08 April 2015

Amerisur Resources Plc ("Amerisur", "the Company" or "the Group")

Preliminary Results for the year ended 31 December 2014

Amerisur Resources Plc, the oil and gas producer and explorer focused on South America, announces its results for the full year ended 31 December 2014 (the "Period").

Highlights:

Operational

- Six successful wells drilled at Platanillo: 7,17,16,15,18 and 20, bringing the total to 15 successful wells and three sidetracks
- Platanillo-20 producing light oil (API of 38.2) from the T sand, confirming it as a separate oil reservoir and demonstrating future upside at Platanillo
- 2014 average full year production constrained at 6,242 barrels of oil per day ("bopd") up 32% (FY 2013: 4,730 bopd)
- Completed social consultation in Putumayo-12
- Broadened portfolio with the 50% award of a new exploration license, Putumayo 30, covering approximately 38,514 hectares, within the Putumayo basin
- Completed acquisition of 365km of new 2D seismic data in the San Pedro block in Paraguay
- Libelula-1 suspended following mechanical problems, to be re-entered in 2016

Financial

- Revenue increased 18% to US$199.5m (FY 2013: US$169.2m)
- Operating profit decreased 7% to US$68.8m (FY 2013: US$74.3m)
- Profit before tax down 37% to US$47.5m (FY 2013:US$75.3m)
- Cash position at year end is US$95.6m with no debt
- Reserve based lending facility agreed with a consortium of banks led by Scotiabank for US$175million, remains undrawn
- Average realised price for FY 2014 of US$87.5 per barrel

Post period end

- Production currently reduced to 4,500 bopd to focus on profitable production until the export pipeline is in operation, Q1 production of 4,380 bopd
- 3D seismic at Platanillo North completed and currently being processed in order to integrate it into the Company's existing 3D cube
- Significant progress made on the Ecuador pipeline project with the signing of the Operation Letter of Intent ("LOI") by PetroAmazonas
- Appointment of Stephen Foss as Senior Independent Director
- At 31 December 2014, 1P (Proven) gross field reserves were 16.2 million barrels of oil ("MMBO") (2013: 19.8 MMBO) after production of 2.278 MMBO during 2014 and 2P (Proven and Probable) gross field reserves were 24.55 MMBO (2013: 32.8 MMBO).
- Following a strategic review of Fenix, the Company has written off a sum of US$26.5m in these accounts.

Outlook

- 2015 targeted production exit rate of 8,200 bopd
- Ecuador pipeline remains on track to be delivered and operational in H2 2015
- Fully funded three well exploration programme to commence in H2 2015
    - Platanillo 21 and 22
    - Putumayo 12 first exploration well, Lead 1 to be spudded in December 2015 following completion and interpretation of 2D seismic programme
- 2015 capex guidance of US$45m fully funded from operating cashflow and cash resources

Giles Clarke, Chairman of Amerisur said:
"2014 was another busy year for the Company with significant progress made across all of our work programmes and portfolio. Our excellent success rate at the Platanillo field continued with further six successful wells drilled in the southern/central lobe. Platanillo 20 in particular delivered a significant result for the Company and the future development of the field following the identification of a separate oil reservoir and the potential for production from the T and N sand. 95% of the production currently comes from the U sands in the southern/central lobe with drilling to date focused on developing this sand. Combined with the encouraging results of the additional 3D seismic in the north of Platanillo, a number of leads have been added to our forward drilling programme and we are confident that there is further substantial upside yet to come in this highly attractive block.

"Our strategy has remained consistent, to deliver growth through low cost oil production to ensure the free cash flow generated covers the Company's capital expenditure and we remain well financed to progress our key work programmes. We have taken several measures to maintain our financial strength and protect shareholder value so that all of our assets remains profitable, despite the low oil price environment and we are well positioned for future growth when the oil price recovers."

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Notes to editors
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 11,341 hectare block is located in the Putumayo Basin, in the south of Colombia. In addition, the Company has a 60% working interest and operatorship in block Put-12, a 55,000 hectare block which is adjacent to Platanillo and shares its geology and a 50% working interest in Put-30 a 38,514 hectare block, approximately 55km to the north of both the Company's 100% owned Platanillo field and Put-12.

In Paraguay, Amerisur is the largest acreage holder in the country, with 6.2 million hectares covering five 100% owned oil and gas permits in the Paraguayan part of the Chaco and Parana Basins.

John Wardle is CEO of Amerisur, having worked in Colombia since 1994, first for BP Exploration and subsequently for Emerald Energy. The Company is chaired by Giles Clarke and is listed on the AIM Market of the London Stock Exchange.

Competent person: Technical information in this announcement has been reviewed by John Wardle Ph.D., the Company's Chief Executive. John Wardle has 28 years' experience in the industry, having worked for BP, Britoil, Emerald Energy and Pebercan, and is a trained drilling engineer.

www.amerisurresources.com

Chairman´s Statement

We are pleased to announce the Company's Preliminary Results for the year ended 31 December 2014. 2014 was another busy year for the Company with significant progress made across all of our work programmes and portfolio.

Turnover reached just short of $200 million, a far cry from our early days in 2007-10. Operating profit of $68.8 million was impacted by declining oil prices in the second half of the year in addition to the social unrest and disruption during the Colombian Presidential elections, causing significant increased transportation costs, delays and further field costs associated with managing well output and closures.

