rate, dependant on production. The corresponding costs in respect of sales royalties payable, arising from sales made in the year, are included within cost of sales on an accruals basis. Operating expenses are recognised in the income statement upon utilisation of the service.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable.

Oil and natural gas exploration and development expenditure

The Group adopts the successful efforts method of accounting for exploration, evaluation and development costs.

Change in classification of Development and Production (D&P) assets
Comparatives within the balance sheet relating to D&P assets have been re-presented. D&P assets previously disclosed within intangible assets have been re-classified to Property, Plant and Equipment in line with normal industry practice. The total amount reclassified amounts to $57,056m. There is no impact on the reported profit before tax in the period.

As there has been a re-classification of D&P assets, the restated Balance Sheet at 31 December 2011 has also been disclosed in line with IAS 1.40.

Exploration and evaluation expenditure - intangible assets

Capitalisation
Costs incurred prior to acquiring the rights to explore are charged directly to the income statement.

Licence acquisition costs and all costs incurred after the rights to explore an area have been obtained, such as geological and geophysical costs and other direct costs of exploration (drilling, trenching, sampling and technical feasibility and commercial viability activities) and appraisals are accumulated and capitalised as intangible exploration and evaluation (E & E) assets, pending determination. These assets are split on a geographical basis.

E & E costs are not amortised prior to the conclusion of appraisal activities. At completion of appraisal activities if technical feasibility is demonstrated, commercial reserves are discovered and commercial viability is demonstrable, then, following development sanction, the carrying value of the relevant E & E asset will be reclassified as a development and production asset in Property, Plant and Equipment, but only after the carrying value of the E & E asset has been assessed for impairment and, where appropriate, its carrying value adjusted. If, after completion of appraisal activities in an area, it is not possible to determine technical feasibility and commercial viability or if the legal rights to explore expire or if the Group decides not to continue exploration and evaluation activities then the costs of such unsuccessful exploration and evaluation are written off to the income statement in the period the relevant events occur.

Impairment
On an annual basis a review for impairment indicators is performed having consideration for the impairment indicators outlined within IFRS 6 and include the point at which determination is made as to whether commercial reserves exist. As part of the review it is also considered if discounted future cash flows justify the carrying value of the asset in the financial statements. If an indicator of impairment exists an impairment review is performed. If the carrying value of the assets is estimated to exceed the recoverable amount, which is the higher of value in use and fair value less costs to sell then the excess carrying value is reduced by writing off the difference to the income statement in that period.

Development and production assets

Capitalisation
Development and production (D&P) assets represent the cost of developing the commercial reserves and bringing them into production together with the E & E expenditures incurred in finding the commercial reserves previously transferred from intangible E & E assets as outlined in the policy above.

Development assets are not amortised until production commences. Amortisation is estimated on a unit of production method based on commercial reserves. All commercial reserves are proven and probable oil and gas reserves (commonly referred to as 2P reserves), which geological, geophysical and engineering data demonstrate with reasonable certainty to be commercially recoverable in future years from known reserves under existing economic conditions. The calculation takes account of the estimated future costs of development of recognised proven and probable reserves, based on current price levels. Changes in reserve quantities and cost estimates are recognised prospectively from the last reporting date. The depreciation is charged to Cost of Sales within the Consolidated Income Statement.

Impairment
An impairment review is performed each year to assess whether the value of the Group's oil and gas D&P assets may be impaired. If the carrying value of the assets is estimated to exceed the recoverable amount of the assets, based on the discounted future cash flows from sale of oil and gas based on 1P and 2P reserves, then the excess value is written off to the income statement in that period.

Non oil and gas exploration assets
Property, plant and equipment
Property, plant and equipment (PPE) is recorded at cost net of accumulated depreciation and any provision for impairment.

Depreciation is provided using the straight line method to write off the cost of the asset less any residual value over its useful economic life as follows:

Land and buildings	20 years
Office equipment	10 years
Computer equipment	4 years
Motor vehicles	4 years
Plant and machinery	8 years

Impairment
The Group's goodwill, other intangible assets and property, plant and equipment are subject to annual impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Goodwill is allocated to those cash generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Individual assets or cash generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount is in excess of the recoverable amount.

An impairment loss is recognised for the amount by which the assets or cash generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Inventory
The Group's stocks of crude oil resulting from drilling operations are valued on the basis of the average actual operating cost.

Financial assets
Financial assets consist of cash and trade and other receivables and available for sale financial assets (refer Available for sale financial assets policy). Initial recognition is at fair value. Financial assets are assigned to their different categories by management on initial recognition depending on the contractual arrangements. Trade and other receivables are subsequently measured at amortised cost less any impairment. Cash and cash equivalents are measured at amortised cost at the balance sheet date.

Derecognition of financial assets occurs when the rights to receive cash flows expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

Available for sale (“AFS”) financial assets
AFS financial assets are non-derivative assets that are either designated as AFS or are not classified as loans and receivables, held to maturity investments or financial assets through profit or loss.

