30 June 2017

Angus Energy Plc
("Angus Energy", "Angus" or the "Company")

Interim Accounts for the six months ended 31 March 2017

Angus Energy is pleased to announce its interim accounts for the six months ended 31 March 2017 as set out below. A copy of the Interims is available on the Company's website www.angusenergy.co.uk.

Chairman's Statement

Dear shareholders,

It is with great pleasure to share with you the interim results for the six months ended 31 March 2017.

Operational Highlights

- On 16 December, the Company signed a sale agreement with Terrain Energy Ltd. ("Terrain") to acquire a 10% interest in the Brockham oil field (PL 235, "the License") increasing the Group's interest in the License from 55% to 65%
- In January 2017 the Company successfully carried out the work to complete, log, case and cement the Brockham X4Z sidetrack at its Brockham oilfield.
- The Brockham X4Z sidetrack, drilled to a total depth of 1,391m, was planned to enable the continued production from the Portland reservoir and assess the hydrocarbon potential of the Corallian and Kimmeridge formations at Brockham. Preliminary results from Brockham X4Z confirm Kimmeridge layers at Brockham with gross thickness of some 385m and the same maturity as the adjacent Horse Hill discovery. The two naturally fractured limestone intervals that tested successfully at Horse Hill are also seen in the Brockham X4Z, making a total section of roughly 200m thick, interbedded, naturally fractured, limestones and shales that the Company is working on to place in to production.
- On 14 March 2017 the Company received final regulatory consent from the Oil and Gas Authority ("OGA") to acquire a 12.5% interest in UK onshore Weald Basin licence PEDL143, via the farm-in arrangement with Europa Oil & Gas plc ("Europa") as announced on 6 February 2017
- On 4 May 2017 the Company notified Terrain Energy Ltd. ("Terrain") that it is exercising the Group's option to acquire a further 10% interest in the Lidsey Oil Field (PL 241, "the License"). The transaction will increase the Group's interest in the License from 50% to 60%. The Company has received permission from the West Sussex County Council and the Environment Agency to drill the Lidsey X2 horizontal well.
- On 11 May 2017 the Company submitted the required Field Development Plan (FDP) Addendum to commence production from the Kimmeridge layers at its Brockham Oil Field, Production License 235

Financial Highlights

- On 14 November 2016 Angus Energy plc's shares were admitted to trading on AIM.
- The Company raised £3.5 million (gross) in conjunction with Admission.
- On 6 February the Company raised gross proceeds of £2,000,000 by way of private placing of 18,181,818 new ordinary shares at a price of 11p per Placing Share.
- On 16 February the Company published an Information Memorandum (the "IM") in connection with an application for admission of up to £3,500,000 sterling denominated secured bonds of denomination £1, with a maturity date of 30 June 2022 (the "NEX Bonds") to trading on the NEX Exchange Growth Market ("NEX Exchange"). The Bonds in issue was £nil.
- As at 31 March 2017 the Company had cash of £2.3m
- As at 31 March 2017 the Company had net current assets of £2.7m

Outlook

Our main operational focus during the coming period will be:

- Drilling and completion of the Lidsey-X2 development well
- Bringing the Kimmeridge reservoir into production from Brockham-X4Z following OGA consent of the Field Development Plan Addendum
- Drilling of Holmwood-1 in the adjacent license to the Brockham Oil Field

We are very encouraged by the drilling results of Brockham-X4Z and have subsequently decided to focus on bringing production on stream from the Kimmeridge shale and limestones instead of the Portland sandstone. In the Kimmeridge a naturally fractured section of approximately 200m of interbedded clay and limestones will be perforated to deliver production of the Kimmeridge oil via the naturally occurring fracture system.

Production guidance for the Lidsey Oil Field remains unchanged while production from the Brockham Oil Field could improve materially after bringing X4Z on stream from the Kimmeridge.

Lastly, it is with great regret I must inform you that Mr Bruce Watt passed away after a long struggle with cancer. Bruce was a founding employee at Angus Energy and shall be dearly missed.

Jonathan Tidswell-Pretorius
Executive Chairman
29 June 2017

END.

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About Angus Energy plc.

Angus Energy plc. is an AIM quoted independent onshore oil and gas development company focused on leveraging its expertise to advance its portfolio of UK assets as well as acquire, manage and monetise select projects. Angus Energy owns and operates conventional oil production fields in Brockham (PL 235) and Lidsey (PL 241).