Our excellent success rate at the Platanillo field continued with further six successful wells drilled in the southern/central lobe. Platanillo 20 in particular delivered a significant result for the Company and the future development of the field following the identification of a separate oil reservoir and the potential for production from the T and N sand. 95% of the production currently comes from the U sands in the southern/central lobe with drilling to date focused on developing this sand. Combined with the encouraging results of the additional 3D seismic in the north of Platanillo, a number of leads have been added to our forward drilling programme and we are confident that there is further substantial upside yet to come in this highly attractive block.

Production capacity at Platanillo increased by 32% and was constrained as we focused on progressing the export pipeline project which we are confident will be delivered later this year. Full year average production was 6,242 bopd from the southern/central lobe of Platanillo constrained due to limited oil export routes available to the Company. The Company has been focussed on progressing the export pipeline to Ecuador, a low cost transport solution capable of transporting up to 50,000 bopd when operational and materially reducing our transport costs. The pipeline will start from Pad-9S and connect to the Victor Hugo Roales facility in Ecuador. Transnational pipelines are notoriously complex matters and in other parts of the world have proven extremely difficult to implement. The Board is most grateful to both the Colombian and Ecuadorian governments for their extremely constructive approach, led by Presidents Santos and Correa, and driven by the strategic desire to see increased cross border trade.

The Board has decided to write down the Company's investment in the Fenix Block by $26.5 million. In the current climate the geological complexities so far uncovered in the block has meant the Company has focused on clear swift opportunities in the Platanillo block and adjoining blocks.

Our strategy has remained consistent, to deliver growth through low cost oil production to ensure the free cash flow generated covers the Company's capital expenditure and we remain well financed to progress our key work programmes. We have taken several measures to maintain our financial strength and protect shareholder value so that all of our assets remains profitable, despite the low oil price environment and we are well positioned for future growth when the oil price recovers.

Accordingly, the Board has taken a conservative view on oil price assumptions for 2015 in order to preserve valuable resources and reduced its production since the beginning of February 2015 to 4,500 bopd from Pads 5 and 9, the Company's lowest lifting and transportation cost platforms, while temporarily suspending production from more expensive pads where equipment is rented, not owned. Upon commissioning of the pipeline, which will de-bottleneck capacity, we will gradually build production.

As of 31 March 2015, our first quarter average production was 4,380 bopd. We have reduced our capex spend for 2015 to approximately $45 million to ensure our revised exploration programme of three low risk wells which includes two in the Platanillo block and Lead 1 in Putumayo-12, are fully funded from our operating cash flow and cash resources. We have deferred the drilling of the highly prospective Jaguarete well in Paraguay to 2016 or sooner should the oil price recover.

In order to position the Company to take advantage of any opportunities of a capital or strategic nature that may arise, in the second half of 2014 the Board entered into a reserve based lending facility with a consortium of banks led by Scotiabank. At the year end $175m had been made available under this facility which has remained undrawn.

Details of our operations over the year are below. The Board, whilst firmly intending to remain AIM quoted, have decided to focus further on corporate governance improvements in accordance with best practice. To that end Mr Stephen Foss, who has considerable City and North American stock market experience, has joined the Board as our first Senior Independent Director and will naturally be standing for election at the forthcoming AGM. He has already made important contacts with the institutional investment community to seek their views, and is well known to a number of them. His advice is much valued by the Board.

George Woodcock is also standing for re-election to the Board. George has been living and working in Colombia for over 40 years, and his vast knowledge of the geophysics of the entire country and historical drilling results is of enormous benefit to the Company. The Board strongly recommends their re-election to you.

Amerisur has travelled a long way since John Wardle and I joined the Board in February 2007. It was extremely encouraging, especially for our dedicated Colombian staff, when Amerisur was voted Oil & Gas Company of the Year in March 2015 at the UK Stock Market Awards, ahead of massive enterprises such as BP and Shell. Your Board is under no illusions about the challenges we face, and will continue its careful and conservative approach, yet entrepreneurial, to generate an exciting and solid investment for our shareholders. The major fall in WTI has affected both our industry as well as national economies, both in South America as well as the UK. We will work closely with our governments to establish a solid base for a stronger industry providing a fair economic return for the nations, proper skills and opportunities for local people, and a successful environment for all to prosper.

As ever, the Board is immensely grateful to our staff for all their hard work throughout the year.

Giles Clarke

Chairman

7th April 2015

Chief Executive's Statement

Colombia

Colombia is our principal business focus, where our producing asset and near term growth opportunities are located. Recent years in Colombia have been a time of change and more is yet to come. Before recounting our activities over the last year and post period end, I think it appropriate to present some of those changes, the history of their development, how they have affected our business and their likely impact on our future strategy and opportunities.