Listed shares and redeemable notes held by the Group that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 13. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in the profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is classified to profit or loss.

Financial liabilities
Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group’s financial liabilities consist of trade and other payables. All interest related charges are recognised as an expense in ‘Finance costs’ in the income statement.

Trade payables are recognised initially at their fair value and subsequently measured at amortised costs less settlement payments.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Income taxes
Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out its operations. They are calculated according to the tax rates and tax laws applicable to the fiscal period and the country to which they relate. Taxes on capital are levied in Colombia by the government to fund certain programmes during their term in office. The charge in relation to this is included within the income statement. All changes to current tax liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amount of assets and liabilities in the consolidated financial statements with their respective tax bases. IAS 12 ‘Income taxes’ does not require deferred tax to be recognised on temporary differences relating to the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and that affected neither the accounting nor taxable profit.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited to other comprehensive income or equity in which case the related deferred tax is also charged or credited to other comprehensive income or equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Share based employee compensation

The Group operates equity settled share based compensation plans for the remuneration of its employees.

All employee services received in exchange for the grant of any share based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the share option awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (e.g. profitability or sales growth targets).

All share based compensation is ultimately recognised as an expense in the income statement with a corresponding credit to the other reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of shares options expected to vest. Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium. At this time, the appropriate balance in the other reserve relating to the share options exercised is transferred to retained earnings by way of a transfer within reserves.

National insurance contributions are accrued as a current liability in the financial statements where it is considered likely that certain share options will be exercised.

Equity

Equity comprises the following:

- “Issued capital” represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- “Revaluation reserve” represents the increase in valuation of tangible non current assets and available for sale financial assets.
- "Other reserve" represents equity-settled share-based employee remuneration until such share options are exercised.
- "Foreign exchange reserve" represents the differences arising from translation of foreign operations and differences arising on translation to the presentational currency in US Dollars.
- "Retained earnings" represents retained profits and losses.

Use of accounting estimates and judgements

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management’s best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Critical accounting judgements

Capitalisation of exploration costs

Detailed analysis of the technical feasibility and commercial viability of projects is needed to decide whether the costs incurred should be capitalised or expensed. Capitalisation is required where it is judged that there will be future benefits in excess of the costs which are capitalised.

Functional currencies

Identification of functional currencies requires analysis of the economic environments of the parent and subsidiaries of the Group and the selection of the presentational currency must reflect the requirements of the users of those statements. The functional currency of the parent company has been considered to be USD, based on the fact the parent's operations are effectively an extension of its subsidiaries' operations.

Key sources of estimation uncertainty

Useful lives of intangibles and PPE assets

Estimates are required as to asset carrying values, revaluations and impairment charges, which apply to Goodwill, Intangible assets and PPE. These total $140,063,000 (notes 10 and 11) (2012: $83,017,000).

Impairment of intangible assets

Management assesses impairment in respect of intangible exploration and evaluation assets with reference to indicators in IFRS 6 and the specific facts and circumstances of each asset. In making the assessment management is required to make judgements on the status of each project and the future plans towards finding 1P and 2P reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to be impaired in future periods.

Provisions

The level of remediation provision is calculated in accordance with guidelines specified by Colombia's Agencia Nacional de Hidrocarburos (ANH).

Share based payments

Calculation of fair value used in share based payments require estimates of the share price volatility, the risk free interest rate and which method or model to use to calculate the fair value. See note 18.

3. Segmental reporting

Segment Reporting

Our management information system produces reports for the Executive Board grouping financial performance under the following business segments:

- Colombia
- Paraguay

The UK is considered to be an administration extension of the operations which are conducted within Colombia and Paraguay. The results of the UK entity are disclosed separately with the parent company accounts.

All business segments are responsible initially for the exploration and evaluation of oil reserves and then the development and production of oil wells. As permitted by IFRS 8, since these business segments are deemed to have similar economic characteristics and are similar, if not the same, in all of the following:

- business segments derive their revenue from the supply of crude oil,
- the production and distribution process is the same across all business segments,
- business segments supply to similar customers
- all business segments are subject to the same regulatory environment,

The business segments have been aggregated into a single reportable operating segment, namely oil exploration and development. Each month the CODM is presented with financial information prepared in accordance with IFRS as adopted in the EU and the accounting policies set out in Note 2 to the financial information as such information regarding this operating segment has already been disclosed in the financial statements.

In the year two customers contributed to the entire revenue:
Customer A 81% $136,420,000 (2012: 32% $13,501,000)
Customer B 19% $32,780,000 (2012: 68% $28,689,000)

Geographical information

	Non-current assets		Revenue	
	Dec 2013	Dec 2012	Year to Dec 2013	Year to Dec 2012
	$'000	$'000	$'000	$'000
Colombia	134,640	78,414	169,200	42,190
Paraguay	1,841	1,018	-	-
United Kingdom	3,582	3,585	-	-
	140,063	83,017	169,200	42,190

The revenue split is based on revenue by origin by supply.

