Annual Report & Accounts 2017

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◆ Ntorya-2 drilling operations

Chairman's Statement

Dear Shareholder,

Enclosed is Aminex PLC's Annual Report for the year ended 31 December 2017. The loss for the year was $2.28 million compared with $2.53 million for the year ended 31 December 2016. At the end of the year net current assets were $6.03 million and during the year a corporate loan was repaid in full. You will find a full commentary in the Financial Review section.

Aminex made significant progress in the year. During the first quarter the Ntorya-2 appraisal well was successfully drilled and subsequently tested at a stabilised rate of approximately 17 MMcfd. This well in conjunction with ongoing technical work has allowed us to gain a much better understanding of the basin. A new Competent Person's Report, commissioned by the Company during the year and reported since the year end, showed gas in place almost eleven times greater than the last time the assets were independently audited. Production revenues from Kiliwani North enabled us to close out a loan facility, leaving the Company free of debt.

During the year we continued to build up our management and technical personnel as we move forward with development of the Ruvuma PSA and review opportunities to expand beyond Tanzania. At management level, Aaron LeBlanc was appointed Chief Operating Officer and Brian Cassidy appointed General Counsel.

As already announced, work is in progress on a farm-out of a part interest in the Ruvuma PSA, with the aim of accelerating development of the Ntorya discoveries. We expect to conclude this agreement, which is subject among other conditions to shareholder approval, early in the second half of 2018.

The AGM will be held in London on 11 July 2018, where we hope to meet as many of you as possible and will be pleased to answer your questions and generally discuss the Company. I would like to thank you for your support during the year.

Yours sincerely,

Brian Hall

Chairman

◆ Ntorya-2 drilling operations

◆ Gas flare at Ntorya-2

During the year, the Company reported the successful Ntorya-2 appraisal well. This well further enhanced the Company's understanding of the Ntorya discovery, leading to a substantial increase in contingent and prospective resources for the Ntorya field. Revenues from Kiliwani North enabled Aminex to repay in full the balance of its corporate debt during the first six months of the year, significantly ahead of the revised final repayment date.

Review of Tanzania operations

In February 2017, the Group successfully reached final drilling depth of 2,795 metres on its operated Ntorya-2 appraisal well in the onshore Ruvuma Basin, Tanzania, encountering a gross gas-bearing reservoir unit of approximately 51 metres. The well was subsequently tested at a stabilised rate of approximately 17 MMcfd.

Following the successful testing of the well, the Company concluded an independent audit of its resources, conducted by RPS Energy, over its Tanzanian assets. 2C Contingent resources for the Ntorya discovery were increased to a gross Pmean GIIP of 763 BCF with a gross mean GIIP of approximately 1.9 TCF, significantly exceeding management's own estimates and justifying the Company's longstanding commitment to the region.

Further momentum for the Ntorya project follows a commercialisation study prepared by io oil & gas consulting, a joint venture between major US service companies Baker Hughes (a GE company) and McDermott. This report confirmed the project to be commercially viable assuming three producing gas wells and a raw gas pipeline to the Madimba gas processing plant. Additional wells could then be drilled in line with the increasing demand forecast in Tanzania's state industrialisation plan. A development plan has been submitted and application made to the Ministry of Energy and Minerals for a 25-year development licence for the Ntorya area, supported by the Tanzania Petroleum Development Corporation ("TPDC") the state oil and gas company.

The Kiliwani North-1 well (KN-1) has been producing since April 2016 and has been providing Aminex with gas revenues since then. The gas is being sold at wellhead and achieved an average price of $3.27 per MCF in the year. To date the well has generated $18.4 million in revenue for the joint venture partners. While the well continued to produce in the first half of 2017 at approximately 15 MMcfd, it experienced decline thereafter and options are being explored to maximise production and thereby gas recovered from the in-place resources.

◆ Songo Songo Island Gas Processing Plant

Analysis of technical data over the Company's licence for the Nyuni Area has identified several areas of interest, over which Aminex is planning to acquire 3D seismic, with the objective of fast-tracking potential development opportunities. Production from any discoveries in this area could be tied back to the Songo Songo Island Gas Processing Plant relatively quickly and economically. The deep-water sector of Nyuni remains of long term interest but the inshore shelf area is the Company's priority, offering early production opportunities.

Financial Position

On 20 June 2017, Aminex repaid the balance of its corporate loan which has strengthened the balance sheet. At 31 December 2017, net cash balances were $6.23 million.

On 11 April 2018, Aminex received formal notification from the TPDC of certain claims amounting to US$5.97 million for liabilities arising on revenues from gas sales, of which Aminex's share is estimated to be $2.73 million. Aminex has advised the TPDC that it does not accept the claims and no provision has been made in the financial statements beyond amounts Aminex had already accrued. Further details are disclosed in Note 26 to the financial statements.

New Opportunities

While making good progress in developing its Tanzanian projects, the Company is actively seeking to expand its operations beyond Tanzania.

Looking Forward

Aminex is currently completing the design of its next well, Chikumbi-1 (formerly Ntorya-3), at Ruvuma. Aminex will continue to work with the TPDC to progress the grant of a 25-year development licence for Ntorya, for which application was made in September 2017. The Company proposes to monetise gas from Ruvuma as quickly as possible, selling via a raw gas pipeline to the National Gas Gathering System at Madimba, based on the commercialisation report prepared by io oil & gas consulting. With the progress made at Ntorya and the repayment of its corporate debt, Aminex has been reviewing different funding options and is currently working on a farm-out of part of the Group's interest in the Ruvuma PSA to an affiliate of the Zubair Corporation, as previously announced. The Company expects to receive an extension to the Mtwara Licence, possibly until January 2020, during which time the development licence for Ntorya is expected to be finalised. Aminex is also pursuing the TPDC's recommendation to apply for an entirely new production sharing agreement over the Lindi area where the current licence expired in January 2017 and for which the Company has been negotiating an extension or renewal terms.

I would like to thank our shareholders for their continued support and trust.

Jay Bhattacherjee
Chief Executive

Financial Review

Financing and future operations

During the period, Aminex applied the cash flow from Kiliwani North operations to the repayment of its corporate loan and in June Aminex repaid the outstanding balance. The loan repayment was assisted by the exercise of warrants in May which gave rise to the gross receipt of $2.18 million in new equity issued. Full repayment of the corporate debt has been part of the Company's strategy and the Board is pleased that the Company was able to clear the corporate loan and strengthen the Group balance sheet.

The Company benefited from continued average daily production at Kiliwani North of approximately 15 MMcfd for the first six months of the year, as reported in the Half-Yearly Report, but during the second half of the year production from the well started to decline faster than expected. Aminex has identified various remedial actions to enhance production and is currently investigating options to increase production.

The success of the Ntorya-2 appraisal well and the subsequent work on the basin model has led to a significant increase in the independently ascribed resources for Ntorya, which justifies Aminex's commitment to the region over the years. The resource potential should be commercially viable with increasing national demand in Tanzania coupled with the proximity of the National Gas Gathering System enabling near-term production from the field.

The Board continues to assess alternative means of financing Group operations and is currently in talks with the Zubair Corporation for a farm-out of part of its interest in Ruvuma, as already announced. Early production options could provide revenues from Ntorya for the Group within the next two years. In conjunction with revenues from Ntorya, Aminex is also seeking to expand cash-generating operations on the Kiliwani North Development Licence through the development of a newly-identified lead, Kiliwani South. If proved successful, this lead's proximity to the Songo Songo Island gas processing plant would enable the Company to generate revenues from two separate projects in Tanzania.

Revenue Producing Operations

Revenues from continuing operations amounted to $6.63 million (2016: $4.93 million). Gross production in 2017 was 3.60 BCF (2016: 2.78 BCF), of which Aminex's share was 1.82 BCF (2016: 1.45 BCF). Following the application of the contract-specified indexation allowance at the start of the year, Aminex has achieved an average sales price of $3.27 per MCF (2016 $3.25 per MCF). Revenues from gas operations amounted to $5.95 million (2016: $4.57 million). Revenues also arose from oilfield services comprising the provision of technical and administrative services to joint venture operations: the revenues were $0.68 million for the year ended 31 December 2017 (2016: $0.36 million), the increase arising from drilling activity at Ntorya. Cost of sales was $5.46 million (2016: $1.69 million) with the cost of sales for production increasing from $0.09 million for 2016 to $0.26 million for 2017 due to a full period of production from Kiliwani North and an increase in the depletion charge for Kiliwani North production amounting to $4.57 million (2016: $1.24 million). The increase in depletion arose on the acceleration of the depletion rate per thousand cubic feet of production due to the reduction in the estimated reserves remaining as well as due to increased production year on year. The balance of the cost of sales amounting to $0.63 million (2016: $0.36 million) related to the oilfield services operations. Accordingly, there was a gross profit of $1.17 million for the period compared with a gross profit of $3.25 million for the comparative period.

Group administrative expenses, net of costs capitalised against projects, were $2.29 million (2016: $2.85 million). The expenses for the current period include a share-based payment charge of $0.29 million relating to share options granted to staff in May 2017, compared with a charge of $0.81 million for the comparative period. On a like-for-like basis, excluding the share-based payment charge, the Group's administrative expenses for the period under review were $2.00 million (2016: $2.04 million), a decrease of $0.04 million, in line with administrative expenses of $2.04 million for the comparative year. Management has continued to maintain strict expenditure controls and, where possible, to reduce overhead costs. The Group's resulting net loss from operating activities was $1.12 million (2016: $1.25 million after a gain on disposal of the development assets and an impairment of other receivables).