The Interims are set out below:

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2017

	Note	**Six months 31 March 2017 Unaudited**	Six months 31 March 2016 Unaudited
		£'000	£'000
Revenue		**-**	73
Cost of sales		**(36)**	(111)
Gross loss		**(36)**	(38)
Other income	**4**	**-**	75
Administrative expenses		**(939)**	(955)
Operating loss		**(975)**	(918)
Finance income	**5**	**-**	14
Impairment of amount due from directors		**-**	(70)
Loss on disposal of AFS financial investment		**(10)**	(71)
Gain on disposal of investment in HHDL		**-**	701
Loss on ordinary activities before taxation		**(985)**	(344)
Income tax expense	**6**	**-**	-
Loss after taxation		**(985)**	(344)
Total loss for the period attributable to:			
Owners of the parent		**(985)**	(311)
Non-controlling interest		**-**	(33)
		(985)	(344)
<u>Other comprehensive income</u>			
Items that will or may be reclassified to profit or loss:			
AFS financial investment – change in fair value		**(27)**	(27)
Less: amount reclassified to profit or loss		**10**	71
Total comprehensive loss for the period		**(1,002)**	(300)
Total comprehensive loss attributable to:			
Owners of the parent		**(1,002)**	(267)
Non-controlling interest		**-**	(33)
		(1,002)	(300)
Loss per share (EPS):		**£**	£
Basic and diluted **(whole £'s)**		**(0.005)**	(0.002)

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2017

	Note	As at 31 March 2017 Unaudited £'000	Proforma As at 31 March 2016 Unaudited £'000	As at 30 September 2016 Audited £'000
Non-current assets				
Property, plant and equipment	7	16	10	8
Exploration and evaluation assets	8	65	-	-
Oil production assets	9	2,329	541	553
		2,410	551	561
Current assets				
Trade receivables and other receivables	10	932	373	630
AFS financial investment		-	228	241
Cash and bank balances	11	2,296	35	25
		3,228	636	896
Asset held for sale		-	432	-
		3,228	1,068	896
Total Assets		5,638	1,619	1,457
Current liabilities				
Trade payables and other payables	14	498	1,534	805
Income tax payable		-	-	-
		498	1,534	805
Non-current liabilities				
Provisions		500	500	500
Equity				
Share capital	13	468	-	300
Share premium	13	5,367	-	45
Other reserve	13	-	44	17
Merger reserve	13	(200)	-	(200)
Accumulated profits		(995)	(286)	(10)
Total shareholder's equity		4,640	(242)	152
Non-controlling interest		-	(173)	-
		4,640	(415)	152
Total Equity and Liabilities		5,638	1,619	1,457

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2017

	Share Capital £'000	Share premium £'000	Merger Reserve £'000	Other reserve £'000	Retained Earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
Balance at 30 September 2015	**-**	**-**	**-**	**-**	**25**	**25**	**(140)**	**(115)**
Loss for the period	-	-	-	-	(311)	(311)	(33)	(344)
AFS financial investment - change in fair value	-	-	-	(27)	-	(27)	-	(27)
Less: amount reclassified to profit or loss	-	-	-	71	-	71	-	71
Total comprehensive income for the period	**-**	**-**	**-**	**44**	**(311)**	**(267)**	**(33)**	**(300)**
Balance at 31 March 2016	**-**	**-**	**-**	**44**	**(286)**	**(242)**	**(173)**	**(415)**
Profit for the period	-	-	-	-	463	463	-	463
AFS financial investment - change in fair value	-	-	-	(71)	-	(71)	-	(71)
Less: amount reclassified to profit or loss	-	-	-	44	-	44	-	44
Total comprehensive income for the period	**-**	**-**	**-**	**(27)**	**463**	**436**	**-**	**436**
Transaction with owners:								
Issue of shares on group reconstruction	300	45	(200)	-	-	145	-	145
Acquisition of non-controlling interest without a change in control	-	-	-	-	(187)	(187)	173	(14)
Balance at 30 September 2016	**300**	**45**	**(200)**	**17**	**(10)**	**152**	**-**	**152**
Loss for the period	-	-	-	-	(985)	(985)	-	(985)
AFS financial investment - change in fair value	-	-	-	(27)	-	(27)	-	(27)
Less: amount reclassified to profit or loss	-	-	-	10	-	10	-	10
Total comprehensive income for the period	**-**	**-**	**-**	**(17)**	**(985)**	**(1,002)**	**-**	**(1,002)**
Transaction with owners:								
Issue of placing shares	168	5,683	-	-	-	5,851	-	5,851
Less: issuance costs	-	(361)	-	-	-	(361)	-	(361)
Balance at 31 March 2017	**468**	**5,367**	**(200)**	**-**	**(995)**	**(4,640)**	**-**	**(4,640)**