4. Remuneration of key management personnel

	Year to Dec 2013	Restated Year to Dec 2012
	$'000	$'000
Short term employee benefits	874	553
Social security	566	1,454
Pension costs	41	-
Amounts paid to third parties in respect of directors	1,181	818
Share based payments	322	1,056
Share based payments paid to third parties in respect of directors	799	1,123
	3,783	5,004

Retirements benefits are accruing for two directors.

Any gains made on the exercise of share options are disclosed within the directors' report.

	Year to Dec 2013	Year to Dec 2012
	$'000	$'000
Highest paid director's emoluments – see note 21	1,847	1,691

The directors consider the key management personnel of the Group to be the Board of Directors. Further details of the remuneration of the directors are given in the Directors Report.

5. Profit before tax

	Year to Dec 2013	Year to Dec 2012
Profit before tax has been arrived at after charging / (crediting):	$'000	$'000
Foreign exchange differences	(798)	(250)
Depreciation and amortisation:		
Depreciation of other property, plant and equipment	779	164
Depreciation of D&P assets	10,765	250
Employee benefits expense:		
Employee costs (Note 6)	7,233	6,682
Audit and non-audit services:		
Fees payable to the Company's auditor for the audit of the Group accounts	109	65
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	24	18
Tax services	18	5

6. Employees

	Year to Dec 2013 $'000	Year to Dec 2012 $'000
Employee costs (including directors):		
Wages and salaries	4,551	2,527
Social security costs	793	1,532
Pension costs – defined contribution plans	205	96
Share based payments	1,684	2,527
	7,233	6,682
The average number of employees (including directors) during the year was made up as follows:		
Management	13	11
Administration	23	20
Operational staff	34	16
	70	47

7. Finance income and charges

	Year to Dec 2013 $'000	Year to Dec 2012 $'000
Foreign exchange gains	798	250
Interest income	248	266
Total interest income	1,046	516

8. Taxation

	Year to Dec 2013 $'000	Year to Dec 2012 $'000
Current Tax:		
Overseas tax - Colombia	22,738	383
Deferred tax		
Origination and reversal of temporary differences (see note 12)	5,295	6,412
Tax on profit for the year	28,033	6,795

The only country in which the group is currently paying tax is Colombia. The standard rate of tax in Colombia for 2013 is 25% (2012: 33%) plus a 9% (2012: Nil) specific income tax charge on profits to fund social investment programmes. This combined rate of 34% (2012: 33%) has been used to explain the expected charge at this standard rate and the actual tax charge. The differences are explained below:

	Year to Dec 2013 $'000	Year to Dec 2012 $'000
Profit for the year before tax	74,844	19,587
Profit for year multiplied by the Colombian tax rate of 34% (2012: 33%)	25,447	6,464
Effects of:		
Expenses not deductible for tax purposes	112	327
Tax deduction on exercise of share options	(632)	(4,007)
Carry forward of unutilised tax losses	2,548	5,656
Other	33	(2)
Colombia presumptive tax adjustment	-	-
Overseas tax losses forfeited	171	41
Prior year deferred tax	354	45
Deferred tax rate change	-	(1,729)
Tax on profit for the year	28,033	6,795

The deferred tax liability has been calculated at the combined tax rate in Columbia of 34%.

Unrelieved UK tax losses remain available to offset against future taxable profits. These losses have not been recognised as deferred tax assets within the financial statements as they do not meet the conditions required in accordance with IAS 12 due to a lack of certainty over future profits. Losses carried forward in the UK total $30,272,000 – tax effect is $6,357,000 at 21% (2012: $27,665,000 – tax effect is $6,363,000 at 23%). In addition there are capital losses in the UK carried forward at 31 December 2013 of $45,857,000 (2012: $45,857,000).

There are no losses to carry forward in Columbia (2012:$485,000 – tax effect is $121,000).

The tax losses in respect of Paraguay are restricted in use and are not available to offset against future taxable profits.

Capital taxation

Taxes on capital (patrimony) are levied in Colombia by incoming governments to fund certain programmes during their term in office. The current administration has levied a tax of 4.8% and a surtax of 1.2% of capital employed in the business payable over four years. The current year charge is $494,000 (2012: $555,000).

9. Earnings per share

	Year to Dec 2013 $'000	Year to Dec 2012 $'000
Profit for the year attributable to equity shareholders	46,811	12,792
Earnings per share		
Basic (cents per share)	4.47	1.35
Diluted (cents per share)	4.40	1.31
	Shares	Shares
Issued ordinary shares at start of the year	1,037,183,834	916,023,834
Ordinary shares issued in the year	19,910,200	121,160,000
Issued ordinary shares at end of the year	1,057,094,034	1,037,183,834
Weighted average number of shares in issue for the year	1,048,123,403	950,347,140
Dilutive effect of options in issue	14,766,113	27,868,488
Weighted average number of shares for diluted earnings per share	1,062,889,516	978,215,628

10. Intangible assets

The Group has made investments in deferred exploration and evaluation costs as follows:

	Fenix	Other – Paraguay	Restated Total
Share of field	100%	100%	
	$'000	$'000	$'000
Cost			
1 January 2012	19,958	1,020	20,978
Additions	2,376	89	2,465
31 December 2012	22,334	1,109	23,443
Additions	2,415	722	3,137
31 December 2013	24,749	1,831	26,580
Net book value			
31 December 2013	24,749	1,831	26,580
31 December 2012	22,334	1,109	23,443
31 December 2011	19,958	1,020	20,978

Goodwill
The Group has goodwill resulting from past business combinations:

	Goodwill on acquisition $’000
At 1 January 2012	514
Foreign exchange	-
At 31 December 2012	514
Foreign exchange	-
At 31 December 2013	514

11. Property, plant and equipment

	Oil and gas D&P $’000	Land and buildings $’000	Plant and machinery $’000	Office and computer equipment $’000	Motor vehicles $’000	Restated Total $’000
Cost						
At 1 January 2012	29,377	76	748	174	108	30,483
Additions	31,734	293	1,031	140	11	33,209
Disposals	-	-	-	(2)	-	(2)
At 31 December 2012	61,111	369	1,779	312	119	63,690
Additions	64,015	284	419	406	329	65,453
Disposals	-	-	-	-	-	-
At 31 December 2013	125,126	653	2,198	718	448	129,143
Depreciation						
At 1 January 2012	3,805	1	258	81	72	4,217
Charge for the year	250	8	110	29	17	414
Disposals	-	-	-	(1)	-	(1)
At 31 December 2012	4,055	9	368	109	89	4,630
Charge for the year	10,765	250	376	110	43	11,544
Disposals	-	-	-	-	-	-
At 31 December 2013	14,820	259	744	219	132	16,174
Net book value						
At 31 December 2013	110,306	394	1,454	499	316	112,969
At 31 December 2012	57,056	360	1,411	203	30	59,060
At 31 December 2011	25,572	75	490	93	36	26,266

Oil and gas development production assets relate to the 100% owned Platanillo field.

12. Deferred taxation

	$'000
At 1 January 2012	1,009
Charged in the year	(6,412)
At 31 December 2012	(5,403)
Charged in the year	(5,295)
At 31 December 2013	(10,698)

The Group has recognised a deferred tax (liability)/asset arising from:

	Year to Dec 2013 $'000	Year to Dec 2012 $'000
Tax on accrued sales and expenses	(1,752)	(1,432)
Tax relief in excess of depreciation charge	(8,946)	(4,092)
Tax losses carried forward	-	121
	(10,698)	(5,403)

13. Investments

Available for sale investments carried at fair value	Current $'000
Cost	
At 1 January 2012 and 31 December 2012	-
Additions	10,675
At 31 December 2013	10,675
Revaluation	
At 1 January 2012 and 31 December 2012	-
Revaluation	704
At 31 December 2013	704
Net book value	
At 31 December 2013	11,379
At 31 December 2012	-
At 31 December 2011	-

The shares included above represent investments in listed equity securities that present the group with opportunity for return through dividend income and trading gains. These shares are not held for trading and accordingly are classified as available for sale. The fair value measurement of the investment is level 1. The fair values of all equity securities are based on quoted market prices.

14. Financial instruments

Risk management
The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern whilst maximising the return to stakeholders through the effective management of liquid resources raised through share issues. The principal risks faced by the Group resulting from financial instruments are liquidity risk, foreign currency risk and, to a certain extent, interest rate risk. The Directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Categories of financial instrument

	Dec 2013 $'000	Dec 2012 $'000
Financial assets – loans and receivables		
Trade and other receivables	20,573	20,667
Investments	11,379	-
Cash and cash equivalents	71,600	47,037
	103,552	67,704
Trade and other receivables – assets not within the scope of IAS 39	128	1,831
	103,680	69,535
Financial liabilities		
Trade and other payables – other financial liabilities at amortised cost	37,338	19,202
Trade and other payables – liabilities not within scope of IAS 39	5,866	2,937
Total trade and other payables	43,204	22,139

The significant increase in the value of both assets and liabilities results from an increase in production and capital expenditure in the last quarter of the year as outlined in the CEO's statement.

There is no material difference between the book value and the fair value of these financial assets and financial liabilities.

Capital
The Group objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and service commensurately with the level of risk; and
- to maintain an optimal capital structure to reduce the cost of capital.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The directors have determined that no dividend will be paid during the year.

There is currently no debt in the Group and capital is made up only of cash and cash equivalents.

Foreign currency risk

The non US Dollar denominated cash balances carried within the Group comprise the following currency holdings:

	Dec 2013 $'000	Dec 2012 $'000
British Pound	4,378	29,169
Colombian Peso	1,179	73
Paraguayan Guarani	25	24
Canadian Dollar	380	-
	5,962	29,266

The effect of a 10 % weakening or strengthening of the British Pound, Colombian Peso, Paraguayan Guarani or Canadian Dollar against the US Dollar, which the Group considers reasonable based on experience of historic currency price fluctuations with these currencies, would give rise to an increase/decrease respectively (all other variables remaining constant) in the year-end balance and hence on profit or loss and equity:

	Dec 2013 $'000	Dec 2012 $'000
British Pound	438	2,917
Colombian Peso	107	7
Paraguayan Guarani	2	2

The Group is exposed to transaction and translation foreign exchange risk. In relation to translation risk, assets held in foreign currency are in the form of cash for specific obligations in that same currency and are therefore not separately hedged. Transaction exposures have been managed by holding both US dollars and Colombian Pesos and the use of dual currency deposits, which it uses to settle foreign currency payments thus reducing transaction risk.