Finance costs amount to $1.17 million (2016: $1.30 million). Of this, a charge of $0.54 million (2016: $1.26 million) related to the corporate loan which was fully repaid in June 2017. The unwinding of the discount on the decommissioning provision was $0.08 million (2016: $0.04 million). The loss on foreign exchange amounted to $0.55 million (2016: nil).

The Group's net loss for the period amounted to $2.28 million (2016: $2.53 million).

Balance sheet

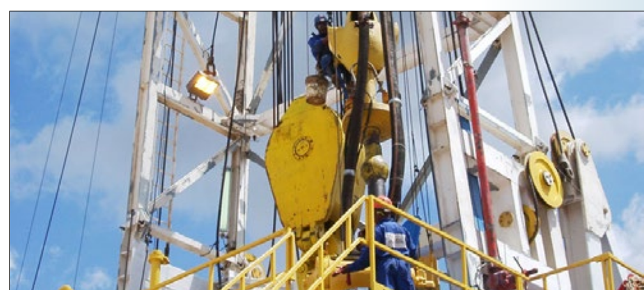
As a result of a review during the year of technical data obtained in prior years over the Kiliwani North Development Licence block, the Company has identified the Kiliwani South structure as a viable lead for further exploration with management estimating a Pmean gross gas in place resource of 57 BCF. The Directors have assessed the impact of the new technical interpretation and believe it is appropriate to reclassify costs of $4.54 million previously incurred in relation to this structure from property, plant and equipment to exploration and evaluation assets. In accordance with IAS 1, the reclassification has also been reflected in the comparative financial statements resulting in an increase of $4.54 million in the carrying value of exploration and evaluation assets and a reduction of $4.54 million in the carrying value of property, plant and equipment as at 31 December 2016.

◆ Kiliwani North-1 wellhead

The Group's investment in exploration and evaluation assets increased from $89.16 million at 31 December 2016 (restated) to $99.59 million at 31 December 2017. The increase included the completion of drilling operations for the Ntorya-2 well and the subsequent successful testing operations, as well as licence expenses for the Ruvuma PSA and the Nyuni Area PSA. After review, the Directors have concluded that there is no impairment to these assets, taking into account ongoing discussions with the Tanzanian authorities for the application for a development licence for the Ntorya prospect, the extension of the Mtwara Licence and the expected application for a new production sharing agreement for the Lindi Licence, both of which have expired. The carrying value of property, plant and equipment has decreased from $6.67 million at 31 December 2016 (restated) to $2.43 million at 31 December 2017, following the depletion charge of $4.57 million on production from the Kiliwani North field. This was charged at an accelerated rate compared with the previous year with reference to the reserves independently ascribed to the field at 1 January 2018. Current assets amounting to $15.00 million mainly consist of trade and other receivables of $8.78 million, including the gross receivable of $6.94 million due from the TPDC for gas revenues, which as operator includes joint venture partners' interests in gas revenues. On 11 April 2018, Aminex received formal notification from the TPDC of certain claims amounting to US$5.97 million for liabilities arising on revenues from gas sales, of which Aminex's share is estimated to be $2.73 million. Aminex has advised the TPDC that it does not accept the claims and no provision has been made in the financial statements beyond amounts Aminex had already accrued. Further details are disclosed in Note 26 to the financial statements. However, Aminex believes the debt remains fully recoverable, with Aminex's net share of the receivable amounting to $2.70 million. Cash and cash equivalents were $6.23 million (2016: $19.6 million).

Under current liabilities, following the repayment of the corporate loan in June, loans and borrowings have been reduced from $4.93 million at 31 December 2016 to nil. Trade payables amounted to $8.97 million compared with $12.83 at 31 December 2016. This balance included amounts payable to joint venture partners and to the TPDC for their profit shares under the terms of the PSA. Payables also include VAT and excise tax payable on gas receivables. The non-current decommissioning provision increased from $0.48 million at 31 December 2016 to $0.64 million, this increase relating to the fair value of an additional provision $0.08 million for the Ntorya-2 well drilled during the year and the unwind discount charge of $0.08 million for the period.

Total equity increased by $1.06 million between 31 December 2016 and 31 December 2017 to $107.41 million. The net movement comprises an increase in issued capital and share premium of $2.18 million arising from the issue of capital on the exercise of all outstanding warrants in May; the foreign currency translation reserve has decreased by $0.88 million as a result of a weaker US dollar; and the movement of $2.79 million in retained earnings comprises the loss of $2.28 million for the year and the cost of $0.02 million for the capital raise offset by a release of $1.65 million from the share option reserve and by a release of $3.44 million from the share warrant reserve.



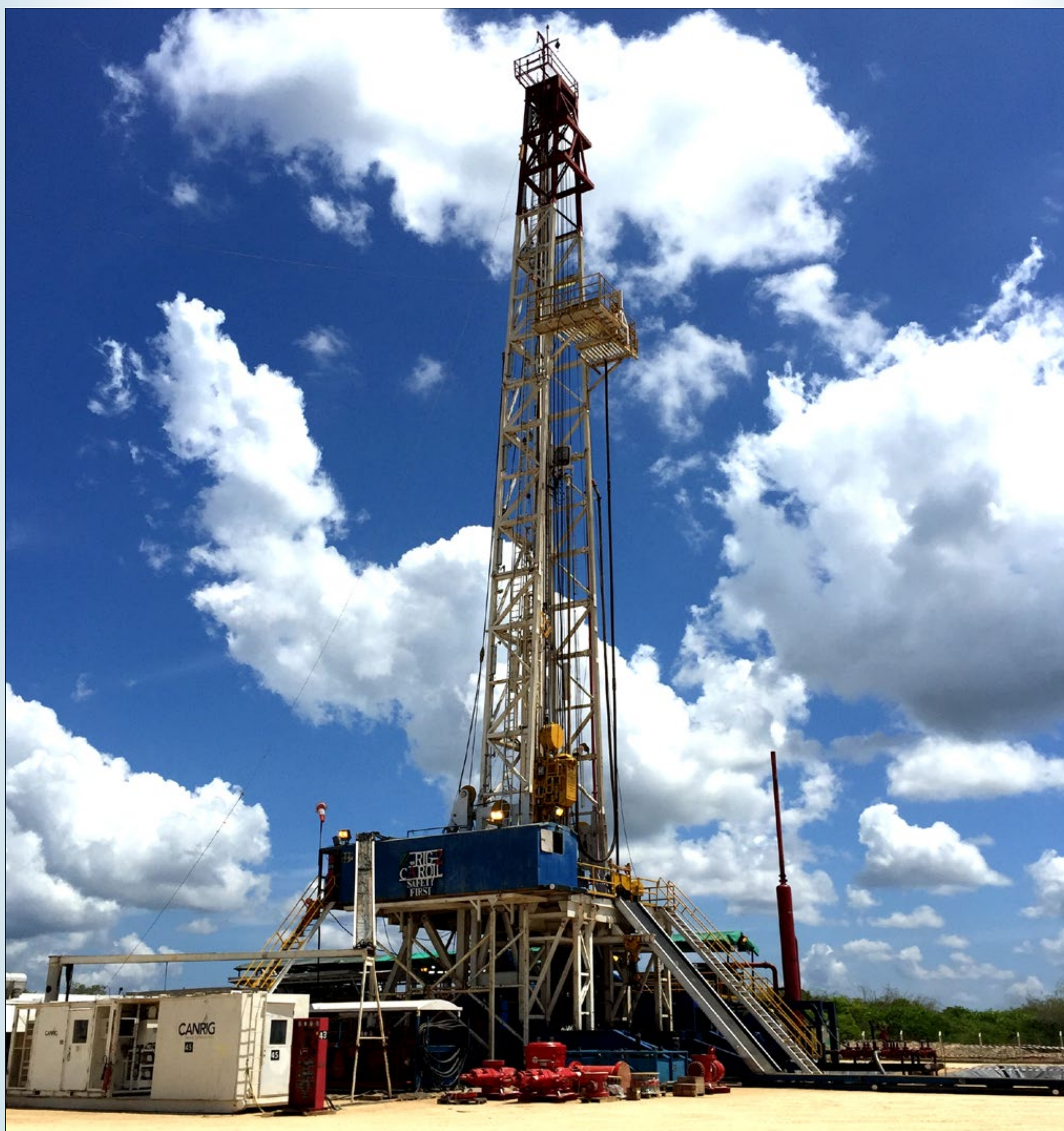
◆ Nyuni-2 drilling rig

Financial Review continued

Cash Flows

The net inflow in cash from operating activities was $0.60 million (2016: net outflow $3.20 million), after a decrease in debtors of $0.40 million primarily arising on the increase in the gross receivables from the TPDC but offset by a reduction in creditors of $3.01 million, interest payments of $0.54 million and a foreign exchange loss of $0.55 million. Net cash outflows from investing activities amounted to $10.63 million (2016: $1.66 million). Expenditure on exploration and evaluation assets in the reporting period amounted to $10.62 million, relating to the completion of drilling operations for and the subsequent testing of Ntorya-2 well, together with continuing licence costs. Expenditure on property, plant and equipment was $0.02 million in the year. The Group received $0.02 million in interest during the year. In May 2017, the warrant holder exercised all warrants outstanding and Aminex received $2.18 million gross of transaction costs on the issue of the related share capital, before deducting transaction expenses of $0.02 million. During the year, Aminex repaid the balance of the outstanding corporate loan debt of $4.93 million. Overall, the decrease in net cash and cash equivalents for the year ended 31 December 2017 was $13.34 million compared with an increase of $17.44 million for the comparative period. After a foreign exchange loss of $0.55 million (31 December 2016: $nil), the balance of net cash and cash equivalents at 31 December 2017 was $6.23 million (31 December 2016: $19.57 million).