History of Colombia's oil and gas industry

The foundation of the Agencia Nacional de Hidrocarburos ("ANH") in 2003 was a response to a declining oil industry in Colombia in which the state oil company, Ecopetrol was the entity through which private companies could access exploration and production ("E&P") contracts under the "Association Contract" model. This system awarded licenses with a six year exploration period followed by 24 years of exploitation. At the end of this term all assets reverted to Ecopetrol. The private partner within the association was responsible for risking all exploration capital, and in the event of a discovery, Ecopetrol had a back-in right for a 50% working interest (later amended to 30%). Some of the exploration capital was subsequently reimbursed over time through production to the private partner. Additionally, a factor known as "R" was incorporated; this tapered down the working interest of the partner as the initial net investments were recovered through production. Royalties were set at 20%, and the nominal corporate tax rate was 35%. Under this model the State's take was 70% through the life of a successful exploration and production project, while the private partner was obliged to carry all the exploration risk at the front end of all projects and continue to carry the reimbursement risk since that came through a portion of production over long time scales. This contractual model reduced the attractiveness of E&P activities in Colombia, to the extent that only 10 exploration wells were drilled in the entire national territory in 2002, resulting in four discoveries. Annual average production in 2002 was 578,000 barrels of oil per day ("BOPD").

The ANH model instituted in early 2004 allowed direct negotiation of contracts with ANH, with Ecopetrol competing as a normal operator for those areas. There was no state back-in right, and the time periods of the contracts remained the same at six and 24 years respectively, but with the right to extend the contract to the economic life of the field. Royalties were revised to a sliding scale model, 8% up to 5,000BOPD, increasing linearly to 25% at 125,000BOPD. This simple and efficient model reduced state take to approximately 38% overall on sub-5,000BOPD projects and served to stimulate foreign investment in E&P activities. During 2008, 99 exploration wells were drilled, resulting in 46 discoveries. National production in 2009 was 670,645 BOPD.

Since that point contractual terms have tightened, with the inclusion of the "High Prices Tariff", which pays an additional tax of 30% of the difference between the marker price and the actual sales price less transport costs. Additionally, contractual commitments have increased, with, for example, obligatory seismic investment and more exploration wells per phase. However activity continued to grow, after a short hiatus due to the 2009 oil price crash. In 2010 the competitive bid round introduced the concept of additional royalties, the "X Factor" as a means of determining winning bids. In 2012 a peak of 131 exploration wells were drilled, with 59 discoveries. In January 2013 national production passed 1,000,000 BOPD, and has remained essentially in that area to the present day, despite the drilling of 238 additional exploration wells and the announcement of 59 discoveries.

The rate of growth in activity was impressive; however we believe the country has not yet reached its peak. Certain state agencies were not prepared for this level of success, in particular, the environmental licensing system which initially proved to be a major bottleneck. This has since eased by the creation of a dedicated licensing body, ANLA and we believe will provide further stimulus to growth.

The boom in oil production has had an important impact on national funding, especially during the environment of increasing oil price from 2009 onwards. The Colombian government is dependent upon oil revenues for approximately 16% of its income (2011-2014 average). Therefore the recent price collapse is very serious for the national budget, and encouraging moves are afoot to stimulate the industry to both explore and produce more. These include the flexibilisation of contractual terms and potential changes in the recently increased tax bases for E&P companies.

Despite this complex working environment we have successfully grown the business since 2007 and I am convinced our strategy of maintaining a focus on a small number of projects with high working interests will continue to bring future growth. We will continue to leverage our operating skills and local knowledge to ameliorate these challenging conditions going forward.

The strong decline in oil prices during the second half of 2014 prompted the Board to reconsider our forward planning in order to conserve financial strength and flexibility. Post period end, we reduced production in order to focus on the most efficient point of delivery, while also reducing capital expenditure (CAPEX) by suspending the drilling programme until the results of the Platanillo North 3D programme were in hand. In addition, certain investments have been made in field infrastructure in order to significantly reduce lifting costs in Platanillo.

Platanillo

During 2014 Platanillo total field production was 2.278 million barrels of oil (MMBO). Production levels continued to be constrained by delivery options. All crude was transported by truck to either Orito operated by Ecopetrol/Cenit, or Rio Loro operated by Emerald Energy. This production was generated at Pads 9, 5, 3 and A. Pad 1 continued to be used for water disposal in well Platanillo-1ST, which had been recompleted in the Pepino formation for that purpose. Average realised sales price during the first half of 2014 was US$96.5, however the strong decline in marker crude prices resulted in an average sales price of US$68 in the last quarter.

Drilling in 2014

2014 was a busy year with the drill bit, significantly adding to our understanding of Platanillo and in particular the northern lobe, albeit with more variation in results than seen in 2013. Six successful wells were delivered in the period using the Serinco Rig D-10, starting with Platanillo-7 our 10th new well and the first well spudded on Pad-3N, the most northern drilling pad on the field to date. Platanillo-7 was drilled to a total depth of 8,533ft MD and surpassed the Company's initial expectations and importantly de-risked the northern prospectivity on the Platanillo block. The well flowed at rates of 3,052 BOPD of 30.2 API quality under natural flow (on a 34/64" choke) and was placed on commercial production at approximately 1,300 BOPD.

Platanillo-16, the next well of the campaign drilled to a total depth of 8,858 ft MD in a north easterly direction, also from Pad-3N. The well was completed for commercial production and flowed 320 BOPD of 30.7 API oil on test with trace water at a controlled 17% drawdown. The well encountered a 21ft gross, 7ft net oil column in the U sand formation. The N sand was not well developed at this location, in line with Amerisur's seismic attributes model. The oil column and also the initial flow rate of this well were affected by a slightly deeper position of the U sand than predicted by the seismic model. The model was refined by the acquisition of a high resolution Vertical Seismic Profile (VSP) survey in that same well which allowed us to correct the model of this central section of the field and this led to an improved mapping for the area, subsequently rewarded by the excellent result from Platanillo-17.

