GOLD OIL PLC

# ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2007

# CONTENTS

# 1. CORPORATE INFORMATION

**Advisers & General Information**

| | |
|---|---|
| Directors | Michael Norman Burchell, Executive Chairman<br>John Gary Moore, Chief Executive and Managing Director<br>Patrick Gerald Mahony, Non-Executive Finance Director |
| Registered Office | Finsgate<br>5-7 Cranwood Street<br>London<br>EC1V 9EE |
| Company Secretary | Patrick Gerald Mahony<br>103 Rathfarnham Wood<br>Dublin 14<br>Ireland |
| Auditors | Jeffreys Henry LLP<br>Finsgate<br>5-7 Cranwood Street<br>London EC1V 9EE |
| Solicitors | Kerman & Co LLP<br>200, Strand<br>London WC2R 1DJ |
| Nominated Adviser | Beaumont Cornish Limited<br>10-12 Copthall Avenue<br>London EC2R 7DE |
| Broker | Daniel Stewart & Company Plc<br>Beckett's House<br>36 Old Jewry<br>London EC2R 8DD |
| Registrars | Computershare Investor Services (Ireland) Limited,<br>Heron House,<br>Corrig Road,<br>Sandyford Industrial Estate,<br>Dublin 18 |
| Communications | Web Site www.goldoilplc.com |

## 2. HIGHLIGHTS

- The San Alberto-1X exploration well on Block XXI was drilled to a total depth of 5,113 feet and logs showed 315 gross feet of hydrocarbons in the Verdun reservoir and 250 gross feet in the Lower Palaeozoic. Mechanical problems meant that the well could not be tested properly. The Company owns 100% of the Licence
- The conversion of the offshore Z34 Permit to a long term Exploration Licence (30 years for oil & 40 years for gas). The Company owns 50% and is carried through a 2,000Km 2D seismic exploration programme
- Encouraging production performance from the Nancy-1 well in Colombia and better than expected potential envisaged from the Burdine Field. All activities paid for out of production revenue
- The granting of an exploration licence in Colombia to Gold by the Ministry of Hydrocarbons as operator and its subsequent farmout to Osage Inc. of the United States. The Company owns 40% and is carried through the first exploration well plus testing
- Acquisition of 24.67% in the Irish minerals company Minmet Resources Plc by issuing 22.95 million new Gold shares
- The signing of an agreement with the Ministry of Hydrocarbons in Cuba recognising Gold as an offshore operator
- Raising of £2,462,625 of new equity through a placing of 47 million shares at 5.5p per share and £1,324,043 through a one for two warrant at 7.5p per share in June 2006

# 3. CHAIRMAN'S STATEMENT


## This year has seen both consolidation of the company's position in Perú but also expansion in Colombia and Cuba.

In Perú, Gold, as operator and its partner, Plectrum Petroleum, had its Z34 Licence confirmed by the Minister of Energy and Mines as an Exploration Licence for 30 years for oil and 40 years for gas. Gold has now started the required Environmental Impact Assessment (EIA) for the block which will then allow us to carry out the vital seismic programme on the block. The San Alberto-1X well on Block XXI successfully logged 315 feet of gross hydrocarbons in the Verdun (producing gas in the nearby Las Casita gas field), and 250 gross feet in a totally new deeper Palaeozoic reservoir. Unfortunately water flows from the base of the well prevented definitive testing of these hydrocarbon indications. The company has started a programme of additional geophysical activity which should lead to the selection of a new well location to appraise and test these significant hydrocarbon indications.

In Colombia the Nancy-1 well in the Nancy field on the Nancy-Burdine-Maxine block started production at the end of September 2006 and to date is producing at around 650 bopd and by the end of April 2007 has produced over a hundred thousand barrels. The operator has submitted plans to the authorities for five more similar workovers in the Burdine field. On 5 June 2007 the Company was successful in being awarded a licence for the Rosa Blanca exploration block in the upper part of the prolific Lower Magdalena Basin and which the Company has farmed out to Osage Exploration and Development Inc of the USA ("Osage"). Osage will earn a 50% interest by carrying the Company and its local partner through the obligatory exploration well.

In Spain several wells were worked over in the Ayoluengo field but the net gain was marginal. Production in 2006/2007 was a gross figure of 38,667 bbl.

On the 12 February 2007 the Company announced that it had acquired 24.67% of the shares of Minmet Plc (Minmet), an Irish mining company that is quoted on AIM. Minmet also acquired 4.99% of Gold Oil. In some of the Company's non-core areas Irish companies have a good track record of closing deals compared to British ones and as an Irish registered company with its own financial resources and management, Minmet should be in a unique position to exploit these opportunities. These areas, as well as opportunities outside of Central and South America that are presented to Gold, will be pursued by Minmet.

The Company was successful in Cuba in being designated as an onshore and offshore operator and is waiting to commence negotiations with Cupet (the state oil company of Cuba) for a Production Sharing Agreement for three offshore blocks identified by the Company as having high potential for significant discovery of oil.

Looking ahead, in Perú we plan to appraise the potential oil and gas discovery made in Block XXI and also drill a further two exploration wells on prospects in the centre and south of the block and on Block Z34 to shoot a minimum of 2,000Km 2D seismic. In Colombia we will continue to expand production in Nancy-Burdine-Maxine with four or five re-entries planned for later this year, and to drill an exploration well on our Rosa Blanca Licence, possibly before the end of the year. In Cuba we will start the process of acquiring a rig to allow an early start to exploration drilling. We will continue to seek low risk projects with potential for early cash flow as well as exploration opportunities with major upside in the region.

On behalf of our shareholders I congratulate our small team who through their dedication, hard work and professionalism continue to add major value for the shareholders of the Company.

I look forward to meeting you all at our forthcoming annual general meeting in which our accounts will be laid before the Company.

Michael Burchell
*Chairman*

31 October 2007

## 4. CORPORATE STATEMENT

Gold Oil Plc is an oil and natural gas exploration and exploitation company focused on Central and Southern America, and is listed on the Alternative Investment Market (AIM) operated by the London Stock Exchange.

The Company aims to have a balanced portfolio of high-risk high reward and low risk cash flow projects by establishing significant licence positions concentrated in a few areas. The company has significant acreage and is recognised as operator both onshore and offshore Peru, is recognised as operator with a new exploration licence onshore Colombia, has production in Colombia from onshore fields, is recognised as operator and has production onshore Spain and has now being recognised as operator offshore Cuba.

The Company has an experienced and highly competent management and technical team who have developed good relationships with the authorities and oil and industry specialists and with valuable allies in the region.

The Company's objective is to deliver growth in shareholder value through capital appreciation.

## 5. HSE STATEMENT

Even though the Company is not large, Health, Safety and Environment concerns are at the forefront of the Company's approach to its business. Incidents and accidents are preventable, and all staff and contractors active in our areas of activity are expected to adhere to this philosophy.

We believe that the Company's business success will be firmly rooted in our core values: maintaining high ethical standards; operating safely; protecting the environment; and valuing people, which involves showing respect for our employees, business partners, customers and neighbours around the World. These core values will guide all of our activities and operations.

We will conduct our business ethically and honestly, acting with integrity at all times – as individuals and as an organisation. We will not compromise our commitment to the highest ethical standards. The Company will be constantly trying to do better and we will not be satisfied until we operate without any injuries. We will be striving to protect the environment wherever we do business. The Company and its employees will try and be recognised by regulatory agencies, environmental groups and governments worldwide for our efforts to safeguard the environment.

The Company's people are critical to our success. We must have a diverse, creative and motivated workforce if we are to achieve our ambitious business goals. We believe that it is our responsibility as a good corporate citizen to improve the quality of life in the communities in which we do business. With company support, our employees will participate in many volunteer activities, and the Company will be contributing to a wide variety of philanthropic, cultural and educational organisations around the world as best we can.

# 6. STATEMENT OF NET OIL RESERVES & CONTINGENT RESOURCES AS DETERMINED ON 1 JULY 2007 (AND 31 MAY 2007)

### At 1 July 2007: Colombia – Nancy-1 Well: Gold Oil Net Interest 18.88%

## 1. RESERVES

| | Net as of 1 July 2007 Oil Mbbl | Net as of 1 July 2006 Oil Mbbl |
|---|---|---|
| Proven | 27 | – |
| Probable | 55 | – |
| Proven plus Probable | 82 | 85 |
| Possible | 39 | 31 |
| **Total Proved plus Probable plus Possible** | **121** | **116** |

## 2. CONTINGENT OIL RESOURCES

| | Net as of 1 July 2007 Oil Mbbl | Net as of 1 July 2006 Oil Mbbl |
|---|---|---|
| Low Estimate | 0 | 0 |
| Best Estimate | 13 | 18 |
| High Estimate | 53 | 50 |

**Notes:**

1. The Reserve estimates shown in this report are based upon the joint reserves and resource definitions of the Society of Petroleum Engineers
2. Reserves and Contingent Resources have been prepared by RPS Energy Ltd
3. Net volumes have been calculated based on Gold Oil's 40% Participating Interest, which after Royalty amounts to 18.88%

### At 31 May 2007: Spain – Ayoluengo Producers: Gold Oil Net Interest 11.25%

| | Mbbl | Notes |
|---|---|---|
| Proved (P90) | 17.62 | 1 |
| Proved plus Probable (P50) | 115.67 | 2 |
| Proved plus Probable (P10) | 66.65 | 3 |

**Notes:**

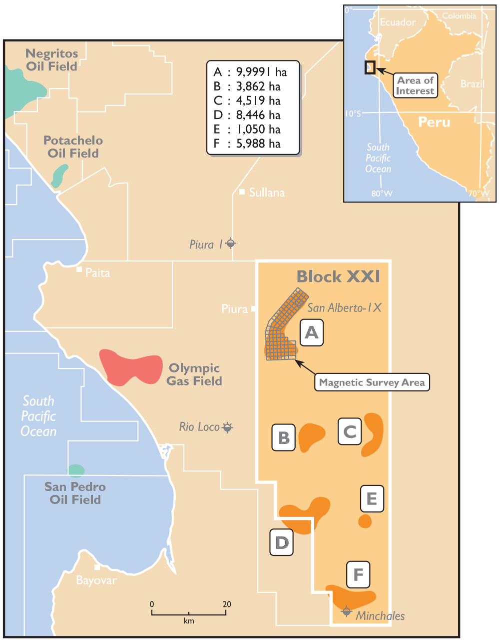
1. P90 is seen as too conservative
2. P50 is seen as too optimistic
3. Average of P90 and P50 gives a more accurate number
4. Reserve estimate prepared by Operator