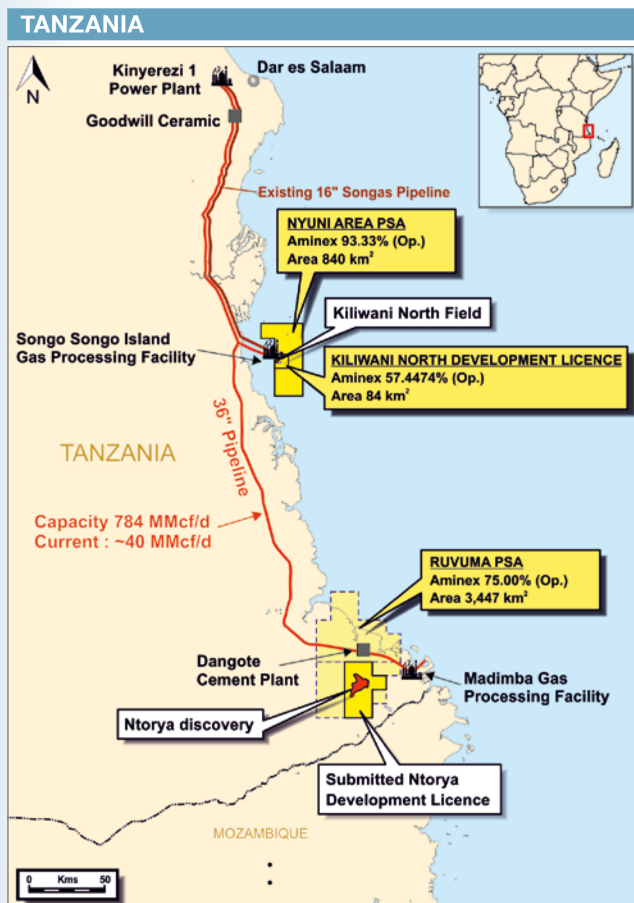
Max Williams
Finance Director



◆ Ntorya-2 drilling operations

Operations Report

TANZANIA



Kiliwani North Development Licence – Production

Aminex (operator)	57.4474%
RAK Gas LLC	25%
Bounty Oil & Gas NL	10%
Solo Oil plc	7.5526%

Resource and Reserves Summary

Field Name	Licence Status	Gas Reserves Gross LicenceBasis (2P) (BCF)			Gross Mean unrisked GIIP (BCF)
		1P	2P	3P	
Kiliwani North[1]	Producing	1.06	1.94	3.75	30.8
Kiliwani South Prospect[2]	Exploration	-	-	-	57

Source: [1] RPS Energy CPR of January 2018
[2] Management Estimates

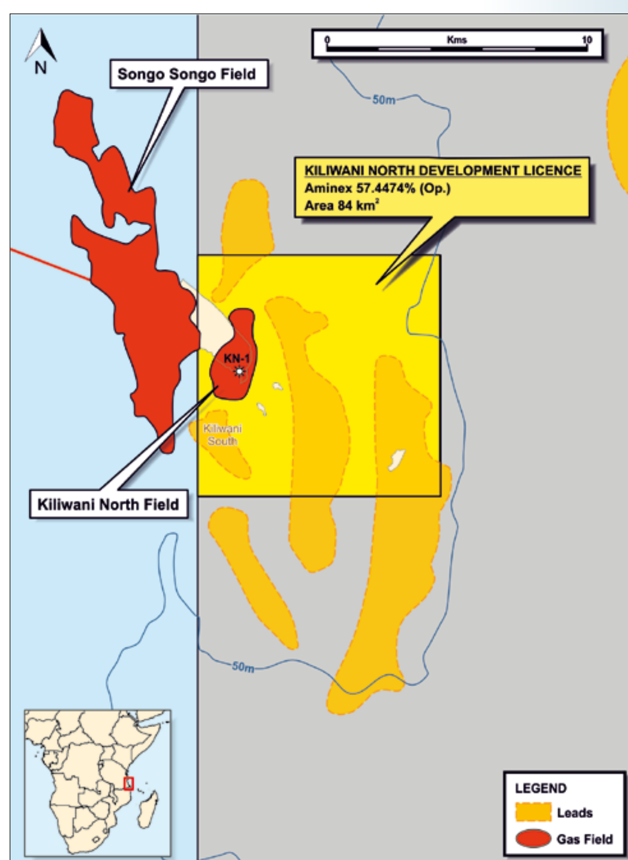
The Kiliwani North-1 well was drilled in 2008 and commenced production in April 2016 following the commissioning of the Songo Songo Island Gas Processing Plant ("SSIGPP"). Since commencing production the well has produced 6.4 BCF. Due to a higher than specified calorific value for the gas and an advantageous effect of the sales contract's indexation allowance, gas has been sold during the reporting period at approximately $3.27 per MCF.

The Kiliwani North-1 well averaged approximately 15 MMcfd during the first half of 2017, as reported in the Half-Yearly Report, but thereafter the well began to experience a decline in production rates and well head pressure. In November the well head pressure had reduced to a point where it was lower than the minimum inlet pressure required by the plant and as a result the well was produced at fluctuating rates below 1.0 MMcfd. By mid-December 2017 the well head pressure had recovered sufficiently for the well to be put back on production with rates of up to approximately 9 MMcfd.

Production rates are determined by the plant operator and are based on normal requirements for the SSIGPP. The plant has a 140 MMcfd processing capacity. Gas from Kiliwani North is sold at wellhead and is delivered into the Tanzanian National Gas Gathering System. A 24-inch spur line from the SSIGPP connects Kiliwani North to a 532 km 36-inch pipeline which transmits gas to Dar es Salaam.

The Company has analysed production and pressure data acquired throughout 2017 and concluded that the well is probably draining a small portion of the greater Kiliwani North structure. The data also suggests that the well is showing signs of a slow recharge from elsewhere in the surrounding structure via leaky faults or baffles within the reservoir. The Company continues to investigate various options to increase production and recovery of resources from the well. RPS Energy (RPS) was engaged late in 2017 to compile an independent Competent Person's Report (CPR) on all Aminex's Tanzanian assets and this was finalised in February 2018. The new CPR assigned 1.94 BCF of 2P reserves remaining to be produced from the Kiliwani North-1 well. The Company continues to produce from its Kiliwani North-1 well at restricted rates while it seeks alternatives remediate the well. Due to inlet pressure limitations and fluid build-up in the wellbore, the well has been produced infrequently in order to maintain basic plant operations.

During 2018, the Company has undertaken a simulation study on the field and, based on a history match of past reservoir



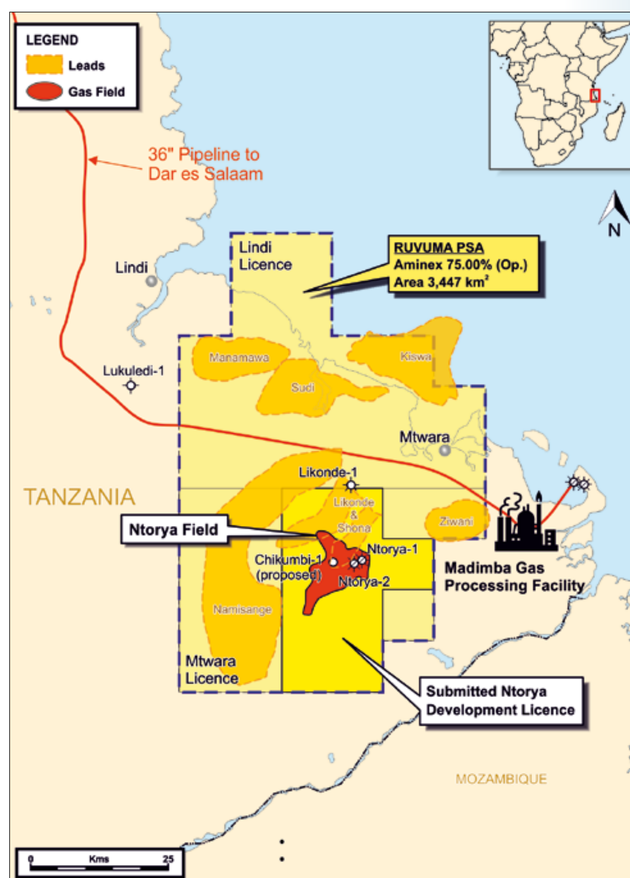
performance, the Company believes that an opportunity may exist to access unperforated reservoir capable of recovering additional gas volumes. Equipment required to conduct this workover has already been identified and pending further work on plant specifications and appropriate government approvals, the Company intends to re-enter the well.

As part of continuing work over its near-shore interests under the Kiliwani North Development Licence and the Nyuni Area PSA, Aminex's expanded technical team has conducted an extensive review of existing seismic data to identify drillable prospects which could be tied back to the National Gas Gathering System on Songo Songo Island. Aminex is planning to acquire 3D seismic over several areas on the shelf close to Songo Songo Island and these will include 3D seismic over the Kiliwani North and Kiliwani South structures. Kiliwani South is estimated by management to contain 57 BCF gross Pmean GIIP. As a result of the additional work required, the carrying cost of Kiliwani South has been reclassified to exploration and evaluation assets.

Under the terms of the Nyuni East Songo Songo PSA which governs the Kiliwani North Development Licence, the TPDC may elect to contribute 5% of development costs in order to obtain a participating interest of 5% in production and revenues.