Platanillo-17 was also drilled in the first quarter of 2014, our 12th successful new well of the current drilling campaign. It was drilled to a total depth of 8,760ft MD and achieved an offset of 2,118ft to the south of Pad-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 seismic model, which was remapped after the VSP survey acquired in Platanillo-16 as mentioned above; proved to be very accurate in Platanillo-17, and the new mapping continues to indicate excellent potential further north in the Platanillo field. The VSP will also be used to convert the new 3D seismic acquired post period end to depth in the northern area.

In the second quarter, Platanillo-15 located at Pad-9S in the south of the field delivered our 13th successful well result. It was drilled to a total depth of 8,573ft MD and was designed as an infill well on the western flank of the Platanillo field, located between wells Platanillo 9 and 14. The reservoir section was logged and initial log analysis indicated the presence of 73ft gross, 23ft net oil column in the U sand formation. The U sand, as can be seen from the net-to-gross ratio, appears to be slightly less well developed in this area. The analysis of T sand indicated a 19ft gross and 9ft net oil column and the N sand was not well developed at this location, in line with the Company's seismic attributes model. The well was completed for commercial production from the U sand and flowed 439 BOPD of 30.6 API oil on test with 8% water at a controlled 23.5% drawdown. This was the first time we have tested a well in Platanillo which demonstrated an initial water cut above trace levels.

Platanillo-18, also located at Pad-9S, was completed in the third quarter. It was drilled to a total depth of 9,511ft MD and achieved an offset of 3,763ft to the south-west of Platform 9S, towards the area recently added to the commercial area of the Platanillo field. The reservoir section was logged and log analysis indicated the presence of 20ft gross, 7ft net oil column in the U sand formation and the presence of 13ft gross, 12ft net oil column in the N sand formation using Logging While Drilling tools. The Company tested the N sand. A total of 5ft of the 12ft net oil pay was perforated and flowed 340 bopd of 18.0 API oil on test. This was an important result in our continuing work to demonstrate commercial reserves in the important N sand horizon. Subsequently the well was completed for commercial production from the U sand. A total of 5ft of the 7ft net oil pay was perforated and flowed 530 BOPD of 29.7 API oil on test. The well was placed on commercial production at approximately 360 bopd. This well was producing 841 BOPD at the time of writing, and has been a consistent producer, suggesting that the area to the south, added through negotiation with ANH in 2014 continues to be prospective, and the Company is reviewing plans to locate further wells in this area.

During the fourth quarter, Platanillo 20 was completed, our 15th successful well and a very important result for the Company as it confirmed the potential for T sand production. The well was drilled vertically to a total depth of 8,357ft MD from Pad-5S and complete core samples were recovered from the N, U, T and Caballos basal sands, including a short section of the igneous basement rock. The physical samples recovered are very important to the understanding of not just Platanillo, but our other blocks in the area, since they will furnish hard data for the reservoir and logging models, depositional information which we can integrate into the petrophysical interpretations and importantly, physical measurement of porosity and permeability. The reservoir sections were logged and log interpretation indicated the presence of 55ft gross, 27ft net oil column in the U sand formation and the presence of 20ft gross, 14ft net oil column in the T sand formation using both Schlumberger Anadrill Logging While Drilling (LWD) and Schlumberger wire line tools. This dual logging was performed in order to calibrate both wireline and LWD data to the physical core specimens. Initial analysis of the cores indicates that the electrical logging systems may have underestimated the porosity of the U sand reservoir by up to 22%. Once confirmed, these data will allow the entire field log suite to be recalibrated, leading to an increase in Stock Tank Oil Initially in Place (STOOIP) for the field. Higher porosity of the reservoir rock is often accompanied by a consequent enhancement in permeability of the reservoir, and this may be the reason that traditionally, Platanillo wells have been more productive in terms of initial flow rate than expected prior to drilling the new wells in 2012. A production test of the T sand was performed, the second production test of the T sand interval in the history of the field, the first having been performed by the previous operator in Platanillo-2 in 2007. A total of 4ft of the 14ft net oil pay was perforated and this interval flowed 1,041 BOPD of 38.2 API oil with trace water in natural flow over a 48/64" choke with 84 PSI of flowing pressure at the wellhead. The well was placed on Long Term Test (LTT) at approximately 400 BOPD from the T sand interval. The petrophysical evaluation and the preliminary observations of the cores taken in Platanillo-20, combined with the T sand test results have confirmed the T sandstone as a separate oil reservoir within the field. Similar pay intervals and reservoir quality have been identified in other wells drilled during the current campaign, including Platanillo-6 (10ft pay), 7 (24ft pay), 10ST (12ft pay), 11 (17ft pay) and Alea 1R ST1 (5ft pay). The well continues on LTT, and the Company expects to declare commerciality in the T sand formation during 2015.