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2017

	Six months 31 March 2017 Unaudited £'000	Proforma Six months 31 March 2016 Unaudited £'000
Cash flow from operating activities		
Loss before taxation	**(985)**	(344)
Adjustment for:		
Loss on disposal of AFS financial assets	**10**	71
Depreciation of owned assets	**3**	3
Impairment of amount due from director	**-**	70
Impairment gain on loans and receivable	**-**	-
Gain on disposal of HHDL interest	**-**	(701)
Interest income	**-**	(14)
Operating cash flows before movements in working capital	**(972)**	(915)
Increase in trade and other receivables	**(364)**	(32)
(Decrease) / increase in trade and other payables	**(107)**	128
Cash generated from operating activities	**(1,443)**	(819)
Income tax paid	**-**	-
Net cash used in operating activities	**(1,443)**	(819)
Cash flows from investing activities		
Proceeds from disposal of HHDL interest	**-**	489
Loan (advance)/repaid to director	**(200)**	(56)
Proceeds from disposal of AFS financial investments	**231**	433
Acquisition of exploration and evaluation assets	**(65)**	
Acquisition of fixed assets	**(1,742)**	-
Net cash used (in investing)/generated from activities	**(1,776)**	866
Cash flows from financing activities		
Net proceeds from issue of share capital	**5,490**	-
Loan advanced/(repaid) from shareholder	**-**	(25)
Net cash generated from/(used in) financing activities	**5,490**	(25)
Net increase in cash & cash equivalents	**2,271**	22
Cash and equivalent at beginning of year	**25**	13
Cash and equivalent at end of year	**2,296**	35

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

Angus Energy Plc (the "Company") was incorporated in United Kingdom as a limited company with company number 09616076. The registered office of the Company is Building 3, Chiswick Park, 566 Chiswick High Road, London, W4 5YA, UK.

On 14 October 2015, the Company entered into agreements with all of the shareholders of the Angus Energy Holdings UK Limited ("AEHL") for a share for share exchange regarding the ordinary shares in Angus Energy Plc and ordinary shares in the AEHL. As a result of this transaction, the ultimate shareholders in the Company received shares in Angus Energy Plc in direct proportion to their original shareholdings in the AEHL.

On 14 November 2016, the Company's share capital was admitted to trading on the AIM of London Stock Exchange.

This financial information is for the Company and its subsidiaries undertakings (together, the "Group").

The principal activities of the entities of the Group are as follows:-

	Name of Company	Country of Incorporation	Principal Activities
i)	Angus Energy Holdings UK Limited	United Kingdom	Investment holding company
ii)	Angus Energy Weald Basin No. 1 Limited	United Kingdom	Investment holding company
iii)	Angus Energy Weald Basin No. 2 Limited	United Kingdom	Investment holding company
iv)	Angus Energy Weald Basin No. 3 Limited	United Kingdom	Oil extraction for distribution to third parties

The principal place of business of the Group is in United Kingdom.

The interim consolidated financial information is presented in the nearest thousands of Pound Sterling (£'000), which is the presentation currency of the group. The functional currency of each of the individual entity is the local currency of each individual entity.

2. BASIS OF PREPARATION

The interim consolidated financial information for the six months ended 31 March 2017 and 31 March 2016 have been prepared in accordance with IAS 34, Interim Financial Reporting which are unaudited and do not constitute a set of statutory financial statements.

The principal accounting policies used in preparing the interim results are the same as those applied in the Group's financial statements as at and for the year ended 30 September 2016, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").The auditors' report on those accounts was unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report.

A copy of the audited consolidated financial statements for the period ended 30 September 2016 are available on the Company's website.