Ruvuma PSA – Onshore Appraisal and Exploration

Aminex (operator)	75%
Solo Oil plc	25%



Resource Summary – Ntorya Field

Licence	Gas Resource	Gas Contingent Resources Gross Licence Basis (BCF)			Gross Mean unrisked GIIP (BCF)
		1C	2C	3C	
Mtwara[1]	Developent Pending	25.5	80.6	212.9	1,870
Mtwara[2]	Development Unclarified	342.3	682.2	949.5	
			Total 763		

Source: RPS Energy CPR of January 2018
[1] Based on initial 3-well development
[2] Based on additional 8-well development

Resource Summary excluding Ntorya Field

Licences	Licence Status	Gross Mean unrisked GIIP (BCF)
Mtwara	Exploration	1,356
Lindi	Exploration	1,718

Source: RPS Energy CPR of January 2018 (includes resources from several leads identified in previous reports: LR Senergy CPR of May 2015 and RISC 2012)

Aminex drilled and tested the Ntorya-2 appraisal well during the early part of 2017. This well reached a total vertical depth of 2,795 metres and subsequently tested at a stabilised rate of approximately 17 MMcfd. The well successfully appraised the Cretaceous discovery 74 metres updip from the Ntorya -1 discovery well encountering gas bearing reservoir with 31 metres of net pay and 51 metres of gross reservoir.

Ongoing technical work incorporating the results of Ntorya–2, basin modelling and re-interpretation of the existing 2D seismic covering the Ruvuma PSA including the Ntorya discovery, resulted in a significant increase over management's previous estimated resources for the Ntorya discovery. During 2017 management increased the internally estimated GIIP resource numbers for the Ntorya discovery from a mean 155 BCF (assessed by LR Senergy in 2015) to 1.3 TCF Pmean GIIP. The new RPS CPR, reported to shareholders in early 2018, ascribed an estimated Pmean GIIP of 1.87 TCF of gas to the Ntorya field and also increased the 2C resources from the 2015 CPR by approximately 11 times, increasing from 70 BCF to 763 BCF.

Ntorya-2 was drilled in the onshore Ruvuma Basin to appraise the Ntorya field where the Ntorya-1 gas discovery previously drilled by the Company had shown net pay of 3.5 metres and had flow-tested at 20 MMcfd, with 139 barrels of associated condensate. The Ntorya field is approximately 33 kilometres from the Madimba gas processing plant in south-eastern Tanzania, which distributes gas into the Tanzanian National Gas Pipeline system. Ntorya-2 completed the appraisal drilling obligations for the Ntorya location area.

In September 2017, the Group submitted a development plan for the Ntorya appraisal area and applied for the grant of a 25-year development licence. As part of the development licence application and also to identify ways to maximise returns from the discovery by the Company, Aminex appointed io oil & gas consulting to prepare a gas commercialisation study to assist with development of the Ntorya field. The study was designed to identify gas monetisation options available to the Company, including potential early development facilities to supply gas to the local market and generate near term revenues. The development plan is subject to review by and approval of the Tanzanian authorities and the Company will provide an update on its status in due course.

Operations Report continued

The Ruvuma PSA originally comprised two licence areas: the Mtwara Licence and the Lindi Licence. During 2016, Aminex received formal ministerial approval for a one-year extension to the Mtwara Licence, to January 2018 and expects to be granted a further extension to the Mtwara Licence. Although the Lindi Licence technically expired on 28 January 2017, negotiations are in progress. The Board had expected an extension to the Lindi Licence to be granted but subsequent discussions with the TPDC indicate the likelihood of being able to formalise an entirely new PSA in conjunction with the TPDC, which would enable further development and exploration to be carried out in conjunction with the Mtwara Licence area.

Under the terms of the Ruvuma PSA, after the grant of a development plan, the TPDC may elect to contribute 15% of development costs in order to obtain a participating interest of 15% in production and revenues.

Nyuni Area PSA – Onshore, Shelf and Deepwater Exploration

Aminex (operator)	93.3333%
Bounty Oil & Gas NL	6.6667%

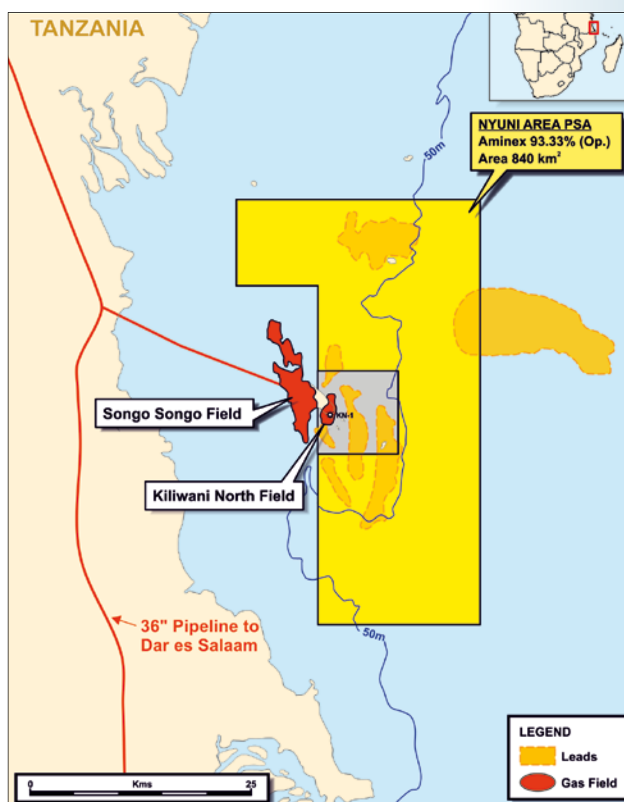
Resource Summary

PSA	Licence Status	Gross Mean unrisked GIIP (BCF)
Nyuni Area	Exploration	4,858

Source: RISC Consultants CPR of June 2012

Aminex remains focused on projects which will deliver commercial gas in the near term. A new 3D seismic programme is being prepared with the intent to map prospects capable of being economically drilled and tied into the SSIGPP.

Aminex has identified significant upside through the re-interpretation of existing 2D seismic over the licence area and continues to high-grade leads and prospects with the potential to deliver gas into the National Gas Gathering System. In the deep water part of the licence, the Company is unlikely to be in a position to drill a high cost well without the participation of a larger company as a farm-in partner. Despite the high potential in the deepwater areas, drilling in the shallow transition zone remains the most economically near-term viable option.



The First Extension Period was granted in December 2016 and backdated to October 2015. However, the Company believes that the four-year extension period should have started from the date of grant in December 2016 and has requested clarification from the TPDC on the start date for the current licence extension period.

Under the terms of the Nyuni Area PSA, after the grant of a development plan the TPDC may elect to contribute 20% of development costs in order to obtain a participating interest of 20% in production and revenues.

Other assets

Egypt

Aminex retains a 1% gross overriding royalty on all sales revenues from the South Malak-2 gas discovery well in excess of $2.5 million. This well is not yet on production.

◆ Songo Songo Island Gas Processing Plant

Corporate and Social Responsibility

◆ Supporting local education

Environmental Policy

Successful environmental management is dependent on recognising, and avoiding or minimising, environmental impacts. Aminex is aware that protection of the environment requires careful planning and commitment from all levels within the Company. Best practice environmental management demands a continuing, integrated process through all phases of a project.

Environmental management is a core business requirement for Aminex, essential to long-term success. Aminex complies with all relevant legislative requirements and commitments applicable to its operations and where practical, exceeds these requirements. In addition, Aminex is committed to good environmental management and continuous improvement in its performance.

The Company has also committed to membership of various local and regional environmental groups and associations. This allows for up to date information and industry best practices to be readily adopted in all phases of our operations.

Health, Safety, Security and Environment Policy

The health, safety and security of all our employees, contractors and the wider community in which it operates is of paramount importance to Aminex.

As standard practice, the Company:

- does not compromise on safety;
- complies with legislative requirements;
- identifies, assesses and manages environmental health, safety and security hazards, risks and impacts;
- promotes continuous improvement practices within all aspects of the business;
- minimises work place exposure to hazards; and
- understands and works to meet the expectations of the community and provides appropriate training to employees and contractors to ensure health, safety and security responsibilities are understood.

Community

Aminex believes that continuous improvement in the areas of environment, community and safety is fundamental to ongoing sustainability and success.

The Company's good reputation as a worthy corporate citizen has been achieved by:

- working closely with neighbours and co-occupiers of the land;
- supporting local community through sponsorship and resources;
- providing public information about environmental, community, health, safety and security aspects of the business; and
- encouraging the services of local suppliers where possible.

Aminex has strived to foster a lasting and tangible relationship with the local communities and stakeholder groups where it works, and is aware that in addition to regulatory operating approvals, the Company also requires a community acceptance to operate, and that acceptance has to be earned. Aminex is committed to working in an effective and collaborative manner with local communities that co-exist with its operations.

To achieve this Aminex has and will continue to:

- establish and maintain positive and meaningful communication with all affected groups;
- consult with the people whose land may be affected by its activities; and
- engage with relevant groups on various community projects.

Aminex supports local community initiatives where possible. The Company is a supporter of the WA Surgical Mission (www.asanterafiki.com) and the Australia Tanzania Young Ambassadors (www.youngambassadors.com.au). Aminex also contributes to community projects, such as schools and hospitals.

Aminex has strict anti-bribery procedures and policies in place and ensures that its employees and contractors observe these at all times in carrying out the Company's business.