Libélula-1, an exploratory well whose purpose was to evaluate the productive potential of a new structure identified to the west of the Platanillo field, was spudded from Pad-1 in October 2014. The well was suspended post period end following mechanical problems at 7,850ft. The mechanical problems encountered had been foreseen in this demanding well, whose directional plan required a tangent angle of over 45 degrees to achieve the U sand target, and procedures were in place to mitigate those risks. However a combination of circumstances in which a mechanical sticking incident, usually quickly solved, occurred just before a rig equipment failure complicated the operation. The time required to repair the rig, during which the drill string could not be either worked or circulated, allowed the mechanical sticking incident to evolve into a case of differential sticking of the entire Bottom Hole Assembly (BHA) and a section of the drill string above over the Pepino conglomerate. Significant efforts and investments were made in order to retrieve the drill string, which were ultimately unsuccessful in recovering the lower part of the BHA, which had to be isolated with a cement plug. The well has 9.5/8"casing set and cemented at 6,606ft and there is an open hole pocket of approximately 500ft within the stable Pepino conglomerate. The well is therefore in a position to re-enter and side track past the fish. The decision to suspend the well was taken in light of the changed market conditions and the Company's revised CAPEX plan. Rig Serinco D-10 was released at that point and remains stacked on Pad-1 at no cost to the Company. It is expected that we will re-enter this well in 2016, depending how this operation, and its risk profile, dovetails with our CAPEX and drilling plans.

In the latter part of 2014 civil works began to construct a road some 4.2 km northwards from Pad-3N, in order to construct Pad-2N. That location is to the north of the Pinuña Blanco River, and a 50m bridge was also constructed in order to develop this area. Pad-2N was completed post period end and may be used in the 2015 drilling programme, once the new 3D data has been interpreted and decisions regarding the best mix of potential and risk have been made.

Ecuador Interconnector Pipeline System

Significant progress was made during the period on the project to access export capacity through Ecuador. This will involve the installation of a pipeline which will run from the Platanillo field under the Putumayo River into the Victor Hugo Ruales (VHR) pipeline infrastructure in Ecuador, allowing expensive road transport costs to be significantly reduced and allowing field production to increase. The technical scope of the project has developed and increased over the last 18 months, and now contemplates a 10.8" line over its entire length, reaching dedicated reception facilities at the central VHR production station, rather than the phase 1 and 2 intermediate solutions initially proposed to Ecuadorian authorities. Phase 1 included a 10.8" pipeline from Platanillo to VHR-20, followed by trucking to the VHR central facilities. Phase 2 was to utilise an existing 6" flow line from platform VHR-20 to the central facilities. Both these designs were rejected as non-optimal, although they would have allowed early construction of the line and operation of the export route. Amerisur therefore contracted the full engineering design of a system which included the export facilities at Pad-9S, the under-river crossing and a complete and independent 10.8" line to the VHR facilities area, with independent instrumentation, tankage, high precision volume measurement units and control systems, including communications from Platanillo to VHR. This technical scope and detailed engineering design has been approved by PetroAmazonas, the Operator of the Ecuadorian portion of the installation for simultaneous operations with their own production which also feeds into the Cuyabeño gathering system.

Post period end, a Letter of Intent with PetroAmazonas was signed on 2nd February, and the definitive agreement for the construction and operation of the flow line and transport of Amerisur production is under review by PetroAmazonas. Additionally, the structures of agreements with PetroEcuador for onward transport of Amerisur crude from Lago Agrio to Esmeraldas are advancing satisfactorily. The environmental study required to permit the construction of the line from the river in Ecuador to VHR-20 is also proceeding satisfactorily.

The crisis of the oil price fall has been felt in all producing nations and Ecuador has not been immune to its effects. A fundamental review of all aspects of the industry economics in Ecuador is underway at Government and National Oil Company levels, with the objective of maximising efficient production. The Company is convinced that the Amerisur interconnector project adds significant value to that objective and as such will benefit from the review process. Taking into account the current situation the Company expects to start construction upon completion of the Ecuadorian government review, presently anticipated later this year. In Colombia, the modification of the existing Platanillo environmental license to include oil transport by pipeline is under final review by the Licensing Authority and a positive response is expected soon.

Platanillo Field Facilities

Through the year the production facilities at all the Pads in Platanillo continued to mature, with upgrades to the lifting, processing, storage and water disposal systems. On Pad-9S there is now 24,500 barrels (bbl) of storage capacity, and the process has been enhanced by the construction of a 7,000bbl Gunbarrel. This has led to important improvements in fluid handling, at lower cost in process chemicals, at a stage when, in this reservoir which enjoys strong acquifer support, water separation and disposal is important. On Pad-5S there is 6,500bbl of storage and a 7,500bbl Gunbarrel has just entered service to replace the current 1,500bbl unit. These improvements, which have assisted us to increase our processing capacity while reducing costs, will serve us well for the future. We see the principal production pads of Platanillo as strategic assets which will act as a hub for our future production additions arising from our exploration in the north of Platanillo and in Put-12.

Drilling plans Platanillo 2015

As previously announced, the Company plans to drill at least two wells within the Platanillo contract during 2015. The location of these wells and their exact objectives will be determined after the incorporation of the new 3D seismic in the north.