The interim report for the six months ended 31 March 2017 was approved by the Directors on 29 June 2017.

Going Concern

The consolidated financial information have been prepared on a going concern basis.

In considering the appropriateness of this basis of preparation, the Directors have reviewed the Group's working capital forecasts for a minimum of 12 months from the date of the approval of this financial statements. As at 31 March 2017, the Group had £2.3m of available cash. Based on the current management plan, management believes that these funds are sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months. As a result of that review the Directors consider that it is appropriate to adopt the going concern basis of preparation.

3. CRITICAL ACCOUNTING ESTIMATES AND SOURCES OF ESTIMATION UNCERTAINTY

In applying the accounting policies, the directors may at times require to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the directors consider are relevant.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reviewed are as stated below.

Key accounting judgements

(a) Farm-out arrangements

Farm out arrangements result in the recognition by the farmee of exploration and evaluation ("E&E") activities and a disposal of E&E asset by the farmor. If there are proven reserves associated with the property, the farm-in should be accounted for in accordance with the principles of IAS 16. The Group viewed the farm out arrangement of its oil proven reserves as an economic event, as the farmor has relinquished its interest in part of the asset in return for the farmee delivering a developed asset in the future. There is sufficient information for there to be a reliable estimate of fair value of both the asset surrendered and the commitment given to pay cash in the future.

The farmor should de-recognise the carrying value of the asset attributable to the proportion given up for any consideration received as part of the transaction, a gain or loss is recognised in the income statement.

Further details in relation to the farm-out arrangements are disclosed in note 9.

(b) Units of production (UOP) depreciation of oil and gas assets

Oil and gas properties are depreciated using the UOP method over total proved developed and undeveloped hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues

(c) Decommissioning costs

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure may also change — for example, in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

External valuers may be used to assist with the assessment of future decommissioning costs. The involvement of external valuers is determined on a case by case basis, taking into account factors such as the expected gross cost or timing of abandonment, and is approved by the directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

(d) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

4. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker in order to allocate resources to segments and to assess their performance.

Currently, the Group's principal revenue is derived from the sale of oil. All revenue arose from continuing operations within the United Kingdom. Therefore management considers no detail of operating and geographical segments information is to be reported. Nonetheless, the Group's revenue can be classified into the following streams:

	31 March 2017 £'000	31 March 2016 £'000
Sale of oil	**-**	73

All the non-current assets of the Group are located in the United Kingdom.

All revenue arising from sale of oil is derived from a single customer.

5. OTHER INCOME

	31 March 2017 £'000	31 March 2016 £'000
Non-refundable deposit	-	75

6. INCOME TAX EXPENSE

	31 March 2017 £'000	31 March 2016 £'000
Current tax expenses	-	-

The Group's activities in the United Kingdom are subject to corporation tax of 20% during the financial year on profit before taxation in accordance with the relevant laws and regulations in the UK.

No deferred tax asset was recognised in respect to these accumulated tax losses as there is insufficient evidence that the amount will be recovered in future years.

7. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred £12,000 additions to property, plant and equipment, mainly in acquiring motor vehicle (1H 2016: £nil; September 2016: £Nil). The depreciation charge for the period on the Group's property, plant and equipment was £3,000 (1H 2016: £3,000 and September 2016: £3,000).

8. EXPLORATION AND EVALUATION ASSETS

During the period, the Group has entered into an agreement to acquire a 12.5% economic interest in PEDL143 through the immediate payment of certain historic costs incurred by the Operator, amounted to approximately £65,000, along with 25% of the costs of the Holmwood-1 exploration well up to a gross well cost of £3.2 million (£800,000 net cost to Angus), and certain further contingent costs.

9. OIL PRODUCTION ASSETS

	Total £'000
Cost or valuation	
At 30 September 2015	549
Additions	-
At 31 March 2016	549
Additions	36
Disposal	(22)
At 30 September 2016	563
Additions	1,776
At 31 March 2017	2,339
Depreciation and impairment	
At 30 September 2015	7
Charge for the period	3
At 31 March 2016	10
Charge for the period	-
At 30 September 2016	10
Charge for the period	-

At 31 March 2017	10
Net book value	
At 30 September 2016	553
At 31 March 2017	2,329
At 31 March 2016	541

Depreciation of oil production assets is included in cost of sales in the consolidated statement of comprehensive income.