◆ Providing water to a School in Mtwara

Board of Directors

Brian Hall, (72) (UK)

Chairman (N, Rk)

In March 2014 Brian Hall was appointed Chairman in a non-executive capacity, prior to which he was an Executive Director and managed the Company from 1991, leading it into Russia in 1994 and profitably exiting its main Russian project in 2001. In the 1970s he was a member of the team which developed Argyll, the UK North Sea's first producing oilfield, since which he has worked continuously in the international oil industry. Under his management Aminex has worked in Russia, the USA, Tanzania, Kenya, Egypt, Madagascar, Tunisia and Pakistan. He serves or has served on the boards of five publicly-traded resources companies and has held executive roles in several others. In 2012 Mr. Hall joined the board of AIM-listed Great Western Mining Corporation PLC where he is now Chairman. He is a Chartered Accountant.

Jay Bhattacherjee, (40) (Canada)

Executive Director, Chief Executive Officer (N)

Jay Bhattacherjee, a reservoir engineer, has over 15 years' experience in the oil and gas industry during which he has worked for Apache, Pengrowth, Scotia Waterous and Longreach Oil & Gas Ltd. He was appointed VP Operations at Longreach and was instrumental in its growth and development both technically and commercially which culminated in Longreach successfully becoming listed on the TSX Venture Exchange in Canada. Strategic farm-ins and financings undertaken helped to double Longreach's market capitalisation during his time there. Previously he was a member of Apache's unconventional gas programme team and in another period of his career was integral in expanding Pengrowth through strategic acquisitions and operations optimisation. He was a co-founder and Chief Executive at Canyon Oil & Gas Ltd. which was acquired by Aminex in 2014. He holds a B.Sc in Chemical Engineering with Petroleum Engineering from the University of Calgary. He was appointed a Director of Aminex in March 2014.

Max Williams, (54) (UK)

Finance Director and Company Secretary (N, Rk)

Max Williams is a Chartered Accountant. After working in the accounting profession, he joined Aminex as Group Financial Controller in 1994, was subsequently appointed Chief Financial Officer in 2010 and Finance Director in March 2014. During that time, he has been involved with Aminex's operations in Russia, the USA, Tanzania, Kenya and Tunisia. He is a graduate of the University College of Wales, Aberystwyth, and holds a degree in Accounting and Law.

Keith Phair, (63) (UK)

Non-Executive Director (A, N, R)

Keith Phair has spent the majority of his career with major international banks, with senior global product management positions in capital markets. He holds an MBA from The London Business School and has acted as a capital markets consultant to major companies and pension funds, also advising on strategic issues. He has been an active and engaged investor in various oil and gas exploration companies for many years. He was appointed a Director of Aminex in October 2009.

Tom Mackay, (61) (UK)

Non-Executive Director (A, N, R, T)

Tom Mackay is a Geologist/Petroleum Engineer with a successful career in petroleum operations, management and financing. With a BSc (Hons) in geology from Durham University, he began his career as a Petroleum Engineer with Shell and subsequently moved to Clyde Petroleum PLC where he became Manager, Existing Ventures until it was acquired by Gulf Canada in 1997. Since then he has been an active petroleum consultant on acquisition and new venture projects with a wide range of clients, including Petrofac and Enquest. For a period he served as CEO of a private E&P company, Oil Quest Holdings Limited and from 2002 to 2007 he held senior management positions at Stratic Energy Corporation. He is currently a Partner in Gemini Oil & Gas Advisors LLP which acts as technical and financial advisor to the Gemini Oil & Gas Funds, investing in global appraisal and development projects. He was appointed a Director of Aminex in September 2014.

Ola Fjeld, (59) (Norway)

Non-Executive Director (A, N, R, T)

Ola Fjeld has over 30 years of diverse industry experience in Norway and internationally. He has worked for large international service companies as well as starting an oil and gas software company VoxelVision. The company was acquired by Schlumberger and the technologies from VoxelVision and GigaViz form the seismic interpretation parts of the world leading G&G software package Petrel. He is currently the Chief Operating Officer of ARA Petroleum LLC. He holds a Master's degree from NTNU, Norway. He was appointed a Director of Aminex in August 2016.

Sultan Al-Ghaithi, (42) (Oman)

Non-Executive Director (N)

Sultan Al-Ghaithi has over 18 years of industry experience and is currently Chief Executive Officer of Ara Petroleum LLC where he is responsible for two subsidiary E&P companies operating in Oman. He is a wellsite engineer by background and has previously worked with Petroleum Development Oman and Weatherford International where he was Country and Area Manager in Oman. He was appointed a Director of Aminex in October 2017.

John Bell, (52) (UK)

Non-Executive Director (N)

John Bell is a Chartered Engineer with a 30-year career in the energy sector, including senior positions at BP, Statoil and Suncor. He currently serves as Managing Director of Gulfsands Petroleum PLC. During his career he has worked in the Middle East, North Africa, the former Soviet Union, the Americas, the UK North Sea, Scandinavia and the Caribbean. He has previously been a Non-Executive Director at Gulf Keystone Petroleum and Executive Chairman at Tethys Petroleum. He holds a First Class Honours Degree in Engineering from Strathclyde University and has studied Executive Leadership at The Haas Business School, University of Berkeley, California. He was appointed a Director of Aminex in November 2017.

A Member of Audit Committee
N Member of Nominations Committee
R Member of Remuneration Committee
Rk Member of Risk Committee
T Member of Technical Committee

Directors' Report

The Directors present their annual report and audited financial statements for Aminex PLC ("the Company") and its subsidiary undertakings ("the Group") prepared in US dollars for the year ended 31 December 2017.

Principal activities

The principal activities of the Group are the production, appraisal and development, with exploration potential, of oil and gas assets, reserves and resources. The Group operates through subsidiary undertakings, details of which are set out in Note 13 to the financial statements. The Group's principal area of activity is in Tanzania.

Results and dividends

As set out in the Group Income Statement on page 31, the Group loss after tax amounted to US$2.28 million which compares with a loss after tax of US$2.53 million for 2016. No dividends were paid during the year (2016: US$nil).

Share capital

At 31 December 2017, the Company had two classes of shares which were divided into Ordinary Shares of €0.001 each and Deferred Shares of €0.059 each. The number of Ordinary Shares of €0.001 and Deferred Shares of €0.059 in issue were 3,643,458,062 and 818,658,421 respectively (2016: 3,475,897,030 Ordinary Shares of €0.001 each and 818,658,421 Deferred Shares of €0.059 each). The Company's authorised share capital was €64,000,000 (2016: €64,000,000) comprising 5,000,000,000 Ordinary Shares of €0.001 each and 1,000,000,000 Deferred Shares of €0.059 each (2016: 5,000,000,000 Ordinary Shares of €0.001 each and 1,000,000,000 Deferred Shares of €0.059 each). The Ordinary Shares are in registered form.

Resolutions have been proposed to renew the Directors' authority to allot share capital of the Company, as are set out more fully in the Notice of Annual General Meeting. The Directors were granted authority at the 2017 Annual General Meeting to consolidate the existing ordinary shares at a ratio of 1 new ordinary share for every 20 existing Ordinary Shares and to cancel the Deferred Shares of €0.059 each and this authority remains at the Directors' discretion.

Additional information in respect of shares and directors as required by the European Communities (Takeover Bids (Directive 2004 25/EC)) Regulations 2006 are set out on pages 15 to 16.

Directors and their interests

Biographies of all Directors are set out on page 12. In accordance with the Articles of Association, Mr. B.A. Hall and Mr. M.V. Williams retire from the Board and being eligible offer themselves for re-election. Mr. S. Al-Ghaithi and Mr. J. Bell were appointed to the Board on 4 October 2017 and 9 November 2017, respectively, since the last Annual General Meeting, and are therefore required to seek election at the forthcoming Annual General Meeting. Having served nine years on the Board, Mr. A.N.J. Hay retired from the Board on 19 May 2017.

With the exception of the transactions stated in Note 29 to the financial statements, there were no other significant contracts, other than Executive Directors' contracts of service, in which any Director had a material interest.

The Directors who held office at or have been appointed since 31 December 2017 had no beneficial interests in any of the shares of the Company and Group companies other than Ordinary Shares in Aminex PLC as follows:

Director	Number of Ordinary Shares		
	27 April 2018	31 December 2017	31 December 2016
S. Al-Ghaithi	-	-	-
J. Bell	-	-	-
J.C. Bhattacherjee	45,914,474	45,914,474	45,569,977
O. Fjeld	-	-	-
B.A. Hall	15,597,697	15,597,697	15,195,927
T.A. Mackay	1,028,947	1,028,947	1,028,947
K.J. Phair	9,019,401	9,019,401	9,019,401
M.V. Williams	3,993,006	3,993,006	3,750,288

Details of the Directors' share options are set out in the Remuneration Report on pages 24 to 25.

Substantial shareholdings in the Company

As of the date of this report, the following was a holder of 3% or more of the Company's issued Ordinary Share capital:

	Number of shares	Per cent
Eclipse Investments LLC	1,042,636,095	28.62
Majedie Asset Management Limited and Majedie Asset Management Investment Fund Company	345,061,624	9.47

The Directors have not been made aware of any other beneficial shareholdings of 3% or more of the issued Share Capital as at the date of this report.

Financial Review

A review of current year financial activities is set out in the Financial Review on pages 5 to 7. Key performance indicators principally relate to production, net oil and gas reserves and the Group's exploration licences, as detailed within the Chairman's Statement, the Chief Executive's Review, the Financial Review and the Operations Report.

Operations Report

A review of exploration and production activities during 2017 and outlook for 2018 are set out in the Chairman's Statement on page 2, the Chief Executive's Review on page 3 to 4 and in the Operations Report on pages 8 to 10.