New 3D seismic Platanillo

Following acquisition post period end of the 58k km^2 of 3D seismic data in the northern 15% of the Platanillo block, the information is currently being processed in order to integrate it into the Company's existing 3D cube. The northern part of the initial 3D cube, plus the reprocessed legacy 2D seismic in the northern piece were re-mapped based upon the new VSP acquired in Platanillo-16, as mentioned above. A number of exciting leads have been identified from this interpretation, demonstrating a number of interesting Platanillo-like structures. The new 3D data, acquired in the same fashion as the original cube (recorded in 2010) should be integrated seamlessly into the complete dataset. This will allow the Company to have confidence in the structures shown and select the best two candidates for the minimum of two Platanillo block wells we plan to drill this year. The objective of these wells will be to prove up the structures and hence add productive capacity and reserves. Although drilling equipment currently remains on site at Pad-1 at no cost to Amerisur, the Company intends to bid out the drilling and service contracts during the year, since we expect rig and service rates to be significantly lower due to the severe reduction in activity in Colombia caused by the oil price crisis.

Platanillo Reserves

Post period end and following receipt of an independent reserves report for the Platanillo field as at 31 December 2014 undertaken by Petrotech Engineering Ltd, using the standards set by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers, certified 1P (Proven) gross field reserves were 16.2 million barrels of oil ("MMBO") (2013: 19.8 MMBO) after production of 2.278 MMBO during 2014 and 2P (Proven and Probable) gross field reserves were 24.55 MMBO (2013: 32.8 MMBO).

Taking into account 2014 production, the 1P reserves have shown an effective 6% reduction from year end 2013. This technical reduction of the Expected Ultimate Recovery ("EUR") (a forward looking model which assumes a decline factor and projects the volume of oil which will ultimately be recovered) for current producing wells and for all future planned wells is a conservative view based upon several factors, including the relatively poor initial production result of wells Platanillo-15 and Platanillo-16, which served to reset the future average expected initial production rates. Additionally, the shut-ins of producing wells due to social and export issues during the year resulted in lower average production rates which also caused an increase in the future projected decline rate, resulting in lower overall volumes being recovered in the model through time. Reserves have also been impacted by the Board's responsible decision to reduce drilling activity in order to ensure capex at Amerisur is matched by cash flows in the current lower oil price environment, since some planned wells will not be delivered within the previous timeframe. Additionally there have been no significant reserves additions for either the T sand or the N sand since currently there are no development operations planned for those horizons over the next 12 months, even though the N sand has now been successfully tested in wells Platanillo-2 and Platanillo-18 and the T sand is under successful Long Term Test in well Platanillo-20. The technical reduction this year is owed to certain factors which, once full production can be re-established and stabilised with the entry of the export flow line later this year, can be recovered within the reserves model.

It is important to note that the encouraging porosity and permeability data indicated by the initial core analysis of Platanillo-20, which are likely to have a positive impact on overall field recovery rates, have not been fully incorporated in this 2014 reserves evaluation since the detailed analysis of the several reservoir horizons is still ongoing. The results of this Special Core Analysis ("SCAL") will be available in June of this year and is expected to have a positive impact on future EUR evaluations through an increase in oil originally in place and the estimated recovery factor. This analysis will be refined and validated with the static and dynamic reservoir models currently under construction using field production data and the core results from Platanillo-20.

In summary, the volumetric parameters of the several reservoirs in the Platanillo field have not changed; in fact the Company believes that recoverable volumes will in fact be higher than those previously certified, due to the improved reservoir properties seen in the Platanillo-20 cores.

In terms of Prospective Resources in the Platanillo field, currently estimated at 44.7 MMBO, the Company has taken a conservative view of potential recoveries while including a component relating to the structures seen in the far north of the block.

Put-12

In November 2012, the Company was awarded a 60% working interest in the Putumayo-12 license which is adjacent to the east of the Platanillo block in the Putumayo Basin and bounded to the south by the Putumayo River and the Ecuadorian border. The block covers 55,000 hectares and has similar geology to Platanillo. Using existing 2D seismic nine material leads have been identified totalling P50 resources of 305 MMBO. The social consultation process required before performing seismic activities “Consulta Previa” with the three indigenous groups that were identified within the block has been successfully concluded. That process, which is a legal requisite prior to any activity within the indigenous areas, was completed in 11 months. It is important to note that many projects in Colombia have failed to achieve this important initial milestone, even after several years. The Company intends to acquire up to 272km of new 2D seismic, prioritising the western structures which can be drilled at lower cost, monetized more rapidly and are more simple to license than the Eastern structures. Should drilling be contemplated in indigenous areas, a further Consulta Previa must be performed. However Lead 1 and several other of our prospects are not within those areas, and can be drilled without this approval. The process for the other prospects which are to an extent affected by indigenous areas will begin once the seismic is processed and the prospects are confirmed. Under the revised 2015 exploration campaign, the Put-12 drilling programme will commence in December 2015 with the drilling of Lead 1, targeting a mean prospective resource of 106.6 MMBO and is similar in seismic terms to the Platanillo structure. A firm drilling location has been identified at Lead 1 and the environmental studies necessary to apply for the required environmental permit will be completed shortly. In the event of drilling success, we aim to tie the production from this discovery back to the Platanillo field, probably at Pad 3N, which offers a low cost and rapid route to monetizing those new reserves, by tying back those wells into the Platanillo system.