# **7.** REVIEW OF OPERATIONS

## 7.1 PERÚ

### Gold Oil Licence Interests in Perú at 30 April 2007

| Name | Licence | Expiry Date | Size (ha) | Interest | Operator |
|---|---|---|---|---|---|
| Block XXI | Exploration Licence (Oil) | 5 May 2036 | 303,000 | 100% | Gold Oil Plc |
| Block Z34 | Exploration Licence (Oil) | 12 February 2037 | 371,339 | 50% | Gold Oil Plc |

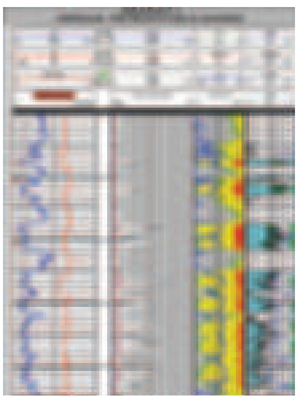


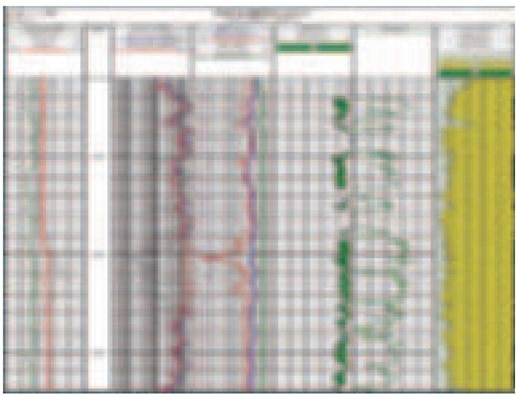

Block XI was renamed Block XXI by Perúpetro and the Licence Contract was formally ratified by the Minister for Energy and Mines in Lima on 5 May 2006. The Minister for Energy and Mines formally ratified the Exploration Licence for our offshore block, Z34, on 12 February 2007.

**Block XXI, Onshore Perú**

San Alberto-1X was selected following extensive regional geological and geophysical studies that tied in Block XXI to other Palaeozoic and Tertiary wells and fields, namely the Tertiary Verdun sands that produce gas in Olympic's Las Casita gas field 20 Km to the west of San Alberto-1 and the fractured Palaeozoic quartzites that produce oil in PetroTech's offshore San Pedro field 50 Km to the west. The well was spudded on 11 July 2007 and reached total depth of 5,113 feet on 3 August 2007, meeting the geological objectives in the drilling programme.

Logging, drilling results and regional information showed 250 gross feet of hydrocarbon bearing sands in the Palaeozoic and 315 gross feet of hydrocarbon bearing sands in the Verdun. The fractured Palaeozoic in the San Alberto field was not found but two deeper Palaeozoic zones, identified in outcrops in the Andes, were found. The deepest Palaeozoic zone was a very porous, permeable and friable quartzite. The decision was taken to production test these hydrocarbon bearing sands in both the Verdun and the Palaeozoic.





After circulating to completion fluid and running a slotted-liner over the Palaeozoic the drilling rig was moved off location. After clearing the location a work-over hoist and test facilities moved on to the location on 22 August and produced formation water at 960 barrels per day from porous, permeable and friable quartzites in the lowest Palaeozoic Zone, probably from the water leg below the hydrocarbon bearing interval. A heavier rig moved onto location at the end of September with the intention to pull the slotted liner and run and cement a liner over the Palaeozoic which would isolate the water and allow the hydrocarbon bearing intervals to be perforated and tested. However, the slotted liner could not be recovered and cement plugs were set in an attempt to shutoff the water. These proved unsuccessful as all hydrocarbon zones tested in the well only produced the same very saline formation water produced during the August test.

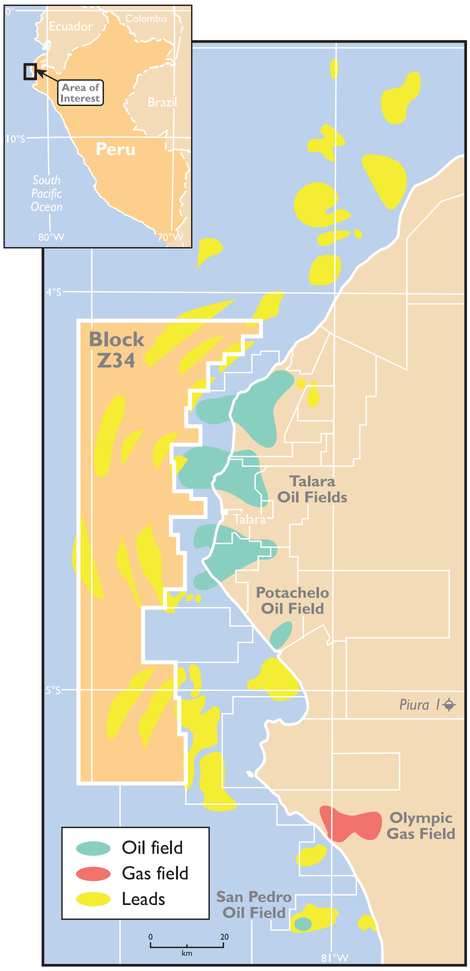
After extensive review of all the data obtained from the well the Company signed in May 2007 a contract with a Russian company to run a survey over the area around San Alberto-1X to identify the geographical extent of the hydrocarbons logged in the well. The company has developed innovative technology that can show possible hydrocarbon traps by measuring the resistivity of the subsurface (DNME). An electrical pulse is sent down and by measuring the return at the surface the resistivity of the sub-surface can be deduced: a process not too dissimilar to conventional seismic that uses a high energy sound pulse. The method has been tested by major oil and gas companies in Russia, onshore and offshore, as well as by the major international service company, Schlumberger. Results are expected in November 2007.

The Company had considered a 2D seismic survey over the structure but this would only give information on the structural traps in the Verdun and produce little information on the lower Palaeozoic. The cost of the DNME survey is some one sixth of the cost of a conventional 2D seismic survey for an equivalent area.

The Company is planning a second well on the San Alberto structure, the location of which will be determined following the interpretation of the DNME survey. In addition an exploration well is planned on a structure to the south of San Alberto and a second exploration well on a structure still further south. The Company has managed to agree with government authorities an Environmental Impact Assessment for the two exploration wells that will take only 3-4 months for approval instead of the now normal 12-18 months. The intention is to drill the three wells back to back to save on mobilization and demobilization costs. Rather than delay a second well on the San Alberto structure waiting for environmental approvals for the exploration targets, the Company may farmout a portion of the exploration wells to recover the cost savings that would have been made by drilling three wells back to back.

**Block Z34, Offshore Perú**

No significant exploration has taken place where water depths exceed 100 metres despite the fact that 42 discoveries were made from 158 wildcat wells drilled in the Talara Basin prior to 1996. The Block sits adjacent to producing concessions in water depths of 100-3,000 metres, and yet has only 500 Km of 2D seismic and no wells have been drilled in water depths greater than 100 metres. The existing 2D seismic demonstrates the potential for some of the existing producing fields to extend into Z34 and also the potential for significant discoveries in the deeper water which has never been explored.




The Company had extensive negotiations with Perúpetro to qualify the Company as an offshore operator. This was finally achieved on 7 July 2006 allowing negotiations to commence with Perúpetro on terms of the long term Exploration Licence (30 years for oil & 40 years for gas). This was not without sacrifice as the Company had applied for and had been allocated an onshore block in the prolific Talara Basin and had also applied for a very interesting onshore block to the south of the giant Camisea oil and gas field. The Company was informed that it did not have the financial capabilities for all the blocks being sought. The shortfall was in the order of $4 million. The Company then raised that amount through a placing in June 2006, specifically to demonstrate to Perúpetro that the Company had the funding available for all the licences applied for. The government changed and the Company was awarded offshore Block Z34, but refused the two other applications. One of the two licences we sought was put out to auction and was won by a company bidding a royalty rate over 50%. The other was awarded to a new entrant to Perú. Given a choice the Company would always have gone for Z34.

The Exploration Licence was finally formally ratified by the Minister of Energy and Mines on 12 February 2007.

The Company has started the Environmental Impact Assessment required for the block so that the 2,000 Km of 2D seismic survey can start at the end of 2007 or early 2008, subject to the availability of survey vessel. The Company is carried through the first phase work programme by its partner Plectrum Petroleum. In September 2007, Plectrum Petroleum was purchased by Capricorn Petroleum Limited, a Cairn Energy plc subsidiary.

### Onshore Gas Opportunities

The Company entered into a gas sales and purchase agreement with MAN-Ferrostaal in October 2005 whereby the Company would explore for gas and deliver such gas to a Petrochemical plant to be constructed by MAN-Ferrostaal. The Company needs to locate a minimum of 500 bcf of P1 proved gas reserves to make the agreement commence in earnest.

At the time of the agreement gas prices were in the $2/MMBTU range and oil prices at $35/bbl. When oil prices jumped to $50/bbl plus, farming into known, but stranded gas accumulations in Northern Perú became impossible. The only way the Company is now going to get such gas reserves is through drilling up its own acreage, which obviously takes a lot longer time.