Interest rate risk

The Group finances its operations through equity fundraising and internally generated funds and therefore does not carry significant borrowings. Interest rate risk is therefore considered to be immaterial based on the prevailing rates currently being earned. The Group's cash balances and short term deposits are held at floating interest rates based on LIBOR and are reviewed to ensure maximum benefit is obtained from these resources. Deposits are held at interest rates of between 0.1% and 1.5% and a rise or fall of interest rates over the year of 1% would have resulted in an increase/decrease respectively in deposit interest income of $556,565 (2012: $470,000) all other variables remaining constant.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount. Sales of the Group are made to two customers who are multi-national oil companies and form part of the state owned oil group with the government being the main shareholder. In this regard the risk is relatively low but the Group regards it as essential that relationships are maintained with alternative potential customers in case this source of revenue should reduce.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably. The Group's operating cash flow is driven by annual production from the Platanillo reserves. This cash has principally been used to fund the Group's continued investments in its development, exploration and appraisal activities.

15. Trade and other receivables

	Dec 2013 $'000	Dec 2012 $'000
Trade receivables	18,103	20,491
Other receivables	2,470	176
VAT	31	29
Prepayments	97	1,802
	20,701	22,498

All trade and other receivables are due within three months. There were no trade receivables overdue for receipt.

16. Cash and cash equivalents

	Dec 2013 $'000	Dec 2012 $'000
Cash at bank and short term deposits	71,600	47,037

17. Trade and other payables

	Dec 2013 $'000	Dec 2012 $'000
Trade payables	13,765	10,154
Other payables	2,067	1,698
Social security and other taxes	5,866	2,937
Accrued expenses	21,506	7,350
	43,204	22,139

All trade and other payables are due within three months. There has been a significant increase in the value of the trade payables during the year which has resulted from an increase in production as outlined in the CEO's statement. The increase in production has also led to an increase in sales tax which has resulted in an increase in accrued expenses. Also included in the accrued expenses is a remediation provision of $5,092k which will be released to the profit and loss account over the life of the asset.

18. Share based payments

During 2013 the Company had in place Share Option Schemes. The charge in relation to this arrangement is shown below, with further details of the scheme following:

	31 December 2013 $'000	31 December 2012 $'000
Share Option Scheme expense	-	-
Share Option Scheme – LTIP expense	1,684	2,527
	1,684	2,527

Of the total share option charge, $1,121,000 (2012:$2,181,000) relates to Directors of the Company as at 31 December 2013.

Share Option Scheme

Share options are granted to Directors and to selected employees and consultants. The exercise price of the granted options is equal to management's best estimate of the market price of the shares at the time of the award of the options. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The options were valued on grant date using a Black-Scholes option pricing model which calculates the fair value of an option by using the vesting period, the expected volatility of the share price, the current share price, the exercise price and the risk free interest rate. The fair value of the option is amortised over the vesting period. There is no requirement to revalue the option at any subsequent date.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	31 December 2013		**31 December 2012**	
	Average exercise price in pence per share	**Number of options**	**Average exercise price in pence per share**	**Number of options**
Outstanding at the beginning of the year	**7.68**	**29,650,000**	8.16	78,270,000
Granted	**-**	**-**	-	-
Lapsed	**-**	**-**	6.95	(48,620,000)
Exercised	**7.525**	**(15,650,000)**	-	-
Outstanding at the end of the year	**9.82**	**14,000,000**	7.68	29,650,000
Exercisable at the end of the year	**9.82**	**14,000,000**	7.68	29,650,000

There are no vesting conditions on the share options granted prior to 2009.

The average share price of the options exercised during the year was 47.48 pence.

The inputs into the Black-Scholes model, used to value the options are as follows:

Date of grant	**Date of vesting**	**Exercise price (pence)**	**Risk-free rate**	**Share price at grant (pence)**	**Volatility of share price**	**Fair value (pence)**	**Number outstanding**
23.12.09	23.12.09	11.05p	5.0%	11.05p	79%	7.017	8,000,000
23.12.09	23.12.10	15.00p	5.0%	11.05p	79%	7.017	6,000,000

The following assumptions have been made:

- It is assumed that the risk free rate is 0.5% for all options granted.
- Expected volatility was determined by calculating the historic share price over the two years prior to the grant date
- The expected life used in the model has been adjusted based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

The weighted average remaining contractual life of the options outstanding at 31 December 2013 was 5 years 11 months (2012: 3 years 7 months). All of the outstanding options can be exercised at an average of £0.0982 over a 6 year period.