Put-30

In October the Company announced the award of a new exploration license, Putumayo 30 to Talisman Colombia Oil & Gas Ltd. (“Talisman Colombia”) in the Ronda Colombia 2014 licensing round. The Company has formed a joint venture with Talisman Colombia, an affiliate of Talisman Energy Inc. (NYSE/TSX) with the parties owning 50% and 50% respectively of the license. The Put-30 block covers approximately 38,514 hectares and lies within the Putumayo basin, approximately 55km to the north of both the Company's 100% owned Platanillo field and 60% owned Put-12 Contract. The block is a recognized Tertiary play concept, with some cretaceous potential. The joint venture will explore to evaluate the potential of producible heavy oil deposits in the Neme formation.   The contract is currently in Phase 0, in which social consultations are undertaken. A single, relatively small indigenous group has been identified within the block. The Company intends to commence a 2D seismic programme covering 209km in early 2016.

Fenix

In February the exploration well Ave-1 was drilled in the Fenix block. The well was drilled to a depth of 3,300ft MD (2,752ft TVD) with a maximum inclination of 44.7 degrees. A gross column of 99ft TVD and net column of 73ft TVD of Hydrocarbon bearing sands was encountered. This zone was tested and flowed limited volumes of 32.7 degrees API oil and associated gas. Log analysis indicates a slightly lower reservoir quality than that observed in the shallow Esmeraldas section of Isabel-1. This is the third exploration well we have drilled in Fenix, all of which have encountered hydrocarbons. However all have had low initial production rates, caused by poor reservoir quality. Also, the result of Ave-1 indicates that the interconnection of the reservoir units may be limited, that is; there are a number of small, independent reservoirs which are unlikely to sustain long term production unless wells can be designed and drilled to intersect multiple reservoir units. Given the variability and geological complexity of the block, such wells will be difficult and expensive to design and drill, and are unlikely to be economically attractive on a risked basis in the current oil price climate. Following a strategic review of the asset, using the knowledge acquired throughout our work programme, the Company has decided that the Fenix block is unlikely to produce commercial oil volumes in the near future and so has written off a sum of $26.5MM in these accounts.

Given the lack of a planned development programme in Fenix over the next 12 months, the previous reserves have been reassigned to the Contingent Resources category, which currently stand at up to 30 MMBO.

Paraguay

The Board remains excited by our extensive and attractive acreage position in Paraguay, the largest in the country with two exploration and production and three prospecting permits covering 6.2 million hectares.

Over the last year the country has been the focus of increasing attention from oil and gas companies and recent results from the region significantly de-risks the Company's acreage and further supports our play concepts. In 2014 356km of new, high quality 2D seismic was acquired and integrated into the existing data set with five leads identified and developed based on based on reprocessed legacy seismic and the chemical, gravity and magnetic geotechnical data. Management estimates the un-risked resources of the prospect to be around 620 MMBO. The San Pedro contract is currently in a force majeure period. The next work commitment in this block is the drilling of a stratigraphic well by approximately July 2015. The Company is currently in negotiations to extend the force majeure period and intends to drill an exploration well (in excess of current contractual commitments), named Jaguareté-1 in 2016 and expects a positive outcome to those negotiations.

Financial Review

Revenue for the period was up from US$169.2m in 2013 to US$199.5m, an increase of 18%. Profit before tax was down 37% to US$47.5m (2013: US$75.3m) and operating profit decreased from US$74.3m to US$68.8m (7% decrease) largely driven by falling oil prices in the second half of the year. Administrative expenses rose to US$13.2m in 2014. This was a result of US$2.1m of cost write backs impacting the 2013 charge and investment to support our continued growth activities. At the period end, the Group had a cash position of US$95.6m (2013: US$71.6m). All commitments and planned discretionary programmes for 2015 are fully funded from internal resources. The capital expenditure programme for 2015 is US$45m, including approximately US$20m for the construction of the Ecuador Interconnector Pipeline and associated facilities. The Directors will not be recommending payment of a dividend

Summary and Outlook

In order to position the business for growth in a low oil price environment, production currently remains constrained at approximately 4,500 BOPD. Further production can quickly and efficiently be brought on-stream and we intend to gradually build production to a 2015 target exit rate of 8,200 BOPD should we gain access to low cost delivery options, for example once the pipeline is operational or in the event that sales prices increase.

Our main priority for 2015 is the delivery of the pipeline which strategically is a very important piece of infrastructure for the Company. The Board has an excellent track record of delivering complex projects in the region and we remain confident that it will be operational in H2 2015. Additionally we view our ongoing exploration programme as critical to the development of the Company, particularly in terms of the discovery and incorporation of new reserves. As such we are advancing those operations as quickly as possible, while ensuring that our costs are controlled. The recent completion of the Platanillo North 3D seismic programme under very difficult circumstances is proof of our ability to deliver.

I would like to express my thanks and admiration to the Amerisur team, in Colombia, Paraguay and UK for their hard work, dedication and continued commitment to our Company as we move forward.

We believe the current market environment is challenging for Amerisur; however we also strongly believe that we are configured to continue the development of our exciting portfolio and are also able to incorporate attractive, value adding opportunities as they occur.