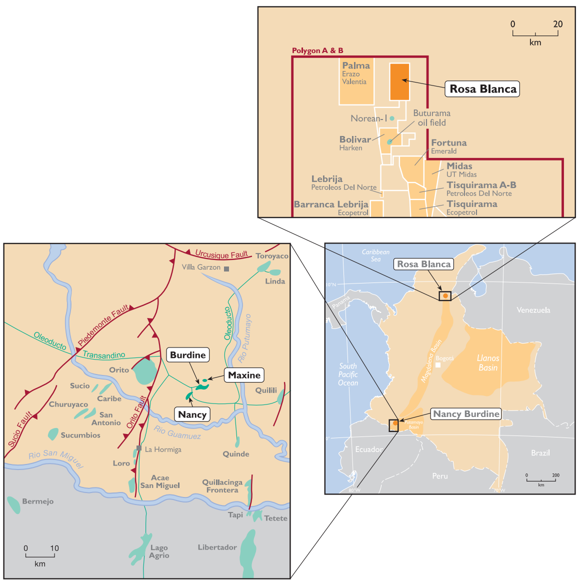
The agreement with MAN-Ferrostaal was extended again on 11 October 2006 for a further year.

The Company has good relations with MAN-Ferrostaal and is also in discussions with the same company for a gas project in another South American country.

## 7.2 COLOMBIA

### Gold Oil Licence Interests in Colombia

| Block Name | Licence | Expiry Date | Size (ha) | Interest | Operator |
|---|---|---|---|---|---|
| Burdine-Maxine-Nancy | NIT 830.132.959-5 | 03/09/2015 | 10,598 | 40% | Union Temporal II&B |
| Rosa Blanca | NIT 900.074.817-2 | 03/07/2037 | 44,392 | 40% | Gold Oil Colombia SAC |




### Nancy, Burdine and Maxine, Onshore Colombia

The fields were discovered by Texaco and put on production at 1,400 bopd in 1975 and in 1995 they were abandoned for economic reasons. At the time of abandonment the Nancy 1 well was producing at 200 bopd with no water. The Licence is held by Union Temporal, a group of small sized local oil and service companies and individuals led by ex-oil personnel from companies such as BP, Oxy and Schlumberger, all of whom have extensive experience in Colombia and the N-B-M Oil Fields.

The operator re-entered the Nancy 1 well in June 2006 but, because of bureaucratic and equipment delays, only started production in late September 2006 from the existing zones by installing a jet pump. Since then the daily production rate has averaged 529.6 bopd with almost zero water production and cumulative production to the end of April 2007 was 112,276.6 barrels. At some stage additional zones previously ignored by Texaco will be perforated. A recent downhole pressure test indicates that the production rate may be increased by installing a larger pump. The down-hole pump is currently being optimised, but a decision may have to wait on the surface pump as it makes sense to see what capacity we may need for any Burdine production.

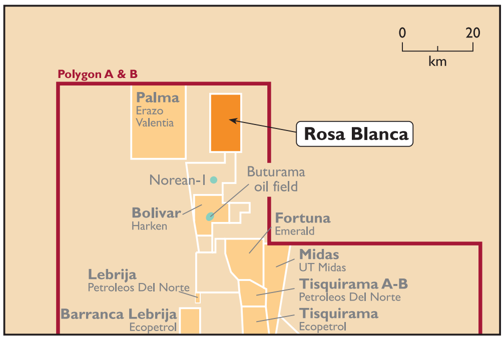
As well as paying for all development work on Nancy, Burdine and Maxine, the revenue generated by Nancy production pays for a substantial part of the Company's overhead.

A geological and reservoir engineering review of the field shows that the Nancy 1 well is on the flank of the structure which is very encouraging as the well had never produced any water before being shut-in in 1995. The increase in the contingent reserves updip of the well shows that an additional two to three wells may be necessary to recover this oil before the licence expires. A small 20 Km 2D seismic programme is planned to further define a fault, which could have been done this year but for the cost of mobilisation and demobilisation of a survey team. We will most likely have to wait and add the survey onto the back of a much larger survey when carried out in the area.

The operator has submitted its plan to re-enter five Burdine wells to bring them back on to production. Three are ready for re-entry, the fourth has good potential but has mechanical problems and needs repairs whilst the fifth is located in the middle of a local community and thus requires additional environmental approvals. We expect environmental approval for 4 of the wells in October and hope to commence the re-entry programme in November of this year. A recent review and mapping of the Burdine field is very encouraging with Burdine 3 alone having a potential of 500,000 barrels. The fields are located in the Putamayo Basin that has now become the main focus for many oil companies.

**Rosa Blanca, Onshore Colombia**

The Company applied for and acquired a 90% interest in the 44,392 Ha Rosa Blanca Block in the northern part of the Middle Magdalena Basin, onshore Colombia on 5 June 2007. The Rosa Blanca Block is surrounded by the nearby oil producing fields of Cristalina, Santa Lucia, Tisquirania, Totumal, Baturama and the South Bolivar Block.




The most attractive prospect within the Rosa Blanca block has a geological structural trap of a faulted anticline of 300 feet of vertical closure of 12,699 Ha, between 3,900 and 4,000 feet. There are 232 Km of previously shot 2D seismic over the structure, which ties into the nearby Norean oil field, and the Company interpretation is that the prospect has the same geological signature as the nearby Buturama oil field. The petroleum system in the area has been proved by the nearby oil wells and fields, thus reducing the geological risk with the presence of fractured reservoir zones within the reservoir rock seen as the main operational risk. The prospect is ready to drill to a depth of 5,000 feet with the objective to discover another Buturama oil field that by analogy could give resources of 30 MMSTB and an initial flow rate of 1,200 bopd per well of 35º API crude oil. Studies on the prospect show a prospective resource of P90: 10, P50: 26 and P10: 60 MMbbl. In the P50 case over 25 horizontal wells would be required giving a potential production level of 12,000 bopd.

The Company was approached by Osage Incorporated of the United States who wanted to farm into the block. Although the Company had no need, nor indeed desire, to farm out the block, Osage made an appealing offer to the Company. Under the terms of the offer from Osage, Osage will acquire a 50% interest by carrying Gold and Gold´s local partner, Empresa Petrolera de Servicios y Asesorias S.A. ("Empesa") through a first exploration well to a target depth of 5,000 feet and up to thirty days of any testing operations. The costs of all guarantees payable

($1.2 million) to Agencia National de Hydrocarburos ("ANH"), the Colombian National Hydrocarbons Agency, are included and Osage reimbursed to Gold the $144,000 already incurred by Gold under the guarantee to ANH. The guarantees are designed to cover the minimum expenditure under the Licence. The work programme is more likely to be in excess of $3.5 million.

Following completion of the agreed Farm-Out Expenditures Gold will retain a forty percent (40%) working interest in the Rosa Blanca Block. Should the exploration well be successful, Empesa has a 10% working interest and has to repay its share of the Farm-Out Expenditures out of Empesa's share of future production to Gold. Gold has no liability to reimburse Osage.

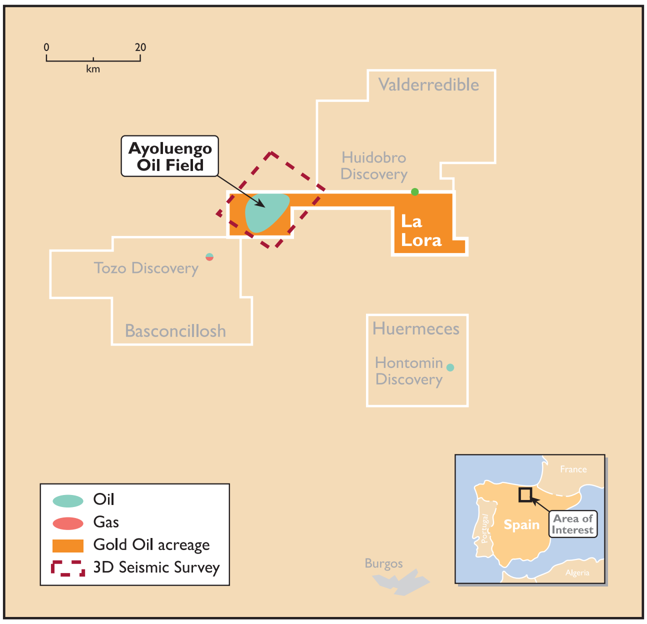
Although the commercial terms offered by Osage were good, the main reason the deal was attractive to Gold was the fact that Osage has more information on the block than Gold has, or for that matter, the ANH. The block was previously in the hands of Seven Seas from Oklahoma City where Osage is also based. Armed with the information that Gold does not have, Osage sees three additional prospects on the block, all of which appear larger than the first one identified by Gold.

The Environmental Impact Assessment has commenced and the drilling rig is being sourced at present that could allow the well to be spudded before the end of the year.

## 7.3 SPAIN

### Gold Oil Licence Interests in Spain

| Block Name | Licence | Expiry Date | Size (ha) | Interest | Operator |
|---|---|---|---|---|---|
| La Lora | 3311/1996 | 30.01.2017 | 40.254 | 11.25% | Ayoopco Ltd |




The Company owns 50% of Ayoopco Limited with Ascent Resources Plc owning the other 50%. A work-over programme on 4 wells was carried out in 2006/2007 but the results were very disappointing with only a marginal increase in production. Ascent Resources Plc drilled an exploration well on its Huermeces Exploration Licence 17 Km to the southeast of the La Lora Licence but the well did not find commercial hydrocarbons so no incremental tariff income will be enjoyed by the Company.

The interest is not material to the Company and was only purchased to add operator experience, 5 years of accounts, production and reserves. These criteria are needed to qualify for most licences in South America. Today the Company is in its own right a qualified operator in Cuba, Perú and Colombia but has only 3 years of accounts. As time passes the Company may not require this interest in Spain but needs it today as in Colombia the rules have just changed again to make it more difficult for companies to qualify for licences. The Company has received many offers to sell out of Spain but has so far declined to sell.

The Company paid £300,000 cash for the interest in January 2005, and immediately sold 50% to Ascent Resources for £100,000 plus some shares in Ascent Resources Plc. In September 2007 the Company sold the shares in

Ascent resources Plc for £101,850 making the total purchase for the Spanish interest £98,150. The Company has not been cash called for any working capital since buying in and there is a surplus of working capital in the joint venture account of £95,000, meaning the Company has now acquired the interest for virtually nothing.