During 2016, the Group sold an option to Alba Mineral resources plc, to acquire a 5% stake in the Brockham field, this option was exercised on 9 August 2016. The total consideration payable is based on 10% of the total costs of the upcoming well conversion work at Brockham capped to a maximum of £187,500 and then 5% of any additional costs. The fair value of the consideration payable amounted to £130,900 is included within trade and other receivables.

On 16 December Angus Energy signed a sale agreement with Terrain Energy Ltd. ("Terrain") to acquire a 10% interest in the Brockham oil field (PL 235, "the License") increasing the Group's interest in the License from 55% to 65% in exchange for a cash payment of £100,000, relinquishment of Terrain's existing debt of £46,000 owed to Angus Energy's wholly owned subsidiary Angus Energy Weald Basin No.3 Limited ("AWB3" or the "Operator), at completion and the carry of Terrain's remaining 10% interest share of the upcoming well costs at Brockham.

The Group simultaneously entered into an option with Terrain for £1 to acquire a 10% interest in the Lidsey oil field (PL 241) which, following the exercise of the option and subsequent completion of the acquisition of the 10% interest, would increase the Group's interest in the Lidsey production license to 60% in exchange for the carry of Terrain's remaining 10% interest share of the upcoming Lidsey-2 horizontal well and a cash payment of £20,000 on exercise of the option

As at 31 March 2017, the Group retained a 50% interest in Lidsey field and 65% in Brockham field, and is still the operator of both fields.

10. TRADE AND OTHER RECEIVABLES

	31 March 2017 £'000	31 March 2016 £'000	30 September 2016 £'000
Trade receivables	**-**	21	75
VAT recoverable	**310**	173	93
Amount due from director	**200**		
Other receivables	**422**	179	462
	932	373	630

The carrying amount of trade and other receivables approximates to their fair value.

11. CASH AND CASH EQUIVALENTS

31 March 2017	31 March 2016	30 September 2016

	£'000	£'000	£'000
Cash and bank balance	**2,296**	35	25

12. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2017	31 March 2016
Net loss attributable to equity holders of the Group	**(985,000)**	**(311,000)**
Weighted average number of ordinary shares	**205,110,427**	**150,000,000**
Basic and diluted (loss) per share	**(0.005)**	**(0.002)**

The interim consolidated financial information represents the historical information prior to a group reorganisation on 14 October 2015 whereby the Company became the parent company of the enlarged group. It is of limited significance to calculate earnings per share on the historical equity of the companies forming the Group prior to the reorganisation. Accordingly, a pro forma loss per share has been included based on the number of shares in the Company in issue on admission to AIM.

13. SHARE CAPITAL AND RESERVE

	Number of shares	Ordinary shares £'000	Share Premium £'000
Issued:			
As at 30 September 2015	1	-	-
Placing Shares and Subscriber Shares as at:			
14 October 2015 – subdivision of shares	99		
14 October 2015 – issue of shares	19,999,900	200	-
As at 31 March 2016	**20,000,000**	**200**	**-**
22 April 2016 – issue of shares	10,000,000	100	45
As at 30 September 2016	**30,000,000**	**300**	**45**
13 October 2016 – subdivision of shares	120,000,000	-	-
14 November 2016 – issue of shares	64,980,287	130	3,661
10 January 2017 – issue of shares	1,000,000	2	58
06 February 2017 – issue of shares	18,181,818	36	1,964
Less: Issuance costs	-	-	(361)
As at 31 March 2017	**234,162,105**	**468**	**5,367**

On incorporation as of 1 June 2015, the Company issued one ordinary shares at the nominal value of £1 per share.

On 14 October 2015 by way of a special resolution, the Company's existing 1 ordinary share of £1 was subdivided into 100 ordinary shares, with a nominal value of £0.01 each. On the same day, the Company issued 19,999,900 ordinary shares pursuant to the share for share exchange agreement as described in note 1.

On 22 April 2016, the Company issued 9,000,000 ordinary shares in lieu of fees to consultants, amounted to £130,000 and further issued 1,000,000 ordinary shares as consideration to acquire the non-controlling interest in Angus Energy Weald Basin No.2 Limited amounted to £173,482.