Payment of Suppliers

The Company's policy is to agree payment terms with individual suppliers and to abide by such terms.

Electoral Act 1997
The Group did not make any political donations during the current or previous year.

Corporate Governance Statement
Statements by the Directors in relation to the Company's application of corporate governance principles, compliance with the principles of the UK Corporate Governance Code published in April 2016 and the Irish Corporate Governance Annex, the Group's system of internal controls and the adoption of the going concern basis of preparation of the financial statements are set out on pages 17 to 23. The report on Directors' remuneration is set out on pages 24 to 25. Principal risks and uncertainties are set out on pages 21 and 22 to comply with Companies Act 2014 requirements.

Audit Committee
The Group has established an Audit Committee that is chaired by an independent Director and whose terms of reference include the:

a) monitoring of the financial reporting process;

b) monitoring of the effectiveness of the Group and Company's systems of internal control, internal audit and risk management;

c) monitoring of the statutory audit of the Group and Company's statutory financial statements;

d) review and monitoring of the independence of the statutory auditors and in particular the provision of additional services to the Group and Company;

e) ensuring the integrity of the financial statements; and

f) review of the Group's internal financial and non-financial controls.

Further details are provided in the Corporate Governance Statement on pages 17 to 23.

Relevant audit information
The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group statutory auditors are aware that there is no relevant audit information of which the Group's statutory auditors are unaware.

Directors' Compliance Statement
The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Companies Act 2014, and tax laws ('relevant obligations'). The directors confirm that:

- A compliance policy statement has been drawn up setting out the Company's policies that in their opinion are appropriate with regard to such compliance;
- Appropriate arrangements and structures have been put in place that, in their opinion, are designed to provide reasonable assurance of compliance in all material respects with those relevant obligations; and
- A review has been conducted, during the financial year, of those arrangements and structures.

Post balance sheet events
On 9 January 2018, the Company granted 42 million options over Ordinary Shares to Directors and staff. The exercise price was Stg3.08p with the exercise period not exceeding three years from date of grant. The share-based payment charge arising from the grant will be charged to the Income Statement in the year ending 31 December 2018.

On 5 February 2018, the Company advised that RPS Energy Consultants Limited had completed a Competent Person's Report over the Company's entire Tanzania asset base and that their findings have established a significant resource upgrade. This result, taken together with the results of the Ntorya Gas Commercialisation Study prepared by io oil & gas consulting in 2017, confirmed the feasibility of developing the Ntorya gas field for commercial production.

On 21 March 2018, the Company announced that it was in discussions with the Zubair Corporation for a possible farm out of part of its interest in the Ntorya Appraisal Area. The Zubair Corporation is a significant shareholder in Aminex PLC through its wholly-owned subsidiary company Eclipse Investments LLC.

On 11 April 2018, Aminex received formal notification from the TPDC of certain claims amounting to US$5.97 million for liabilities arising on revenues from gas sales, of which Aminex's share is estimated to be $2.73 million. Aminex has advised the TPDC that it does not accept the claims and no provision has been made in the financial statements beyond amounts Aminex had already accrued. Further details are disclosed in Note 26(c) to the financial statements.

Accounting records
The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at Kings Buildings, 16 Smith Square, London, SW1P 3JJ, UK.

Auditor
In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

J.C. Bhattacherjee
Director

M.V. Williams
Director

27 April 2018

Additional Information for Shareholders

Additional information in respect of shares and Directors as required by the European Communities (Takeover Bids (Directive 2004 25/EC)) Regulations 2006 are set out below.

Amendment to the Articles of Association

Any amendment to the Articles of Association ('Articles') of the Company requires the passing of a special resolution in accordance with the provisions of the Companies Act.

Rights attaching to shares

The rights attaching to the Ordinary and Deferred Shares are defined in the Company's Articles. A shareholder whose name appears on the register of members can choose whether the shares are evidenced by share certificates (i.e. in certificated form) or held in electronic form (i.e. uncertificated form) in CREST (the electronic settlement system in Ireland and the UK).

At any general meeting, a resolution put to the vote shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of the meeting, or by at least three shareholders present in person or by proxy, or by any shareholder or shareholders present in person or by proxy and representing not less than 10% of the total voting rights of all the shareholders having the right to vote at the meeting, or by a shareholder or shareholders holding shares in the Company conferring the right to vote at the meeting being shares on which an aggregate sum has been paid equal to not less than 10% of the total sum paid up on all the shares conferring that right to vote.

The shareholders may declare dividends by passing an ordinary resolution in general meeting but the amount of the dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment of interim dividends. No dividend shall be paid unless the distributable profits of the Company justify the payment.

Notice of each dividend declared and/or other monies payable to members (including, without prejudice to the generality of the foregoing, on a return of capital) shall be given to each member in the manner provided for under Articles 137 and 138. All dividends and/or other monies payable to members (including, without prejudice to the generality of the foregoing, on a return of capital) unclaimed for a period of 12 years after the declared date of payment thereof may by resolution of the Board be forfeited for the benefit of the Company.

If the Company is wound up, the liquidator may allocate, with the sanction of a special resolution passed in general meeting and any other sanction required by the Companies Act 2014, between the shareholders in specie or in kind the whole or any part of the assets of the Company. The liquidator may value the assets and determine how to divide the assets between shareholders or different classes of shareholders. The liquidator may transfer the whole or any part of the assets into trust for the benefit of the shareholders.

Voting at general meetings

Subject to any rights or restrictions for the time being attached to any class of shares, shareholders may attend any general meeting and, on a show of hands, every shareholder present in person or by proxy shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for each share of which he/she is the holder.

Votes may be given either personally or by proxy. The form of proxy shall be signed by the appointer or his/her duly authorised attorney or if the appointer is a body corporate either under the seal or signed by an officer of the body corporate duly authorised.

The form of proxy must be delivered to the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting as notified in the notice of general meeting at which the person named in the form of proxy proposes to vote.

No shareholder shall be entitled to vote at any general meeting unless all calls or other sums payable in respect of his/her shares have been paid.

Transfer of shares

The Directors may decline to register the transfer of a share which is not fully paid. The Directors may also refuse to register a transfer unless the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right to transfer and the instrument of transfer is in respect of one class of share only.

The Directors have the power to implement any arrangements they think fit for evidencing the title to and transfer of shares in accordance with statutory obligations made from time to time. Transfers of uncertified shares must be carried out using CREST and the Directors may refuse to register a transfer of an uncertified share in accordance with the regulations governing the operation of CREST. Transfers of shares in certificated form must be executed by or on behalf of the transferor and the transferee.

Under the terms of the Aminex PLC Executive Share Option Scheme, option holders who obtain shares on the exercise of options must retain, subject to the Directors' discretion and to an offer for the whole or a specified portion of the share capital, beneficial ownership of those shares for a minimum period of three years unless otherwise determined by the Board.

Variation of rights

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special right or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine.

If at any time the share capital is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the written consent of the holders of at least 75% of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Appointment and replacement of Directors

There will be no less than two Directors. Directors may be appointed by the Company by ordinary resolution (provided not less than 7 days or more than 42 days before the day appointed for the meeting, notice is given to the Company of the intention to propose a person for election) or by the Board. A Director appointed by the Board shall hold office only until the following annual general meeting and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. At each annual general meeting of the Company, one-third of the Directors shall retire by rotation or if their number is not a multiple of three then the number nearest one-third shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

The Company may, by ordinary resolution of which extended notice has been given in accordance with the Companies Act 2014, remove any Director before the expiration of his period of office.

Powers of the Directors

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not required by the Companies Act 2014 or by the Articles to be exercised by the Company in general meeting. The Directors are, subject to the provisions of the Companies Act 2014, authorised to allot shares in accordance with an offer or agreement for the number of authorised shares not yet issued and also to issue shares for cash. Resolutions to renew these authorities are set out in the Notice of Annual General Meeting. Under the Aminex PLC Executive Share Option Scheme, the Directors are authorised, in the event of an offer for the whole or a specified portion of the share capital, to request option holders to exercise unexercised options.

The Directors are committed to maintaining high standards of corporate governance. The Corporate Governance Statement describes how the Company applied the principles of the UK Corporate Governance Code (the "Code") published in April 2016 as adopted by the Irish Stock Exchange ("ISE") and London Stock Exchange ("LSE") throughout the financial year ended 31 December 2017. The Directors note that the ISE introduced the Irish Corporate Governance Annex (the "Annex") to apply to companies listed on the ISE and which supplements the Code with additional corporate governance provisions. Except where otherwise stated, the Directors believe that the Group has complied with the provisions of the Code and the Annex throughout the year under review.

A copy of the Code can be obtained from the Financial Reporting Council's ("FRC") website: www.frc.org.uk. A copy of the Annex can be obtained from the ISE's website: www.ise.ie.

Corporate Governance

Compliance with the provisions of the UK Corporate Governance Code ("the Code") and the related Irish Corporate Governance Annex

The Directors consider that Aminex PLC has complied throughout the year with the provisions of the Code and the Irish Annex except for the following matters:

- The terms and conditions of appointment of Non-Executive Directors were not publicly available during the year.
- A performance evaluation of the Board, its Committees and its Directors was not undertaken during the year.
- As noted in the Directors' Remuneration Report, the Board intends to put in place a scheme during 2018 to enable part of the Executive Directors' remuneration to be performance related.
- The Company does not have at least two independent non-executive directors as defined by provision B1.2 of the Code. However, given the small size of the Board and the calibre and experience of the six Non-Executive Directors, the Board views these Non-Executive Directors as sufficiently independent of management and as being capable of exercising independent judgment.
- As stated in the Directors' Remuneration Report, four of the Company's Non-Executive Directors hold options over the Ordinary Shares of the Company. The Board considers that this is in the Group's best interests to attract and retain high calibre directors and that, with limited cash resources, this can be achieved by the granting of options. On the recommendation of the Remuneration Committee, the Board does not intend to grant any further options to any current or future Non-Executive Directors after the grant of options made in January 2018.