## 7.4 CUBA

After extensive negotiations the Cuban hydrocarbons authority officially recognised on 25 April 2007 the Company as an onshore and offshore operator. The Company has identified three very attractive offshore blocks and is waiting to commence negotiations with Cupet, the State oil company for Cuba, for a Production Sharing Agreement (PSA). The Company is now seeking a drilling rig so that drilling on the blocks can start as soon as the PSA is signed and ratified. Apart from the Environmental Impact Assessment, the timing of which is a completely unknown at this stage, there is little geological work to be done before a well can be spudded. The first three prospects identified have potential resources of over 2 billion bbl of oil.

## 7.5 BRAZIL

Gold's alignment with a local engineering contractor, Proen Engenharia e Manutenção, based in São Paulo, was terminated following a strategic review of their business strategy. Essentially we bid for, and won, some blocks in a recent licencing round. Whilst the blocks looked interesting, the winner was required to follow a work programme dictated by the ANP (government oil agency) that made no financial or technical sense. Our partner believed that we could follow our preferred work programme, but the contract said otherwise. That may be how things work in Brazil but the risk was too great for the Company and so we agreed to withdraw and allow our partner to pursue the blocks on its own.

The Company still sees potential in Brazil once the country opens up and we continue to monitor opportunities, onshore and offshore.

## 7.6 FARM-INS AND ACQUISITIONS

The Company was actively seeking a high potential block in Perú by direct negotiation with Perúpetro but Perúpetro decided to auction the Company's selected block. The auction process is time consuming, taking three times longer than direct negotiation, expensive and without a decisive outcome. For this reason the Company has decided not to actively pursue any further licence applications in Perú in the short term.

The Company has reviewed several farm-in opportunities in Colombia that would give us access to reserves and early cash flow and hopes to be successful with one or more farm-ins before the end of 2007.

A number of acquisition opportunities were reviewed in several countries but the vendors' expectations were seen as too high.

## 7.7 OPEN ACREAGE AND OTHER OPPORTUNITIES

Two new countries have been looked at for opportunities, but both have too much government interference to make any investment worthwhile at this stage.

In February 2007 the Company entered into an agreement with Minmet Plc, a mineral resources company registered in Ireland. The basis of the deal was that Minmet purchased some propriety information from a subsidiary of the Company (Gold Oil Caribbean Limited) on areas outside the Company's main focus for a consideration of £1.35 million. The Company used this money to purchase Minmet shares.

In addition the Company swapped shares with Minmet whereby the Company gave Minmet 22.95 million Gold Oil shares and the Company got 12.75 million Minmet shares. In total the Company owns 24.67% of the issued shares in Minmet and Minmet owns 4.99% of the issued shares in Gold Oil plc.

In addition Michael Burchell and Gary Moore were appointed as directors to the board of Minmet to carry out certain technical functions for Minmet and Minmet would carry out certain corporate administration functions for the Company.

The rationale behind the deal was that Minmet had cash and readily cashable assets (shares in listed mining companies), but no future plans for expansion, which was reflected in the share price being well below its net asset value, whereas, the Company had access to assets it could not commercialise and needed a non US or non UK vehicle to pursue such assets.

The areas the Company intends to pursue on behalf of Minmet are Cuba, Venezuela, Bolivia and any deal worldwide (but not Central and South America) that is brought to the attention of the Company. By owning 24.67% of Minmet the Company has effectively farmed out any oil and gas prospects it would bring into Minmet, with Minmet paying all the investment costs and the Company controlling the exploration and production activities as technical operator.

Progress is never going to be rapid in these countries but to date three very interesting opportunities are being pursued in Cuba, two in Venezuela and two in Africa.

## 8. LOOKING AHEAD

During the second half of 2007 and 2008 Gold Oil expects to have largely completed the following work programme:

- Perú
  - 245 Km DNME and Gravimetric survey onshore Block XXI
  - 2,000 Km 2D seismic survey and CSEM electromagnetic survey offshore Block Z34
  - Drilling one appraisal well and 2 exploration wells onshore Block XXI
- Colombia
  - 20 Km of 2D seismic and 1, 2 or 3 development wells onshore Nancy-Burdine
  - 5 well re-entries onshore Nancy-Burdine
  - 1 exploration well onshore Rosa Blanca
- Cuba
  - Commencement of an offshore 3 well exploration programme

| | **Q3 2007** | **Q4 2007** | **Q1 2008** | **Q2 2008** | **Q3 2008** |
|---|---|---|---|---|---|
| Perú Onshore San Alberto | 245 Km DNME and Gravimetric survey | Interpretation | Drill 1 Appraisal well | | |
| Perú Onshore Block XXI | Environmental Impact Assessment | Environmental Impact Assessment | | Drill 2 exploration wells | |
| Perú Offshore Z34 | Environmental Impact Assessment | Environmental Impact Assessment | 2,000 Km 2D seismic | Interpretation | 1 exploration well |
| Colombia Nancy | Upgrade downhole pump capacity | | | 20 Km 2D Seismic | Interpretation<br>1, 2 or 3 development well(s) |
| Colombia Burdine | Environmental Impact Assessment | 3 well re-entries | 2 well re-entries | | |
| Colombia Rosa Blanca | Environmental Impact Assessment | Environmental Impact Assessment | 1 exploration well | | |
| Colombia New Area | | Licence Application | | Environmental Impact Assessment | Environmental Impact Assessment |
| Cuba offshore | PSA Negotiations | PSA Negotiations | Environmental Impact Assessment | Environmental Impact Assessment | 3 exploration wells |

# 9. REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of Gold Oil Plc ("the Company") and its subsidiaries (collectively "the Group"), for the year ended 30 April 2007.

## DIRECTORS

The following are biographical details of the directors of Gold Oil Plc:

***Michael Norman Burchell*** *Chairman*
Mike Burchell (age 67) has over 45 years of experience in the oil and gas industry since graduating with honours from Leeds University. During his career he has had extensive international experience at PLC main board level of oil and gas field development, oil and gas sales, PSAs and transportation agreements and acquisitions and finance. Mr. Burchell is a director of CBM Oil plc and, until his resignation on 2 October 2007, was a director of Minmet Plc.

***John Gary Moore*** *Managing Director*
Gary Moore (age 57) has 35 years of experience in the oil and gas industry as a petroleum engineer since graduating from Leeds University. In 1985 he joined Texaco as a negotiator and then Commercial Manager before leaving in 1990 to establish his own consulting company. His consultancy took Mr. Moore all over the world working for most of the major and independent oil and gas companies and many governments in the field of strategy, business development and negotiations. In 1999, he founded Sunningdale Oils (Ireland) Limited which currently has gas production and several licences in Ireland. He was a non-executive director of Northern Petroleum PLC until he resigned in 2003. He worked a large part of his time in Perú since he first went there with Shell as a consultant in 1996. Mr. Moore was also a director of Minmet Plc until his resignation on 2 October 2007.

***Patrick Gerald Mahony*** *Non-Executive Finance Director*
Pat Mahony (age 55) has 29 years of experience in the oil and gas industry since he qualified as a Chartered Accountant in 1977 with Stokes Kennedy Crowley (now KPMG) in Dublin and then joined Bula Limited as Financial Accountant. In 1981, he joined Bula Resources PLC and became Company Secretary in 1986. In 1987 he was appointed to the Board of Bula as Finance Director and in April 1997 was appointed Managing Director of Bula until his resignation in March 1999. Mr. Mahony was also a director of Ovoca Resources PLC during the period 1990 to 1997 and is currently a Financial Consultant based in Dublin.

### Principal activities

The principal activity of the company is that of oil and gas exploration.

### Business review

A review of the Group's business during the financial period and its likely development are given in the Chairman's statement.

***Key Performance Indicators***
The key indicator for an exploration company is the discovery of commercial hydrocarbons. In this respect activity in Peru has been disappointing but well performance and new mapping in Columbia is very encouraging.

***Key Risk and Uncertainties***
The key risk in the exploration and production business is the technical risk of no hydrocarbons being present when an exploration well is drilled. We try to minimise this risk by geophysical and geological studies but only drilling will show if there are hydro carbons. In South America there is political risk of government intervention and narco/terrorist risk.

### Proposed dividend

The directors do not recommend the payment of a dividend.

### Political and charitable contributions

The group made no political or charitable contributions during the year.

### Policy and practice on payment of creditors

The Group and Company policy, in relation to all of its suppliers, is to settle the terms of payment when agreeing the terms of the transactions and to abide by those terms. The Group and the Company do not follow any code or statement on payment policy.

### Activities and results

A loss of £1,832,000 (2006 – £557,000) was recorded for the year. Net assets of the Group at 30 April 2007 amounted to £6,663,000 (2006 – £3,160,000). No dividends or transfers to reserves are proposed.

Details of the Group's affairs and the development of its various activities during the period, important events since the year end and details of the Company's plans for the next year are given in sections 7 and 8.

### Directors' interests

The interests of the directors and secretary and their families in the issued share capital of the company are as follows:

| | 1 May 2006 | | 30 April 2007 | | |
|---|---|---|---|---|---|
| | Ordinary Shares | Million Warrants of £0.01 | Ordinary Shares | Million Warrants of £0.01 | Warrants of £0.09 |
| M N Burchell | 3.0 | 2.3 | 6.15 | 1.15 | 5.4 |
| J G Moore | 20.0 | 9.2 | 23.45 | 4.6 | 10.0 |
| P G Mahony | 0.0 | 2.3 | 0.575 | 1.15 | 0.0 |

Each £0.01 Warrant grants the holder the right to subscribe for one Ordinary Share at £0.01 per share, such right to be exercisable at any time prior to 14 July 2007. Due to a one-year lock-in period requested by the Nomad at the time of the first placing, the exercise date has been postponed until 14 July 2008. The Warrants issued to directors were only be exercised with effect from 21 March 2005, and may only be exercised in tranches of 25% every six months.

Each £0.09 Warrant grants the holder the right to subscribe for one Ordinary Share at £0.09 per share, such right to be exercisable at any time prior to 6 October 2009. The Warrants issued to directors and staff may only be exercised in tranches no more than twice in any twelve month period.

Warrants exercised:

- M N Burchell 0.575 million warrants of £0.01 on 10 October 2006 and 0.575 million warrants of £0.01 on 3 April 2007
- J G Moore 2.3 million warrants of £0.01 on 4 October 2006 and 2.3 million warrants of £0.01 on 3 April 2007
- P G Mahony 0.575 million warrants of £0.01 on 23 May 2006, and 0.575 million warrants of £0.01 on 8 April 2007

All the above shareholdings are beneficially held.