Long term incentive plan scheme

From 1 January 2012 share options were granted under the company's LTIP scheme.

Options issued on 19 January 2012
Options issued on 19 January 2012 are eligible to vest over a three year period subject to achieving performance levels which create value for shareholders. Vesting is on a sliding scale which depends upon the effective shareholder return during the Vesting Period:

Total Shareholder Return (p.a.)		**Level of Vesting (%)**
20%	(73% compound over three years)	100%
15%	(52% compound over three years)	65%
10%	(33% compound over three years)	35%

The total shareholder return ("TSR") target is calculated from a base price of the average closing share price in the 30 day period prior to the date of award, which was 17.38p. Options will vest during the Vesting Period when any of the three percentage thresholds for 3 year TSR is achieved for a 30 day period based on the average closing share price for that period. The options expire on the fifth anniversary of the grant.

Options issued on 22 October 2012

Options granted under the Companies LTIP scheme to staff in October 2012 are eligible to vest in three equal installments on the three anniversaries of the grant subject to achieving a total shareholder return (TSR) of 33.1% at any point over the three year period. The TSR target is calculated from a base price of the average closing share price in the 30day period prior to date of the award which was 37.76p. The TSR threshold will be achieved when the % threshold has been achieved for a 30 day period based on the closing share price for that period.

Options issued on 6 February 2013

Of the 7,085,000 options granted under the Companies LTIP scheme to staff in February 2013, 1,500,000 did not have performance conditions. The remaining 5,585,000 options are eligible to vest in three installments at the point that the total shareholder return growth (TSR) reaches 33% (35% of options will vest), 52% (a further 30% will vest) and 73% (the final 35% will vest) over the three year period. The TSR target is calculated from a base price of the average closing share price in the 30day period prior to date of the award which was 49.06p. The TSR threshold will be achieved when the % threshold has been achieved for a 30 day period based on the closing share price for that period.

Options issued on 17 December 2013

Options granted under the Companies LTIP scheme to staff in December 2013 are eligible to vest in three equal installments on the three anniversaries of the grant subject to achieving a total shareholder return (TSR) of 33.1% at any point over the three year period. The options vest at the later of the anniversary date or the date the condition is met. The TSR target is calculated from a base price of the average closing share price in the 30 day period prior to date of the award which was 46.76p. The TSR threshold will be achieved when the % threshold has been achieved for a 30 day period based on the closing share price for that period.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	31 December 2013		31 December 2012	
	Average exercise price in pence per share	**Number of options**	**Average exercise price in pence per share**	**Number of options**
Outstanding at the beginning of the year	**0.1**	**9,015,000**	**-**	-
Granted	**0.1**	**10,370,000**	0.1	11,555,000
Lapsed	**0.1**	**(500,000)**	-	-
Exercised	**0.1**	**(4,260,200)**	0.1	(2,540,000)
Outstanding at the end of the year	**0.1**	**14,624,800**	0.1	9,015,000
Exercisable at the end of the year	0.1	5,754,800	0.1	7,020,000

The average share price of the options exercised during the year was 47.40 pence.

The options were valued using a Monte Carlo simulation model using the following inputs:

Date of grant	Date of vesting	Exercise price (pence)	Risk-free rate	Share price at grant (pence)	Volatility of share price	Fair value (pence)	Number outstanding
19.01.12	January 2012-August 2015	0.10p	0.5%	17.38p	85%	14.773	3,125,000
22.10.12	October 2012-October 2015	0.10p	0.5%	45.0p	69.6%	43.400	1,129,800
06.02.13 With conditions	February 2013-February 2016	0.10p	0.5%	47.0p	63.8%	13.300	5,585,000
06.02.13 Without conditions	February 2013-February 2016	0.10p	0.5%	47.0p	63.8%	46.900	1,500,000
17.12.13	December 2013-December 2016	0.10p	0.5%	51.0p	60.2%	38.500	3,285,000

The following assumptions have been made:

- Expected volatility was determined by calculating the historic share price over the two years prior to the grant date
- The expected life used in the model has been adjusted based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations
- It has been assumed that no variables change during the life of the option (e.g. dividend yield)
- The option life is at the end of the allowed period
- The risk free rate is 0.5%

As any dividends earned are to be re-invested into the business the impact of dividends has been ignored in the calculation of the LTIP share option charge.

The weighted average remaining contractual life of the options outstanding at 31 December 2013 was 3 years 1 month (2012: 4 years 3 months). All of the outstanding options can be exercised at £0.001 over a 3 to 5 year period.

19. Share capital

The authorised share capital of the Company is £1,250,000 comprising 1,250,000,000 of 0.1pence each.