The Board of Directors

The Company is controlled through its Board of Directors. The Board's main roles are to create value for shareholders, to provide entrepreneurial leadership to the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable the Group to meet its objectives.

There are matters which are specifically reserved for the Board which include setting and monitoring business strategy; evaluating exploration opportunities and risks; approving all capital expenditure on exploration and producing oil and gas assets; approving all investments and disposals; approving budgets and monitoring performance against budgets; reviewing the Group's health and safety policy and considering and appointing new Directors and the Company Secretary.

The Board consists of eight members and comprises a Non-Executive Chairman, two Executive Directors and five Non-Executive Directors. The Chairman, Mr. B.A. Hall, and two of the Non-Executive Directors, Mr. K.J. Phair and Mr. T.A. Mackay have a beneficial interest in the Company and participate in the Aminex PLC Executive Share Option Scheme. Mr. J. Bell also participates in the Aminex PLC Executive Share Option Scheme having been granted options in January 2018. Mr. S. Al-Ghaithi and Mr. O. Fjeld do not have a beneficial interest in the Company and do not participate in the Aminex PLC Share Option Scheme. The Board considers that the granting of options to Non-Executive Directors is a reasonable method of attracting Directors of high calibre. However, the Board does not intend to grant any further options to any current or future Non-Executive Directors after the grant of options in January 2018. The Board considers each of the current Non-Executive Directors to be independent of management. The Board also considers Mr. B.A. Hall, Mr. K.J. Phair, Mr. T.A. Mackay and Mr. J. Bell are free from any business relationships that could materially interfere with the exercise of their independent judgment. Mr. S. Al-Ghaithi and Mr. O. Fjeld are the Chief Executive Officer and Chief Operating Officer of ARA Petroleum LLC, respectively, which is part of the Zubair Corporation and an associate company of Eclipse Investments LLC and were nominated by Eclipse Investments LLC to be Non-Executive Directors. The Board recognises this potential conflict of interest and procedures are in place to ensure that the obligations of Mr. S. Al-Ghaithi and Mr. O. Fjeld as Directors of Aminex are observed. Brief biographies of the Directors are set out on page 12.

There is a clear division of responsibilities between the roles of Chief Executive Officer and Non-Executive Chairman. The Senior Independent Director is Mr. K.J. Phair.

The Board plans to meet at least six times a year. All Directors are expected to attend these scheduled meetings, however other meetings are held in between each scheduled meeting to ensure that Non-Executive Directors are kept informed of corporate developments. All Directors receive all reports and papers on a timely basis for Board and Committee meetings. All Directors have access to the advice and services of the Company Secretary and may obtain independent professional advice at the Group's expense. The Group's General Counsel, Brian Cassidy, was appointed Company Secretary to the Company on 12 December 2018.

Under the terms of the Company's Articles, at least one third of the Board must seek re-election to the Board at the Annual General Meeting each year. All new Directors appointed since the previous Annual General Meeting are required to seek election at the next Annual General Meeting and in accordance with this the Directors will propose a resolution to elect Mr. S. Al-Ghaithi and Mr. J. Bell. The Directors required to seek re-election at the forthcoming Annual General Meeting are Mr. B.A. Hall and Mr. M.V. Williams. Mr. A.N.J. Hay retired from the Board at last year's AGM on 19 May 2017 as he had served nine years on the Board.

The Directors have access to a regular supply of financial, operational and strategic information to assist them in the discharge of their duties. Such information is provided as part of the normal management reporting cycle undertaken by senior management.

The Company arranges appropriate insurance cover in respect of legal action against its Directors.

Board Committees

The Board has established an Audit Committee, a Remuneration Committee, a Risk Committee, a Nominations Committee and a Technical Committee, each of which has formal terms of reference approved by the Board.

Audit Committee

Composition of the Audit Committee

During the year, the Audit Committee comprised Mr. K.J. Phair, Mr. O. Fjeld (from 19 May 2017), Mr. A.N.J. Hay (until 19 May 2017) and Mr. T.A. Mackay. All members of the Committee are deemed to be financially competent and suitably qualified. The terms of reference for the Audit Committee are available for inspection on the Company's website www.aminex-plc.com. The Audit Committee met twice during the year. Each committee meeting was attended by invitation of the Group Chairman, the Group Chief Executive Officer and the Group Finance Director. The external auditor also attended these meetings as required.

Activities of the Audit Committee

During the year, the Audit Committee discharged its responsibilities as follows:

Integrity of the financial statements

The Audit Committee met twice during the year to review the interim and annual financial statements prior to Board approval; to review the appropriateness of the Group's key accounting policies; to review the potential impact on the Group's financial statements of certain matters such as impairment of non-current asset values; to review and approve the audit and non-audit fees due to the Group's external auditor; to approve the external auditor's letter of engagement and to review the external auditor's report to the Audit Committee. In undertaking this review, the Audit Committee discussed with management and the external auditor the critical accounting policies and judgements that had been applied.

The Audit Committee determined that the key risks of misstatement of the Group's financial statements related to the impairment of exploration and evaluation assets and the impairment of production assets held under property, plant and equipment.

These issues were discussed with management during the year when the Committee considered the half-year financial statements in September 2017 and the financial statements for the year ended 31 December 2017 in March 2018. These issues and how they were addressed are set out in further detail below:

Impairment of exploration and evaluation assets

The total carrying value of exploration and evaluation assets at 31 December 2017 is $99.6 million. During the year the Audit Committee assessed the carrying value of exploration and evaluation assets by applying the industry-specific indicators of impairment set out in IFRS 6 "Exploration for and Evaluation of Mineral Resources". The Audit Committee considered the expiry of and prospect of extensions to each licence, taking into account the agreement of the TPDC to the deferral of the two well drilling commitment under the terms of the Nyuni Area PSA into the next work period, continuance of activity and planned expenditure and data indicating the likelihood that the carrying cost could be recovered from a successful development or sale. The Audit Committee also reviewed and considered the reclassification of costs amounting to $4.54 million from property, plant and equipment to exploration and evaluation assets relating to Kiliwani South and the appropriateness of making the reclassification in the comparative financial statements.

The Audit Committee considered the continuing discussions with the Tanzanian authorities for a new production sharing agreement for the Lindi Licence. The Audit Committee noted that, in the event that a new production sharing agreement is not granted for the Lindi Licence, which includes the cost of the Likonde-1 well, an impairment of the carrying value, estimated to be approximately $10.4 million, might be necessary, but noted that the recoverables cost pool for the Lindi licence would be transferable to the Mtwara licence under the Ruvuma PSA. The Audit Committee considered the drilling success at Ntorya in the Mtwara Licence in 2017 and the status of the Mtwara Licence for which the Company has a reasonable expectation of being granted an extension, and the application for a development licence for Ntorya which is pending approval by the Tanzanian authorities, as well as other matters, in assessing the conclusion by management that no adjustment to the impairment provision for exploration and evaluation assets is required for the period under review.

Impairment of property plant and equipment

The total carrying value of producing and development assets classified as property, plant and equipment assets at 31 December 2017 is $2.4 million, after the reclassification of costs associated with Kiliwani South to exploration and evaluation assets. During the year, the Audit Committee assessed the carrying value of the development asset at Kiliwani North in Tanzania. The Committee assesses the value in use based on a management estimate which itself is based on independent resource estimates for the Kiliwani North Development Licence and compares these valuations with the expected realisable value of the cash-generating unit. The Audit Committee took into consideration the continuation of production at the Kiliwani North-1 well, and also reviewed and challenged the assumptions used in management's assessment, discussed these in detail with senior management and, based on the above, was satisfied that the carrying value was not deemed to be impaired.

Going concern

The Audit Committee considered the Group's ability to continue as a going concern. The Audit Committee reviewed the cash flow projections prepared by management for a period to 31 December 2019 from the date of approval of the financial statements. The Committee considered the recoverability of receivables amounting to $6.94 million, of which Aminex's share is $2.70 million, due from the Tanzania Petroleum Development Corporation. The Audit Committee took into account the claim of $5.97 million by TPDC received on 11 April 2018 (see Note 26(c)). The Committee considered the Group's ability to meet its operational and capital expenditure planned for 2018 and 2019. The Audit Committee discussed the action being taken by executive management, including the continuing discussions with the Zubair Corporation, which is a related party, regarding a possible farm-out of part of its interest in the Ruvuma PSA and assessing the risks of non-completion of a transaction and taking this into account concluded that it is satisfied, having regard to the above and that the claim by TPDC, indicates the existence of a material uncertainty on the Group's ability to continue as a gong concern.

Accounting policies benchmarking

During 2017, the Company undertook a review of accounting policies benchmarked against a sample of similar companies and found no material difference or omission in the accounting policies of the Company within the industry.

Misstatements

Management confirmed to the Audit Committee that they were not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation.

Discussions with the auditor

The Audit Committee has received and discussed a report from the external auditor on the findings from the audit, including those relating to the risks noted above.

Conclusion

After reviewing the presentations and reports from management and taking into account views expressed by the external auditor, the Audit Committee is satisfied that the financial statements appropriately address the use of extimates and key sources of estimation uncertainty (both in respect of amounts reported and the disclosures). The Audit Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised and challenged and are sufficiently robust.