There have been no contracts or arrangements of significance during the year in which the directors of the company were interested.

Currently there are service contracts in place with all directors of the company and the contracts are available for inspection at the registered office of the company on request.

In accordance with the Articles of Association of the company, Mr. Burchell retires by rotation and, being eligible, offers himself for re-election at the forthcoming Annual General Meeting.

### Remuneration policy

The Committee takes into account both Company and individual performance, market value and sector conditions in determining director and senior employee remuneration. The Company has maintained a policy of paying only minimum salaries compared with peer companies in the oil and gas independent sector until the Company established a good position with acreage, assets, income and cash at hand. All current salaries are without pension benefits.

### Directors' Remuneration

Directors' remuneration is reviewed annually or when individuals change positions or responsibility or the Company's position changes. The Remuneration Committee decided that as the Company has production and substantial acreage under licence that salaries would be increased closer to peer salaries. Increases to the minimum requirements were approved during 2007 to bring them more into line with similar positions in similar companies. Details are shown below.

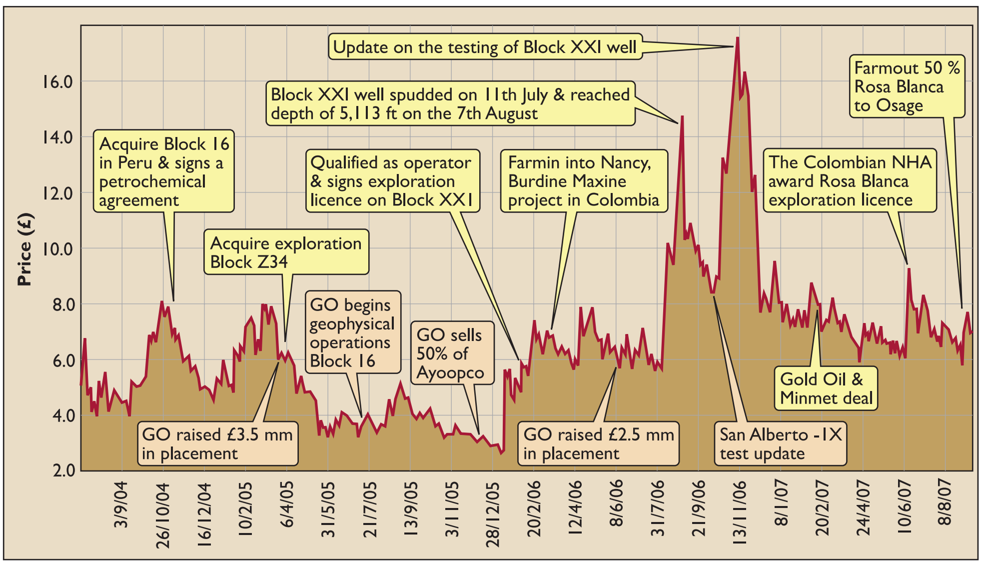
| | **Year ended 30 April 2007 (£)** | **Year ended 30 April 2006 (£)** |
|---|---|---|
| *Executive Directors:* | | |
| John Gary Moore | 150,000 | 127,500 |
| Michael Norman Burchell | 70,000 | 40,000 |
| *Non Executive Director* | | |
| Patrick Gerald Mahony | — | 548 |

### Financial Review

### Liquidity & Share Trading

The board believes that high liquidity is important in attracting small and major institutional investors to Gold Oil Plc. In 2006 – 2007 Gold Oil Plc has had reasonably high stock liquidity on the E&P sector on AIM.

### Gold Oil Plc Share Price Evolution Period August 2004 to August 2007



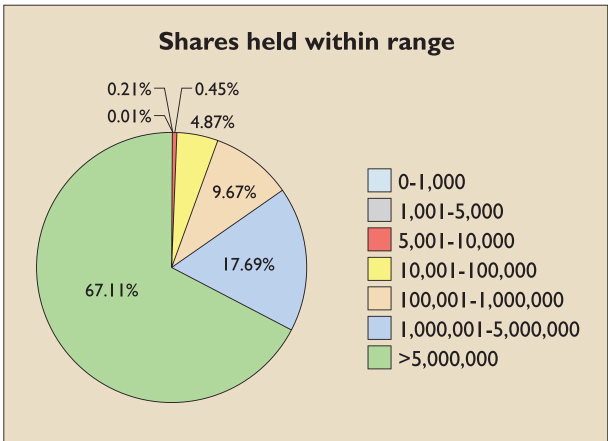
## Shares in Issue and Share Holders Profile

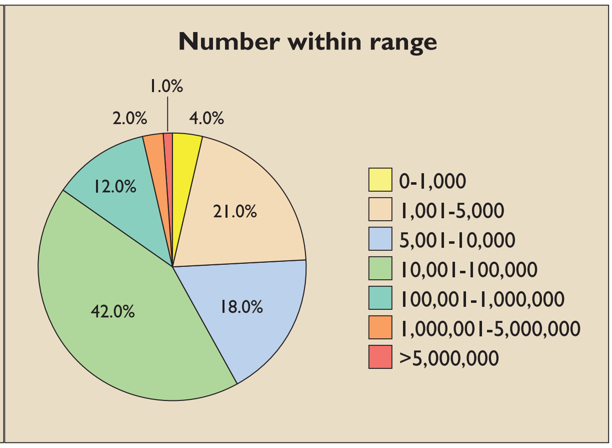
The number of shares in issue at 10 October 2007 was of 475,653,909 Ordinary Shares, each share having equal voting rights.

Gold Oil Plc has 1,468 shareholders with the majority of shares held by one or two individuals.

The shareholding distribution at 10 October 2007 is as follows:

| Holdings | Nº of Accounts | Nº of Shares Held |
|---|---|---|
| 1 – 1,000 | 55 | 42,319 |
| 1,001 – 5,000 | 302 | 986,707 |
| 5,001 – 10,000 | 260 | 2,131,228 |
| 10,001 – 100,000 | 630 | 23,144,971 |
| 100,001 – 1,000,000 | 171 | 45,990,647 |
| 1,000,000 – 5,000,000 | 34 | 82,379,137 |
| Over 5,000,000 | 16 | 320,978,900 |
| **Total** | **1,468** | **475,653,909** |




## Significant shareholdings

The company has been informed that, as of 10 October 2007, the following shareholders own 3% or more of the issued share capital of the company:

| Name | Share | % of Company |
|---|---|---|
| JIM Nominees Limited | 57,443,297 | 12.39% |
| Mr. Mark Pritchard | 42,750,000 | 9.22% |
| CLACHAN Nominees Limited | 33,697,182 | 7.27% |
| Mr. Gary Moore | 23,450,000 | 5.06% |
| Minmet (Isle of Man) Limited | 22,950,000 | 4.95% |
| Mr. Ben Anderson | 22,500,000 | 4.85% |
| James Capel (Nominees) Limited | 20,162,610 | 4.35% |
| Credit Agricole Cheuvreux | 18,847,200 | 4.07% |
| TD Waterhouse Nominees | 18,228,008 | 3.93% |
| Barclayshare Nominees Limited | 14,808,466 | 3.19% |
| **Total** | **274,836,763** | **59.29%** |

# **10.** CORPORATE GOVERNANCE STATEMENT

**The Board**

The board comprises two executive directors and one non-executive director, details of whom are contained in section 9 of this report.

The board meets at least four times a year and in 2006/2007 met twenty-eight times. Nineteen of these were for the sole purpose of approving the conversion of warrants to issued shares or the transfer of warrants.

The board is responsible for the strategy, reviewing and approving of acquisition opportunities, capital expenditures, budgets, trading performance and all significant financial and operational issues.

**The Audit Committee**

The Audit Committee is comprised of two directors with Patrick Mahony as chairman and Gary Moore as the other director. The Committee meets at least twice a year and the External Auditors have the opportunity to meet with the Committee without any executive management being present. The Committee´s terms of reference include the review of the Interim and Annual Accounts, review of internal controls, risk management and compliance procedures, consideration of the Company accounting policies and all issues with the annual audit.

**The Remuneration Committee**

The Remuneration Committee is comprised of two directors with Gary Moore as chairman and Michael Burchell as the other director. The Committee determines the contract terms, remuneration and other benefits of the directors and senior employees. The Committee meets as required, but at least twice a year.

**The Nominations Committee**

Due to the small size of the Group, it is not considered necessary to have a Nominations Committee at this time in the Company´s development and the board reserves to itself the process by which a new director is appointed.

**Communications**

The Company provides information on Group activities by way of press releases, Interim and Annual Accounts and also the website (www.goldoilplc.com). The Company website is updated as often as possible (usually within a week of the start of a new month) and contains all operational reports, press releases and Interim and Annual Accounts.

**Internal control**

The board has the overall responsibility for identifying, evaluating and taking the necessary action to manage the major risks faced by the Company. The process of internal control is not to eliminate risk, but to manage the risk to reasonably minimise loss.

**Going concern**

With the cash reserves the Company’s medium term investment plans in Perú and Colombia show, in the directors’ opinion, that there is a reasonable expectation that the resources available to the Company will allow it to continue operations. Thus, the going concern for the preparation and reporting of accounts has been adopted.

# 11. STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

**Corporate governance**

The Company is not required to comply with the Code of Best Practice as set out in section 1 of the Combined Code appended to the listing rules of the Financial Services Authority as it is listed on AIM. All relevant decisions are being taken by the full Board.

**Directors' responsibilities**

The Directors are responsible for preparing the Annual 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 in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group company and to prevent and detect fraud and other irregularities.

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.

**Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and they 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 Company's auditors are aware of that information.

**Auditors**

In accordance with Section 385 of the Companies Act 1985 a resolution reappointing Jeffreys Henry LLP as auditors will be proposed at the forthcoming Annual General Meeting.