	Shares	Nominal Value (0.1p)	Premium net of costs	Total
		$'000	$'000	$'000
Issued share capital				
1 January 2012	916,023,834	1,311	60,906	62,217
Placing 16/10/2012	70,000,000	112	42,043	42,155
Option exercises	51,160,000	81	3,401	3,482
31 December 2012	1,037,183,834	1,504	106,350	107,854
Option exercises	19,910,200	31	1,810	1,841
31 December 2013	1,057,094,034	1,535	108,160	109,695

20. Revaluation reserve

	Available for sale investments	Total
	$'000	$'000
Balance as at 1 January 2012 and 1 January 2013	-	-
Increase in fair value of available for sale investments	704	704
Balance as at 31 December 2013	704	704

21. Related party transactions

Amerisur Resources Plc paid $140,524 (December 2012: $111,000) for accounting and other office services to Westleigh Investment Holdings Limited, where Giles Clarke and Nick Harrison have an interest.

During the year the group paid $1,047,917 (2012: $700,000) and granted $798,549 (2012: $991,000) of share options for consultancy services to Tracarta Limited, a company in which J. Wardle has an interest. Tracarta Limited had 13,750,000 (2012: 8,500,000) shares allotted under the share option scheme, the gain on which was $9,163,000 (2012: $4,016,000) in the year.

The group also made consultancy payments of $132,858 (2012: $118,000) for consultancy services to Jade Oil and Gas SA, a company in which D. Ellenor has an interest.

22. Events after the balance sheet date

There are no significant events after the balance sheet date.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMERISUR RESOURCES PLC

We have audited the parent company financial statements of Amerisur Resources Plc for the year ended 31 December 2013 which comprise of the parent company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 13 and 14, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law 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 Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the parent company financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2013;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

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.

Other Matters

We have reported separately on the group financial statements of Amerisur Resources plc for the year ended 31 December 2013.

Rhian Owen
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
CARDIFF
17 April 2014

PARENT COMPANY BALANCE SHEET

	Notes	31 December 2013 $'000	31 December 2012 $'000
FIXED ASSETS			
Intangible assets	5	638	589
Tangible assets	6	6	10
Investments	7	15,133	3,901
		15,777	4,500
CURRENT ASSETS			
Debtors due within one year	9	68	173
Debtors due in more than one year	9	8,229	44,630
Cash at bank and at hand		70,396	46,283
		78,693	91,086
CREDITORS			
Amounts falling due within one year	10	(1,885)	(1,294)
NET CURRENT ASSETS		76,808	89,792
TOTAL ASSETS LESS CURRENT LIABILITIES		92,585	94,292
CAPITAL AND RESERVES			
Called up share capital	11	1,535	1,504
Share premium	12	108,160	106,350
Other reserves	12	3,932	3,866
Profit and loss account	12	(21,042)	(17,428)
SHAREHOLDER'S FUNDS		92,585	94,292

The parent company financial statements were approved by the Board of Directors on 17 April 2014.

N Harrison
Director

Company number: 04030166

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Accounting convention

The parent company financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention and comply with the Companies Act 2006 and applicable accounting standards. The particular accounting policies adopted by the directors are described below and are considered suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates in accordance with FRS 18.

Going concern

The directors have reviewed the cash position of the Company as at the year end against the expected recurring operational income, expenditure and anticipated specific contractual for a period of two years from the balance sheet date. On this basis the Directors consider that the Company has sufficient resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Company's financial statements.

2. Principal accounting policies

Investments
Investments held as fixed assets are stated at the lower of cost and net realisable value, less provision for any impairment. They comprise investments in subsidiary undertakings and investments in listed equity securities. In the opinion of the directors the value of such investments is not less than that shown at the balance sheet date.

Intangible fixed assets
Intangible fixed assets are included at cost and amortised on a straight line basis over their useful economic life, which will be based on the expected life of the exploration area, once determined.

Share based payments
All share based payment arrangements granted after 7 November 2002 that had not vested prior to 1 April 2006 are recognised in the financial statements. All goods and services received in exchange for the grant of any share based payment are measured at their fair values. Where employees are rewarded using share based payments the fair values of their services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (e.g. profitability and sales growth targets).

All equity settled share based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to 'other reserves'. The expense is recognised in the profit and loss account of the entity in the country which the employee is employed.

Upon exercise of share options the proceeds received, net of attributable transaction costs, are credited to share capital and, where appropriate, share premium.

National insurance contributions are accrued as a current liability in the financial statements where it is considered likely that certain share options will be exercised.

3. Company profit and loss account
The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's loss for the year ended 31 December 2013 was $5,231,661 (2012: loss of $5,029,000). The parent company auditor's remuneration is disclosed in note 5 to the Group accounts.

4. Directors and employees
The directors are the only employees of the parent company. Disclosure of their emoluments is given in note 4 to the Group financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

5. Intangible fixed assets

	Other intangible assets $'000
Cost	
At 1 January 2012	578
Additions	11
At 31 December 2012	589
Additions	49
At 31 December 2013	638
Amortisation	
At 1 January 2012, 31 December 2012 and 31 December 2013	-
Net book value	
At 31 December 2013	638
At 31 December 2012	589
At 31 December 2011	578

This represents the capitalised market value of 1,000,000 ordinary shares awarded to Expet S.A. as consideration for introduction services rendered to the Company in Colombia in the year ended 31 March 2006 and also costs incurred on an airborne magnetic survey flown over the San Pedro area in Paraguay during 2011, 2012 and 2013.