On 13 October 2016, the Company had subdivided its existing 30,000,000 ordinary shares into 150,000,000 ordinary shares. On 14 November 2016, the Company's shares had been admitted to trading on the AIM market of the London Stock Exchange. The Company had further issued 58,333,333 placing shares and 6,646,954 ordinary shares in lieu of professional fees.

On 10 January the Company issued and allotted 1,000,000 new Ordinary Shares in the Company following receipt of an exercise notice in respect of 1,000,000 Broker Warrants issued at Admission at an exercise price of 6p per warrant. On 6 February the Company issued and allotted 18,181,818 new ordinary shares.

The ordinary shares have a par value of £0.002 per share and are fully paid. These shares carry no right to fixed income and have no preferences or restrictions attached to them.

Nature and purpose of reserves

(a) Merger reserve

The accounting treatment for group reorganisations is scoped out of IFRS 3. Accordingly, as required under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors the Group has referred to current UK GAAP to assist its judgement in identifying a suitable accounting policy. The introduction of the new holding company has been accounted for as a capital reorganisation using merger accounting principles prescribed under current UK GAAP. Therefore the consolidated financial statement of Angus Energy plc is presented as if the Company has always been the holding company for the Group.

The use of merger accounting principles has resulted in a balance on Group capital and reserves that have been classified as a merger reserve and included in the Group's shareholders' funds. The consolidated financial statements include the results of the Company and all its subsidiary undertakings made up to the same accounting date.

(b) Other reserve

Changes in the fair value and exchange differences arising on translation of investments that are classified as available-for-sale financial assets are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

14. TRADE AND OTHER PAYABLES

	31 March 2017 £'000	31 March 2016 £'000	30 September 2016 £'000
Trade payables	**344**	678	355
Loan from shareholders	**-**	20	-
Amount owed to related parties	**-**	112	132
Other taxation	**115**	326	138
Other payables	**39**	398	180
	498	1,534	805

15 SEASONALITY OF GROUP BUSINESS

There are no seasonal factors that materially affect the operations of any company in the Group.

16 PROVISIONS FOR OTHER LIABILITIES AND CHANGES

	31 March 2017 £'000	31 March 2016 £'000	30 September 2016 £'000
Abandonment costs	500	500	500

The Group makes full provision for the future costs of decommissioning oil production facilities and pipelines on the installation of those facilities. The amount provision is expected to be incurred up to 2029 when the producing oil and gas properties are expected to cease operations.

These provisions have been created based on the Group's internal estimates and expectation of the decommissioning costs likely to incur in the future. For the period under review, the directors have assessed that the discount rate and inflation rate to be applied to the current cost of decommissioning to be similar. On this basis, the current cost is considered to be similar to the discounted net present value.

17 BONDS AND DERIVATIVE FINANCIAL INSTRUMENT

On 16 February the Company published an Information Memorandum (the "IM") in connection with an application for admission of up to £3,500,000 sterling denominated secured bonds of denomination £1, with a maturity date of 30 June 2022, to trading on the NEX Exchange Growth Market. The Bonds will bear interest at the rate of 8.5 per cent. per annum, payable quarterly in arrears.

The Company intends to issue Bonds when a need for finance arises, in order to progress its plans for the development of its licence portfolio, once the well(s) provided for in its work programme in relation to each of Brockham and Lidsey have been drilled using the AIM Proceeds. Once the well(s) have been drilled, proceeds from the issue of Bonds can be utilised to move forward the cash flows of the Company's production asset(s) in order to accelerate the Company's business plan. Financing the development of its licence portfolio in this manner rather than by the use of cash reserves or the issue of new ordinary shares will allow the Company to increase the value of its production reserves and avoid shareholder dilution.

As at 31 March 2017, the Bonds in issue was £nil.

18 RELATED PARTY TRANSACTION

In March 2017 the Company provided Jonathan Tidswell-Pretorius with a £200,000 Directors Loan. Interest will be charged at 2.5% above the UK Official Bank Rate and the full amount is to be repaid within 12 months of the date of the agreement.

19 SUBSEQUENT EVENTS

On 4 May 2017 the Company notified Terrain Energy Ltd. that it is exercising the Group's option to acquire a further 10% interest in the Lidsey Oil Field (PL 241). The transaction will increase the Group's interest in the License from 50% to 60%.