By order of the board

**P. G. Mahony**

Company Secretary
31 October 2007

# 12. REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GOLD OIL PLC

We have audited the financial statements of the group and Parent Company for the year ended 30 April 2007 which comprise of Group Profit and Loss account, the Group and Parent Company Balance Sheet, the Group Cash Flow Statement, the Group statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 the directors and auditors**

The directors' responsibilities for preparing the Annual report and the Group financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual report and consider whether it is consistent with those statements. The other information comprises the Corporate statement, the Chairman's report, Review of Operations, the Directors report and the Statement of Directors' responsibilities. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

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

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

**Opinion**

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the Parent Company's affairs as at 30 April 2007 and loss of the group for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in directors' report is consistent with the financial statements.

Jeffreys Henry LLP
*Chartered Accountants*
*Registered Auditor*

31 October 2007

Finsgate
5-7 Cranwood Street
London EC1V 9EE

## 13. CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2007

| | Note | 2007 £000 | 2006 £000 |
|---|---|---|---|
| **Turnover** | | — | — |
| Administration expenses | | (1,962) | (698) |
| **Operating loss** | | (1,962) | (698) |
| Other interest receivable and similar income | *5* | 130 | 141 |
| **Loss on ordinary activities before taxation** | *2-4* | (1,832) | (557) |
| Taxation credit on loss on ordinary activities | *6* | — | — |
| **Loss for the year for group** | | (1,832) | (557) |
| **Loss: Earnings per ordinary share** | *8* | | |
| — Basic | | (0.44p) | (0.16p) |
| — Diluted | | (0.44p) | (0.16p) |

A note on historical gains or losses has not been included as part of the financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

All activities derived from continuing operations.

## 14. CONSOLIDATED BALANCE SHEET AS AT 30 APRIL 2007

| | | 2007 | | 2006 | |
|---|---|---|---|---|---|
| | Note | £000 | £000 | £000 | £000 |
| **Fixed assets** | | | | | |
| Tangible assets | *9* | | 16 | | 22 |
| Intangibles | *10* | | 304 | | 299 |
| Investments | *11* | | 1,900 | | 192 |
| | | | 2,220 | | 513 |
| **Current assets** | | | | | |
| Debtors | *12* | 586 | | 290 | |
| Cash at bank and in hand | | 3,891 | | 2,460 | |
| | | 4,477 | | 2,750 | |
| **Creditors:** amounts falling due within one year | *13* | (34) | | (103) | |
| **Net current assets** | | | 4,443 | | 2,647 |
| **Total assets less current liabilities** | | | 6,663 | | 3,160 |
| **Capital and reserves** | | | | | |
| Called up share capital | *14* | | 116 | | 90 |
| Share premium account | *15* | | 9,305 | | 4,004 |
| Profit and loss account | *15* | | (2,758) | | (934) |
| **Equity shareholders' funds** | | | 6,663 | | 3,160 |

These financial statements were approved and authorised for issue by the Board of Directors on 31 October 2007 and were signed on its behalf by:

Director: M N Burchell

Director: J G Moore

## 15. COMPANY BALANCE SHEET AS AT 30 APRIL 2007

| | Note | 2007 £000 | 2007 £000 | 2006 £000 | 2006 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | *9* | | 2 | | 2 |
| Intangibles | *10* | | 304 | | 299 |
| Investments | *11* | | 4,114 | | 804 |
| | | | 4,420 | | 1,105 |
| **Current assets** | | | | | |
| Debtors | *12* | 145 | | 149 | |
| Cash at bank and in hand | | 3,763 | | 2,272 | |
| | | 3,908 | | 2,421 | |
| **Creditors:** amounts falling due within one year | *13* | (29) | | (92) | |
| **Net current assets** | | | 3,879 | | 2,329 |
| **Total assets less current liabilities** | | | 8,299 | | 3,434 |
| **Capital and reserves** | | | | | |
| Called up share capital | *14* | | 116 | | 90 |
| Share premium account | *15* | | 9,305 | | 4,004 |
| Profit and loss account | *15* | | (1,122) | | (660) |
| **Equity shareholders' funds** | | | 8,299 | | 3,434 |

These financial statements were approved and authorised for issue by the Board of Directors on 31 October 2007 and were signed on its behalf by:

Director: M N Burchell Director: J G Moore

## 16. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2007

| | Note | 2007 £000 | 2006 £000 |
|---|---|---|---|
| **Cash flow statement** | | | |
| **Cash outflow from operating activities** | *17* | (2,247) | (950) |
| **Returns on investments and servicing of finance** | *18* | 130 | 141 |
| **Capital Expenditure** | *18* | (58) | (503) |
| | | (2,175) | (1,312) |
| **Management of liquid resources** | *18* | — | — |
| **Financing** | *18* | 3,606 | 140 |
| **Increase/(decrease) in cash in the year** | | 1,431 | (1,172) |

| | | |
|---|---|---|
| **Reconciliation of net cash flow to movement in net funds** | | |
| Increase/(Decrease) in cash in year | 1,431 | (1,172) |
| Deposits treated as liquid resources | — | — |
| | 1,431 | (1,172) |
| Opening net debt | 2,460 | 3,632 |
| Closing net debt | 3,891 | 2,460 |

## 17. STATEMENT OF TOTAL RECOGNISED GAINS AND LOSS FOR THE YEAR ENDED 30 APRIL 2007

| | 2007 £000 | 2006 £000 |
|---|---|---|
| **Loss for the year for the Group** | (1,832) | (557) |
| Foreign exchange reserves | 8 | (3) |
| Total recognised loss for the year | (1,824) | (560) |

## 18. NOTES (FORMING PART OF THE FINANCIAL STATEMENTS)

***1. Accounting policies***

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

*Basis of accounting*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

*Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries, joint venture and associated undertakings.

Assets and liabilities of overseas subsidiary undertaking are translated into sterling at rates of exchange ruling at the balance sheet date. The results and cash flows of overseas subsidiaries are translated into sterling using average rates of exchange. Exchange adjustments arising when the opening net assets and the loss for the year are taken directly to reserves and are reported in the statement of total recognised gains and losses.

Under section 230(4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account.

The results of the associate are based upon statutory accounts for the period ending on 31 December. Where subsidiaries, joint ventures and associates are acquired or disposed of during the year, results are included from the date of acquisition or to the date of sale.

Goodwill arising on acquisition represents the difference between the fair value of the consideration given over the fair value of the identifiable net assets acquired and is capitalised and amortised over its useful life of 20 years.

*Associates*

An associate is a company, other than a subsidiary or joint venture, in which the group has a long term participating interest and exercises significant influence. The profit and loss account includes the group's share of turnover, operating profit/(loss) and interest of associates. Investment in associates are shown in the group balance sheet at the group's share of the underlying net assets of the companies concerned less provisions where appropriate.

*Tangible fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives subject to the following periods:

Motor vehicle — 5 years

Office Equipment — 4–10 years

*Taxation*
The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

*Investments*
Fixed asset investments are stated at cost less provision for diminution in value.

*Foreign exchange*
Foreign currency transactions are translated to sterling at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange prevailing at the balance sheet date. Exchange differences are taken to the profit and loss account.

*Cash and liquid resources*
Cash at bank and in hand includes short-term deposits with banks with initial maturity of three months or less.

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

*Oil and natural gas assets*
Exploration and development expenditure is accounted for under the 'successful efforts' method. The successful efforts method means that the only costs which relate directly to the discovery and development of specific oil and gas reserves are capitalised.

Exploration and evaluation costs are capitalised within intangible assets. Capital expenditure on producing assets are accounted for in accordance with SORP 'Accounting for Oil and Gas Exploration'. Costs incurred prior to obtaining legal rights to explore are expensed immediately to the income statement.

All lease and licence acquisition costs, geological and geophysical costs and other direct costs of exploration, evaluation and development are capitalised as intangible or property, plant and equipment according to their nature. Intangible assets comprise costs relating to the exploration and evaluation of properties which the directors consider to be unevaluated until reserves are appraised as commercial, at which time they are transferred to property, plant and equipment following an impairment review and depreciated accordingly. Where properties are appraised to have no commercial value, the associated costs are treated as an impairment loss in the period in which the determination is made.

Costs are amortised on a field by field unit of production method based on commercial proven and probable reserves.

The calculation of the 'unit of production' amortisation takes account of the estimated future development costs and is based on the current period and unescalated price levels. Changes in reserves and cost estimates are recognised prospectively.

***2. Pre-production costs***
Pre-production costs incurred in Perú and which have been expensed in the period were £1,218,000 (2006 – £163,000).

### *3. Loss on ordinary activities before taxation*

| | 2007 £000 | 2006 £000 |
|---|---|---|
| *Loss on ordinary activities before taxation is stated after charging* | | |
| Auditors' remuneration: | | |
| Group — audit | 11 | 10 |
| Company — audit | 11 | 10 |
| Group — non audit services | 7 | 23 |
| Depreciation | 7 | 6 |
| Amortisation of goodwill | 87 | 8 |

### *4. Staff number and costs*

The average number of persons employed by the group (including directors) during the year, analysed by category, were as follows:

| | 2007 Number | 2006 Number |
|---|---|---|
| Technical and administration | 6 | 6 |

The aggregate payroll costs of these persons were as follows:

| | 2007 £000 | 2006 £000 |
|---|---|---|
| Wages and salaries | 64 | 64 |
| Social security costs | 6 | 6 |
| | 70 | 70 |

### *5. Interest receivable and similar income*

| | 2007 £000 | 2006 £000 |
|---|---|---|
| Bank interest | 130 | 141 |

### *6. Taxation*

Analysis of charge in period:

| | 2007 £000 | 2006 £000 |
|---|---|---|
| *UK and overseas corporation tax* | | |
| Current tax on income for the period | — | — |
| Total current tax | — | — |
| Tax on loss on ordinary activities | — | — |

***Factors affecting the tax charge for the current period***

The current tax charge for the period is higher than the standard rate of corporation tax in the UK 30% (2006: 30%). The differences are explained below:

| | 2007 £000 | 2006 £000 |
|---|---|---|
| *Current tax reconciliation* | | |
| Loss on ordinary activities before tax | (1.832) | (557) |
| Current tax at 30% (2006: 30%) | (550) | (167) |
| Effects of: | | |
| Expenses not deductible for tax purposes | — | — |
| Increase in tax losses | 550 | 167 |
| Total current tax charge (see above) | — | — |

At 30 April 2007 the Group had net operating losses to carry forward of £2,501,000 (2006 – £821,000). The deferred tax asset on these tax losses at 30% of £750,000 (2006 – £246,000) has not been recognised due to the uncertainty of recovery.