John Wardle
Chief Executive Officer
7th April 2015

Consolidated income statement
for the year ended 31 December 2014

	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000
Revenue	199,464	169,200
Cost of sales	(117,501)	(85,592)
Gross profit	81,963	83,608
Total administrative expenses	(13,168)	(9,316)
Operating profit	68,795	74,292
Impairment of intangible assets	(26,485)	-
Net foreign exchange gains	5,081	798
Finance income	103	248
Profit before tax	47,494	75,338
Capital taxation	(522)	(494)
Profit after capital taxation	46,972	74,844
Income taxation	(19,584)	(28,033)
Profit attributable to equity holders of the parent	27,388	46,811
Earnings per share		
Basic (cents per share)	2.58	4.47
Diluted (cents per share)	2.55	4.40

Consolidated statement of comprehensive income
for the year ended 31 December 2014

	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000
Profit attributable to equity holders of the parent	27,388	46,811
Other comprehensive income:		
Items that may be classified subsequently to profit/(loss)		
Foreign exchange differences on retranslation to presentational currency*	65	(465)
Revaluation of available for sale financial asset*	-	704
Recycle of profit on available-for-sale financial asset to income statement for the year	(704)	-
Total other comprehensive income	(639)	239
Total comprehensive income for the year	26,749	47,050

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

Consolidated balance sheet

	31 December 2014 $'000	31 December 2013 $'000
Assets		
Non-current assets		
Goodwill	514	514
Other intangible assets	8,215	26,580
Property, plant and equipment	135,303	112,969
Total non-current assets	144,032	140,063
Current assets		
Trade and other receivables	28,006	20,701
Inventory (crude oil)	550	1,204
Investments	-	11,379
Cash and cash equivalents	95,629	71,600
Total current assets	124,185	104,884
Total assets	268,217	244,947
Equity and liabilities		
Equity		
Issued capital	1,544	1,535
Share premium	109,070	108,160
Investments revaluation reserve	-	704
Other reserve	7,060	3,932
Foreign exchange reserve	9,408	9,343
Retained earnings	80,179	52,281
Total equity	207,261	175,955
Non-current liabilities		
Remediation provision	7,350	5,092
Deferred tax liability	10,084	10,698
Total non-current liabilities	17,434	15,790
Current liabilities		
Trade and other payables	34,383	38,112
Current tax liabilities	9,139	15,090
Total current liabilities	43,522	53,202
Total liabilities	60,956	68,992
Total equity and liabilities	268,217	244,947

The financial statements were approved by the Board of Directors and authorised for issue on 7th April 2015. They were signed on its behalf by:

N. Harrison
Director
Company number: 04030166

Consolidated statement of changes in equity

	Share capital	Share premium	Investments revaluation reserve	Other reserves	Foreign exchange reserve	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2013	**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
Other comprehensive income:							
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**
Share options exercised	9	910	-	(510)	-	510	919
Equity settled share options	-	-	-	3,638	-	-	3,638
Transactions with owners	9	910	-	3,128	-	510	**4,557**
Profit for the year	-	-	-	-	-	27,388	27,388
Other comprehensive income:							
Foreign exchange differences on retranslation to presentational currency	-	-	-	-	65	-	65
Recycle of profit on available-for-sale financial asset to profit and loss for the year	-	-	(704)	-	-	-	(704)
Total comprehensive income	-	-	(704)	-	65	27,388	26,749
At 31 December 2014	**1,544**	**109,070**	**-**	**7,060**	**9,408**	**80,179**	**207,261**

Consolidated cash flow statement

	Year ended 31 December 2014 $'000	Year ended 31 December 2013 $'000
Cash flows from operating activities		
Profit for the year	27,388	46,811
Adjustments for:		
Finance income in the income statement	(103)	(248)
Tax in the income statement	20,106	28,527
Depreciation	20,005	11,544
Impairment	26,485	-
Share options charge	3,638	1,684
Loss on disposal of investments	381	-
Decrease/(Increase) in inventory	654	(834)
(Increase)/ Decrease in trade and other receivables	(7,305)	366
(Decrease)/Increase in trade and other payables	(1,406)	20,370
Net cash generated by operations	89,843	108,220
Tax paid	(26,671)	(7,099)
Net cash generated by operating activities	63,172	101,121
Cash flows from investing activities		
Interest received	103	248
Payments for property, plant and equipment	(42,339)	(65,453)
Payments for investments	(6,695)	(10,675)
Disposal of investments	16,989	-
Payments for exploration and evaluation assets	(8,120)	(3,137)
Net cash used in investing activities	(40,062)	(79,017)
Cash flows from financing activities		
Proceeds from issue of equity shares on exercise of options	919	1,841
Net cash generated by financing activities	919	1,841
Net increase in cash and cash equivalents	24,029	23,945
Foreign exchange differences	-	618
Cash and cash equivalents at the start of the year	71,600	47,037
Cash and cash equivalents at the end of the year	95,629	71,600

Notes to the preliminary announcement

1 Basis of preparation

The summary accounts do not constitute statutory accounts as defined in section 435 of the Companies Act 2006, but has been extracted from the statutory accounts for the period ended 31 December 2014 on which an unqualified audit report has been issued. The statutory financial statements for the period ended 31 December 2014 were approved by the directors on 7th April 2015, but have not yet been delivered to the Registrar of Companies.

The financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) interpretations as adopted by the EU. The Group financial statements consolidate those of the company and of its subsidiary companies drawn up to 31 December 2014.

Intra-group transactions are eliminated on consolidation and all figures relate to external transactions only. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting except for those qualifying as group reconstructions where merger accounting is used. The results of newly acquired companies are consolidated from the date that control passed.

2 Posting of accounts

The Report and Accounts for the period ended 31 December 2014 will shortly be available on the Company's website and will be sent to registered shareholders who have elected to receive paper communications by post in due course.