6. Tangible fixed assets

	Office equipment $'000
Cost	
At 1 January 2012	4
Additions	8
At 31 December 2012	12
Additions	-
At 31 December 2013	12
Depreciation	
At 1 January 2012	-
Charge for the year	2
At 31 December 2012	2
Charge for the year	4
At 31 December 2013	6
Net book value	
At 31 December 2013	6
At 31 December 2012	10
At 31 December 2011	4

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

7. Investments

	Dec 2013 $'000	Dec 2012 $'000
Investments in subsidiaries	4,458	3,901
Investments in listed equity securities	10,675	-
	15,133	3,901

Investments in subsidiaries

	Subsidiary undertakings $'000
Cost	
At 1 January 2012, 31 December 2012	3,901
Additions	557
At 31 December 2013	4,458
Impairment	
At 1 January 2012, 31 December 2012 and 31 December 2013	-
Net book value	
At 31 December 2013	4,458
At 31 December 2012	3,901
At 31 December 2011	3,901

The additions during the year relate to the recharge of share options granted to employees in the Colombian business segment.

The parent company holds the following investments in subsidiary undertakings:

Name of subsidiary	% voting rights and shares held	Country of incorporation	Business
Amerisur S.A.	100	Paraguay	Mineral resource hydrocarbon E&P permit applications
Amerisur Exploracion (Colombia) Limited	100	British Virgin Islands	Intermediate holding company
E-Plus S.A. (sub – subsidiary)	100	Paraguay	Dormant
Fenix Oil & Gas S.A. (sub – subsidiary)	100	Colombia	Mineral resource hydrocarbon E&P permit applications
Cindra Equities Corporation	100	British Virgin Islands	Intermediate holding company

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Investments in listed equities

	Fixed assets
Investment in listed equities held at cost	$'000
Cost	
At 1 January 2012 and 31 December 2012	-
Additions	10,675
At 31 December 2013	10,675
Net book value	
At 31 December 2013	10,675
At 31 December 2012	-
At 31 December 2011	-

The shares included above represent investments in listed equity securities that present the group with opportunity for return through dividend income and trading gains.

The market value of these securities are disclosed in the group accounts note 13.

9. Debtors

	Dec 2013	Dec 2012
	$'000	$'000
Amounts due from Group undertakings (greater than one year)	8,229	44,630
Prepayments and sundry debtors	68	173
	8,297	44,803

10. Creditors – amounts falling due within one year

	Dec 2013	Dec 2012
	$'000	$'000
Trade creditors	-	24
Other creditors and accruals	1,885	1,270
	1,885	1,294

11. Share capital and share based payments

For share based payment and share capital disclosures see notes 18 and 19 respectively in the Group financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

12. Reserves

	Share premium $'000	Other reserves $'000	Profit and loss account $'000
At 1 January 2012	60,906	4,155	(14,612)
Share placing	42,043	-	-
Share options exercised	5,513	(2,213)	2,213
Reclassification of NIC provision included in other reserve to other creditors	-	(603)	-
Share issue costs	(2,112)		-
Equity settled share options	-	2,527	-
Retained loss for the year	-	-	(5,029)
At 31 December 2012	106,350	3,866	(17,428)
Share placing	-	-	-
Share options exercised	1,810	(1,618)	1,618
Share issue costs	-	-	-
Equity settled share options	-	1,684	-
Retained loss for the year	-	-	(5,232)
At 31 December 2013	108,160	3,932	(21,042)

13. Reconciliation of shareholders funds

	$'000
At 1 January 2012	51,760
Share placing	42,155
Share options exercised	5,594
Reclassification of NIC provision included in other reserve to other creditors	(603)
Equity settled share options	2,527
Share issue costs	(2,112)
Retained loss for the year	(5,029)
At 31 December 2012	94,292
Share options exercised	1,841
Equity settled share options	1,684
Retained loss for the year	(5,232)
At 31 December 2013	92,585

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

14. Related party transactions

Amerisur Resources Plc paid $140,524 (December 2012: $111,000) for accounting and other office services to Westleigh Investment Holdings Limited, where Giles Clarke and Nick Harrison have an interest.

During the year the company paid $1,047,917 (2012: $700,000) and granted $798,549 (2012: $991,000) of share options for consultancy services to Tracarta Limited, a company in which J. Wardle has an interest. Tracarta Limited had 13,750,000 (2012: 8,500,000) shares allotted under the share option scheme, the gain on which was $9,163,000 (2012: $4,016,000) in the year.

The company also made consultancy payments of $132,858 (2012: $118,000) for consultancy services to Jade Oil and Gas SA, a company in which D. Ellenor has an interest.

The company has taken advantage of the exemptions available under FRS 8 – Related Party Disclosures not to disclose transactions entered into during the year with wholly owned subsidiaries of the group.

15. Events after the balance sheet date

There are no significant events after the balance sheet date.