***7. Loss for the financial period***

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

| | 2007 £000 | 2006 £000 |
|---|---|---|
| Holding company's loss | 462 | 383 |

***8. Loss per share***

Loss per ordinary share

| | | |
|---|---|---|
| — Basic | (0.44) | (0.16) |
| — Diluted | (0.44) | (0.16) |

Loss per ordinary share is based on the Group's loss for the financial year of £1,832,000 (2006 – £557,000).

The weighted average number of shares used in the calculation is the weighted average ordinary shares in issue during the year.

| | 2007 Number | 2006 Number |
|---|---|---|
| Weighted average ordinary shares in issue during the year | 420,474,675 | 349,869,589 |
| Potentially dilutive warrants issued | 17,208,676 | 43,981,918 |
| Weighted average ordinary shares for diluted earning per share | 437,683,351 | 393,851,507 |

***9. Tangible fixed assets***

| | Equipment and Machinery £'000 | Vehicle £000 | Total £000 |
|---|---|---|---|
| **Group** | | | |
| ***Cost*** | | | |
| At beginning of year | 8 | 19 | 27 |
| Additions | 1 | — | 1 |
| Disposals | — | — | — |
| At end of year | 9 | 19 | 28 |

| | Equipment and Machinery £'000 | Vehicle £000 | Total £000 |
|---|---|---|---|
| ***Depreciation*** | | | |
| At beginning of year | 1 | 4 | 5 |
| Charge for the year | 1 | 6 | 7 |
| On Disposals | — | — | — |
| At end of year | 2 | 10 | 12 |
| ***Net book value*** | | | |
| At 30 April 2007 | 7 | 9 | 16 |
| At 30 April 2006 | 7 | 15 | 22 |
| **Company** | | | |
| ***Cost*** | | | |
| At beginning of year | 3 | — | 3 |
| Additions | 1 | — | 1 |
| At end of year | 4 | — | 4 |
| ***Depreciation*** | | | |
| At beginning of year | 1 | — | 1 |
| Charge for the year | 1 | — | 1 |
| At end of year | 2 | — | 2 |
| ***Net book value*** | | | |
| At 30 April 2007 | 2 | — | 2 |
| At 30 April 2006 | 2 | — | 2 |

### *10. Intangible fixed assets*

| | Deferred Exploration costs £000 |
|---|---|
| **Company and Group** | |
| ***Cost*** | |
| At beginning of year | 299 |
| Expenditure | 21 |
| Charge for the year | (16) |
| At end of year | 304 |

The expenditure above represents the acquisition of an interest in the Nancy-Burdine- Maxine Oil fields through the Company's Colombian branch. The value of the Group's investments in these assets is dependant on the development of the oil reserves. Should this prove unsuccessful, the value included above would be written down.

### *11. Fixed asset investments*

| | Goodwill on acquisition of Associate £000 | Share of Associate's Net Deficit £000 | Listed Investments £000 | Total £000 |
|---|---|---|---|---|
| **Group** | | | | |
| *Cost* | | | | |
| At beginning of year | 267 | (117) | 50 | 200 |
| Additions | — | — | 1,721 | 1,721 |
| At end of year | 267 | (117) | 1,771 | 1,921 |
| Amortisation | | | | |
| At beginning of year | 8 | — | — | 8 |
| Charge for the year | 13 | — | — | 13 |
| At end of year | 21 | — | — | 21 |
| Net book value | | | | |
| At 30 April 2007 | 246 | (117) | 1,771 | 1,900 |
| At 30 April 2006 | 259 | (117) | 50 | 192 |

The market value of the listed investments was £1,431,736 at 30 April 2007.

| **Company** | Investment in Associate | Listed investment | Loan to group undertaking | Shares in group undertaking | Total 2007 | Shares in group undertaking 2006 |
|---|---|---|---|---|---|---|
| *Cost* | | | | | | |
| At beginning of year | 150 | 50 | 454 | 150 | 804 | 150 |
| Additions | — | 1,721 | 1,589 | — | 3,310 | — |
| At end of year | 150 | 1,771 | 2,043 | 150 | 4,114 | 150 |

The Company's subsidiary undertakings at the year end were a 100% interest in the ordinary shares of:

Gold Oil Perú, a company registered in Perú whose principal activity is exploration of oil and gas.

Gold Oil Caribbean Ltd, a company registered in Belize whose principal activity is exploration of oil and gas.

The Company also has a 50% interest in the ordinary shares of Ayoopco Ltd., a company registered in the United Kingdom whose principal activity is the production of oil and gas in Spain. The last accounting period end was 31 December 2006.

The Company has 24.67% interest in the ordinary share of Minmet Resources Plc.

### *12. Debtors*

| | 2007 | | 2006 | |
|---|---|---|---|---|
| | Group £000 | Company £000 | Group £000 | Company £000 |
| Trade debtors | — | — | — | — |
| Other debtors | 475 | 34 | 173 | 32 |
| Amounts owed by subsidiary and associate undertakings | 111 | 111 | 111 | 111 |
| Prepayments and accrued income | — | — | 6 | 6 |
| | 586 | 145 | 290 | 149 |

### *13. Creditors: amounts falling due within one year*

| | 2007 | | 2006 | |
|---|---|---|---|---|
| | Group £000 | Company £000 | Group £000 | Company £000 |
| Trade creditors | 1 | — | 67 | 59 |
| Other creditors | 9 | 5 | 5 | 2 |
| Accruals and deferred income | 24 | 24 | 31 | 31 |
| | 34 | 29 | 103 | 92 |

### *14. Called up share capital*

| | 2007 £000 | 2006 £000 |
|---|---|---|
| ***Authorised*** | | |
| 1,000,000,000 ordinary shares of £0.00025 each | 250 | 100 |

| | | |
|---|---|---|
| ***Allotted, called up and fully paid*** | | |
| Equity: 463,533,909 ordinary shares of £0.00025 each | 116 | 90 |

On 9 May 2006, 5,000,000 ordinary shares were issued at 1p per share.

On 16 May 2006, 4,020,000 ordinary shares were issued at 5.5p per share.

On 8 June 2006, 36,155,000 ordinary shares were issued at 5.5p per share.

On 13 June 2006, 6,825,000 ordinary shares were issued at 5.5p per share.

On 16 August 2006, 1,000,000 ordinary shares were issued at 7.5p per share.

On 7 September 2006, 575,000 ordinary shares were issued at 1p per share on the exercise of warrants.

On 21 September 2006, 340,000 ordinary shares were issued at 7.5p per share.

On 26 September 2006, 375,000 ordinary shares were issued at 7.5p per share.

On 10 October 2006, 2,875,000 ordinary shares were issued at 1p per share on the exercise of warrants.

On 10 November 2006, 737,500 ordinary shares were issued at 7.5p per share on the exercise of warrants.

On 16 November 2006, 1,460,000 ordinary shares were issued at 7.5p per share on the exercise of warrants.

On 16 November 2006, 2,828,600 ordinary shares were issued at 7.5p per share on the exercise of warrants.

On 16 November 2006, 375,000 ordinary shares were issued at 7.5p per share on the exercise of warrants.

On 4 December 2006, 50,000 ordinary shares were issued at 1p per share on the exercise of warrants.

On 4 December 2006, 4,600,000 ordinary shares were issued at 7.5p per share on the exercise of warrants.

On 6 December 2006, 2,000,000 ordinary shares were issued at 1p per share.

On 6 December 2006, 525,309 ordinary shares were issued at 7.5p per share.

On 7 December 2006, 350,000 ordinary shares were issued at 7.5p per share on the exercise of warrants.

On 11 December 2006, 2,300,000 ordinary shares were issued at 7.5p per share on the exercise of warrants.

On 20 December 2006, 350,000 ordinary shares were issued at 1p per share on the exercise of warrants.

On 21 December 2006, 962,500 ordinary shares were issued at 7.5p per share on the exercise of warrants.

On 22 December 2007, 2,700,000 ordinary shares were issued at 1p per share on the exercise of warrants.

On 7 February 2007, 1,200,000 ordinary shares were issued at 1p per share on the exercise of warrants.

On 19 February 2007, 250,000 ordinary shares were issued at 1p per share on the exercise of warrants.

On 10 April 2007, 3,025,000 ordinary shares were issued at 1p per share on the exercise of warrants.

On 16 April 2007, 22,950,000 ordinary shares were issued at 7.5p per share.

On 19 April 2007, 575,000 ordinary shares were issued at 1p per share on the exercise of warrants.

### *15. Share premium and reserves*

| | Share premium account £000 | Profit and loss account £000 |
|---|---|---|
| ***Group*** | | |
| At beginning of year | 4,004 | (934) |
| Loss for the period | — | (1,832) |
| Foreign Exchange Reserves | — | 8 |
| Premium on share issues | 5,301 | — |
| At end of year | 9,305 | (2,758) |

| | Share premium account £000 | Profit and loss account £000 |
|---|---|---|
| ***Company*** | | |
| At beginning of year | 4,004 | (660) |
| Loss for the period | — | (462) |
| Premium on share issues | 5,301 | — |
| At end of year | 9,305 | (1,122) |

### *16. Reconciliation of Movements in Shareholders' Funds for the year ended 30 April 2007*

| | 2007 | | 2006 | |
|---|---|---|---|---|
| | Group £000 | Company £000 | Group £000 | Company £000 |
| Opening shareholders' funds | 3,160 | 3,434 | 3,580 | 3,677 |
| Loss for the financial year | (1,832) | (462) | (557) | (383) |
| Foreign exchange reserves | 8 | — | (3) | — |
| Increase in share capital | 5,327 | 5,327 | 140 | 140 |
| Closing shareholders' funds | 6,663 | 8,299 | 3,160 | 3,434 |

### *17. Reconciliation of operating loss to operating cash flows*

| | 2007 £000 | 2006 £000 |
|---|---|---|
| Operating loss | (1.962) | (698) |
| Depreciation and Amortisation | 87 | 14 |
| (Increase) in debtors | (295) | (255) |
| Decrease in creditors | (69) | (14) |
| Foreign exchange reserves | (8) | 3 |
| Net cash outflow from operating activities | (2,247) | (950) |

### *18. Analysis of cash flows*

| | 2007 £000 | 2006 £000 |
|---|---|---|
| ***Returns on investment and servicing of finance*** | | |
| Interest received | 130 | 141 |
| ***Capital expenditure and financial investment*** | | |
| Purchase of tangible fixed assets | (1) | (4) |
| Purchase of Investments | (36) | (50) |
| Purchase of Associate | — | (150) |
| Purchase Intangible asset | (21) | (299) |
| Total | (58) | (503) |

### *18. Analysis of cash flows* (continued)

| | 2007 £000 | 2006 £000 |
|---|---|---|
| ***Management of liquid resources*** | | |
| Increase in short term bank deposits | — | — |

| | | |
|---|---|---|
| ***Financing*** | | |
| Issue of ordinary share capital | 3,606 | 140 |

### *19. Directors' emoluments and interests*

The directors who held office during the period are shown below along with their interests in the 0.025p ordinary shares of the company.

| | Interest at end of period | Interest at start of period |
|---|---|---|
| ***Directors*** | | |
| M N Burchell | 6,150,000 | 3,000,000 |
| P G Mahony | 575,000 | — |
| J G Moore | 23,450,000 | 20,000,000 |

Directors' emoluments and other benefits are as listed below.

| | 2007 £000 | 2006 £000 |
|---|---|---|
| Directors' remuneration | 42 | 42 |
| Directors' fees | 118 | 98 |
| | 160 | 140 |

Warrants held by the directors are as follows:

| | 2007 No. of Warrants | 2006 No. of Warrants |
|---|---|---|
| M N Burchell | 6,550,000 | 2,300,000 |
| J G Moore | 14,600,000 | 9,200,000 |
| P G. Mahony | 1,150,000 | 2,300,000 |
| Total Warrants held by the directors | 22,300,000 | 13,800,000 |

### *20. Financial instruments*

The Group's financial instruments comprise trade creditors, cash and short term deposits and equity shares.

The Group has cash at bank. This is placed on short term deposit to maximise the Group's liquid resources and no interest rate hedging is undertaken.

*Short-term debtors and creditors*

The Group has taken advantage of the exemptions available under FRS 13 and excluded Short-term debtors and creditors from its disclosure of financial instruments. The Group does not presently have any long term debtors or creditors.

*Foreign currency risk*

The Group reports in sterling. However, a significant proportion of its activities may be undertaken in foreign currencies. Exchange rates are monitored in conjunction with forecast currency requirements and the Group will enter into forward exchange contracts to hedge its foreign currency exposure where appropriate. No forward foreign exchange contracts were entered into during the period. There were no outstanding foreign exchange contracts at the start of the period or at the end of the period.

***21. Contingent Liabilities***

The Group has given guarantees of $1,160,000 to PerúPetro SA to fulfil licence commitments for Block XXI and Z34. In Colombia the Company deposited $1,200,000 in a trust with ANH that can be drawn down as costs are incurred in the Rosa Blanca work programme. Also a bank guarantee to ANH for $144,000 was given to cover default by the Company under the Rosa Blanca Licence. However, under the terms of the farm-out to Osage these sums have been returned to the Company by Osage who have now taken responsibility for the guarantee.

***22. Related party disclosures***

Gold Oil Plc is listed on the Alternative Investment Market (AIM) operated by the London Stock Exchange. At the date of the Annual Report in the Directors opinion there is no controlling party.

# APPENDIX 1

# GOLD OIL PLC

# (the "Company")

*(Incorporated and registered in England and Wales with registered number 05098776)*

**Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of the Company will be held at Finsgate, 5-7 Cranwood Street, London EC1V 9EE on Monday 26 November 2007 at 11am for the following purposes:

**As Ordinary Business**

To consider, and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions of the Company.

**Ordinary Resolutions**

1. To receive the Company's annual accounts for the financial year ended 30 April 2007 together with the Reports of the Directors and Auditors thereon ("Accounts").
2. To re-appoint Jeffreys Henry LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which the Accounts are laid before Members of the Company and to authorise the directors to determine their remuneration.
3. To re-appoint Michael Norman Burchell as a Director of the Company who retires in accordance with Article 105 of the Articles of Association of the Company
4. THAT the Directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 ("the Act"), and in substitution for all existing authorities in such regard, to allot relevant securities (within the meaning of Section 80(2) of that Act) of the Company up to an aggregate nominal amount of £131,086 provided that this authority shall expire on the date of the next Annual General Meeting of the Company or, if earlier, the date being 15 months after the passing of this resolution PROVIDED THAT the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

**As Special Business**

To consider, and, if thought fit, pass the following resolution which will be proposed as a special resolution of the Company.

**Special Resolution**

5. THAT the Directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of s.94 (2) of the Act) wholly for cash pursuant to the general authority conferred on the Directors pursuant to Resolution 5 above as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

   (a) the allotment of equity securities in connection with a rights issue or of any other pre-emptive offer of equity securities to holders of equity securities where the equity securities respectively attributable to the interests of all holders are proportionate (as nearly as may be) to the respective numbers of equity securities held by them subject only to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or any legal or practical difficulties under the laws or the requirements of any regulatory body or stock exchange in any territory or otherwise; and

(b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal value of £131,086, and shall expire on the date of the next Annual General Meeting of the Company or, if earlier, the date being 15 months after the passing of this Resolution, PROVIDED THAT the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

In this Resolution the expression 'equity securities' and references to the allotment of equity securities shall bear the same respective meanings as in section 94 of the Act.

By Order of the Board
P G Mahony
*Company Secretary*

31 October 2007

Registered Office:
Finsgate
5-7 Cranwood Street
London EC1V 9EE

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and, on a poll, to vote instead of the member.
2. or a notarially certified copy thereof, at the offices of the Company's Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland not less than forty eight hours (48) before the time appointed for holding the meeting or of any adjournment of the meeting.
3. Completion and return of a form of a proxy will not preclude a member from attending and voting at the meeting if they so wish to do so.
4. Copies of the Directors' contracts of service and letters of appointment with the Company or with any of its subsidiaries, and the register of Directors' interests in the shares of the Company are available for inspection at the Registered Office during normal business hours (Saturdays and Sundays excepted), until the Annual General Meeting and at the Annual General Meeting for a period of 15 minutes before the commencement until the conclusion of the Annual General Meeting.
5. In the case of a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised. In the case of joint shareholders the vote of the senior who tends a vote in person or by proxy, will be accepted to the exclusion of the vote of the other registered holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of the members.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001/3755). Reg. 41(1) and (2), only those shareholders on the register of members at 11 a.m. on the 22 November 2007 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than 48 hours, then to be so entitled, shareholder must be entered on the Company's register of members at the time which is 48 hours before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

greenaways. 173937

# APPENDIX 2: FORM OF PROXY

## GOLD OIL PLC

## Form of Proxy

I/We (Block Letters) ..................................................................................................................................................

of..........................................................................................................................................................................

being a member/members of the above-named Company hereby appoint the Chairman of the Meeting or *

of..........................................................................................................................................................................

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Finsgate, 5-7 Cranwood Street, London EC1V 9EE on 26 November 2007 at 11 a.m. and at any adjournment thereof. I/We direct that my/our vote(s) be cast on the Resolutions as indicated by an X in the appropriate box.

| ORDINARY RESOLUTIONS | For | Against | Withheld |
|---|---|---|---|
| **Resolution No 1 – to receive Accounts** | ☐ | ☐ | ☐ |
| **Resolution No 2 – to re-appoint Jeffreys Henry LLP as Auditors and to authorise the Directors to determine the remuneration of the Auditors** | ☐ | ☐ | ☐ |
| **Resolution No 3 – to elect Michael Norman Burchell as a Director** | ☐ | ☐ | ☐ |
| **Resolution No 4 – to provide the Directors with authority to allot relevant securities** | ☐ | ☐ | ☐ |
| **SPECIAL RESOLUTION** | | | |
| **Resolution No 5 – to authorise the Directors to allot equity securities pursuant to section 95 of the Companies Act 1985** | ☐ | ☐ | ☐ |

*If it is desired to appoint another person as a proxy these words should be deleted and the name and address of the proxy, who need not be a member of the Company, inserted. Unless otherwise directed, and in respect of any other resolution properly moved at the Meeting, the proxy will vote, or may abstain from voting, as he thinks fit,

DATED THIS .................................................................... day of .................................................................... 2007

SIGNATURE ....................................................................................................................................................

Notes:

(a) Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) of his own choice to attend and, on a poll, to vote in his place. Forms of Proxy together with any Power of Attorney or other authority under which it is excepted or a notarially certified copy thereof, must be completed and to be valid, must reach the Register of the Company at Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland

(b) not less than forty eight (48) hours before the time appointed for the holding of the meeting.

(c) The appointment of a proxy does not preclude a member from attending and voting at the meeting.

(d) If the appointer is a corporation, this form of proxy must be under its common seal or under the hand of an officer or attorney duly authorised.

(e) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote of the other registered holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

(f) If you wish to appoint as proxy someone other than the Chairman of the Meeting, please delete the words "the Chairman of the Meeting" and insert the name and address of the person you wish to appoint in the space provided. A proxy need not be a member.

(g) Only those shareholders on the register of members at 11.00 a.m. on 22 November 2007 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than forty eight (48) hours, then to be so entitled, shareholders must be entered on the Company's register of members at the time which is forty eighty (48) hours before the time appointed for holding the adjourned meeting, or if the Company gives notice of the adjourned meeting, at the time specified in that notice.

THIRD FOLD AND TUCK IN

FIRST FOLD

BY AIR MAIL
*par avion*
Royal Mail

AFFIX
STAMP

Computershare Investor Services (Ireland) Limited,
Heron House,
Corrig Road,
Sandyford Industrial Estate,
Dublin 18,
Ireland

SECOND FOLD

FIRST FOLD