Work by and independence of external auditor

The Audit Committee has developed a policy to monitor the level of audit and non-audit services provided by the Group's external auditor. This policy sets out that non-audit services are normally limited to assignments that are closely related to the annual audit or where the work is of such a nature that a detailed understanding of the Group is necessary. An analysis of the fees paid to the external auditor in respect of audit and non-audit work is included in Note 5 of the financial statements. In addition to processes and safeguards put in place to ensure segregation of audit and non-audit roles, as part of the assurance process in relation to the audit, the external auditor is required to confirm to the Audit Committee that they have both the appropriate independence and objectivity to allow them to continue to serve the members of the Group. The external audit engagement partner is replaced every five years and other senior audit staff are rotated every seven years. 2017 represents the fifth year for which Eamonn Russell has been the audit engagement partner and accordingly he will rotate off the audit following completion of the 2017 audit and will be replaced by a new audit engagement partner for 2018. No matters of concern were identified by the Audit Committee.

The Audit Committee invites Executive Directors and representatives of the external auditor to the meetings as appropriate. Members of the Audit Committee have an opportunity to meet in private without the presence of either the Executive Directors or the external auditor. The Audit Committee also has an opportunity to discuss in private any matters with the external auditor without the presence of the Executive Directors.

Audit tendering and rotation

KPMG has been the Group's auditor for over 30 years. The Committee acknowledges the provisions relating to audit reforms and audit tendering contained in the UK Corporate Governance Code and the EU Directive passed by the European parliament effective from June 2016.

The Audit Committee continues to monitor these legislative developments governing auditor rotation and tendering which would require the Group to meet the mandatory rotation of KPMG as auditor by no later than 2023.

Internal audit function

The Audit Committee reviews the necessity for the establishment of an internal audit function. At present, the Audit Committee does not consider that an internal audit function is required because of the small size of the Group and the direct involvement of senior management in setting and monitoring controls.

Corporate Governance continued

Remuneration Committee

During the year, the Remuneration Committee comprised Mr. O. Fjeld (from 19 May 2017), Mr. A.N.J. Hay (until 19 May 2017), Mr. K.J. Phair and Mr. T.A. Mackay. The Remuneration Committee met twice during the year to consider the remuneration of the Group's Executive Directors and the granting of options under the Aminex PLC Executive Share Option Scheme ("the Scheme"). Options were granted in May 2017 to staff and, subsequent to the year-end, in January 2018, although on the recommendation of the Remuneration Committee the life of the options was restricted to either two or three years rather than the maximum of ten years permitted by the Scheme. Details of Directors' remuneration and options held is set out in the Directors' Remuneration Report on pages 24 to 25.

Risk Committee

A Risk Committee, which during the year comprised the Chairman, Mr. B.A. Hall, an Executive Director, Mr. M.V. Williams, and three members of the management team, Mr. A.R.G. LeBlanc, Mr. B. Cassidy and Mr. M.V. Bates, is charged with the review of the key risks inherent in the business and the system of control necessary to manage such risks and presents its findings to the Board. Exploration risk, the main corporate risk to which the Group is exposed, is monitored and reviewed regularly by the Board. The Board considers exploration risk to be acceptable for the Group taking into account the industry in which it operates.

Nominations Committee

During the year, the Nominations Committee comprised all the Directors. The Committee met twice during the year to consider the appointments of Mr. S. Al-Ghaithi, as proposed by Eclipse Investments LLC, and Mr. J. Bell, as Directors and Mr. B. Cassidy as Company Secretary.

Directors' attendance at Board and Committee Meetings

The table below sets out the attendance record of each Director at scheduled Board and Committee meetings during 2017.

Number of meetings	Board (Main) 5 Meetings attended	Audit Committee 2 Meetings attended	Remuneration Committee 2 Meetings attended	Risk Committee 2 Meetings attended	Technical Commitee 2 Meetings attended
S. Al-Ghaithi	2	n/a	n/a	n/a	n/a
J. Bell	1	n/a	n/a	n/a	n/a
J.C. Bhattacherjee	5	n/a	n/a	n/a	n/a
O. Fjeld	5	1	1	n/a	2
B.A. Hall	5	n/a	n/a	2	n/a
A.N.J. Hay	2	1	1	n/a	n/a
T.A. Mackay	5	2	2	n/a	2
K.J. Phair	5	2	2	n/a	n/a
M.V. Williams	5	n/a	n/a	2	n/a

Key: n/a = not applicable (where a Director was not a member of the Committee)

During 2017, certain Directors who were not committee members attended meetings of the Audit, Remuneration and Technical Committees by invitation. These details have not been included in the table above.

Relations with shareholders

The Company communicates regularly with shareholders including the release of the interim and annual results and following significant developments. The Annual General Meeting is normally attended by all Directors. Shareholders, including private investors, are invited to ask questions on matters including the Group's operations and performance and to meet with the Directors after the formal proceedings have ended.

The Group maintains a website (www.aminex-plc.com) on which all announcements, financial statements and other corporate information are published. The Directors are available to meet institutional shareholders for ad hoc discussions. The Senior Independent Director is available to meet with shareholders if they have concerns which contact through the normal channels of the Chairman and Chief Executive Officer has failed to resolve or for which such contact is inappropriate.

Internal control

The Directors are responsible for the Group's system of internal controls, the setting of appropriate policies on those controls, the regular assurance that the system is functioning effectively and that it is effective in managing business risk.

The Audit Committee monitors the Group's internal control procedures, reviews the internal controls processes and risk management procedures and reports its conclusions and recommendations to the Board.

The Directors consider that the frequency of Board meetings and the information provided to the Board in relation to Group operations assists the identification, evaluation and management of significant risks relevant to its operations on a continuous basis.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives.

Preparation and issue of financial reports to shareholders and the markets, including the consolidated financial statements, is overseen by the Audit Committee. The Group's financial reporting process is controlled using documented accounting policies and company management accounts. The process is supported by a Group finance team based in the UK and finance personnel in Tanzania who have responsibility and accountability to provide information in keeping with agreed policies. Aminex's processes support the integrity and quality of data by arrangements for segregation of duties. Each reporting entity's financial information is subject to scrutiny at reporting entity and Group level by the Chief Executive Officer and Finance Director. The half-year and annual consolidated reports are also reviewed by the Audit Committee in advance of being presented to the Board for its review and approval.

Following the monitoring of the internal control procedures, the review of the internal control process and the risk management procedures, the Board considers that the system of internal control operated appropriately during the year and up to the date of signing the Annual Report.

Principal Risks and Uncertainties

The Group's strategic objectives for its principal activities, being the production and development of and the exploration for oil and gas reserves, are only achievable if certain risks are managed effectively. The Board has overall accountability for determining the type and level of risk it is prepared to take. The Board is assisted by the Risk Committee which seeks to identify risks for Board consideration and which monitors other risks, the responsibility for those risks and how they are managed. The following are considered to be the key risks that may affect the Group's business, although there are other risks which they currently deem to be less material that may impact the Group's performance.

Strategic Risks

Development of assets to production – The Group may fail to expand through the exploration and development of its licences for which it acts as operator with joint venture partners. The failure of joint venture partners to pay their working interests may impact on Aminex's strategy.

Mitigation – Aminex manages its assets to enable the growth of cash generative business streams with the strategy of generating cash flow to meet its commitments with internal funds. The Board considers that the focus of Aminex's activities on development projects, with exploration potential, will provide value creation for shareholders rather than an exploration-led strategy. The Group identifies joint venture partners who are capable of contributing to operations but Aminex seeks to maintain a majority interest in each of its licences which offers greater upside potential to shareholders or the possibility of further farm-out opportunities to assist with funding.

Global market conditions and impact of low oil price – Difficult global market conditions and the decrease in oil prices may from time to time impact the Group's operations and in particular the ability to raise equity or debt finance or to allow the Group to enter into transactions on its assets.

Mitigation – The Group reviews global conditions and manages its exposure to risk through minimising capital expenditure on high risk assets and developing fixed price gas projects. Revenues from producing assets will be used to minimise exposure to global capital markets with the intention of generating cash flow to meet capital and debt commitments. Aminex monitors costs closely and will seek to take advantage of the low-cost environment for capital commitments where possible.

Operational Risks

Exploration risk – Exploration and development activities may be delayed or adversely affected by factors including in particular: climatic and oceanographic conditions; equipment failure; performance of suppliers and exposure to rapid cost increases; unknown geological conditions resulting in dry or uneconomic wells or risk of blowout; remoteness of location.

Mitigation – Aminex mitigates exploration risk by reducing the risk of drilling failure through conducting appropriate studies including the acquisition, processing and interpretation of seismic. For drilling operations, the group contracts with international and local service providers with substantial industry experience and safety procedures according to Aminex's own high standards.

Production risks – Operational activities may be delayed or adversely affected by factors including: blowouts; unusual or unexpected geological conditions; performance of joint venture partners on non-operated and operated properties; seepages or leaks resulting in substantial environmental pollution; increased operational costs; uncertainty of oil and gas resource estimates; production, marketing and transportation conditions; actions of host governments or other regulatory authorities. The Company's gas revenues relate to production from a single well, Kiliwani North-1. Although the well continues to produce, wellhead pressure is in decline and alternatives to enable enhanced production are being considered.

Mitigation – Aminex develops, implements and maintains procedures in order to limit the risk of operational failures on production assets. Through gas sales agreements, Aminex has an agreed mechanism to enable reservoirs to be produced optimally while seeking to meet the requirements of the purchaser and thereby maximising resources. The Group sells gas at the wellhead which minimises additional costs by avoiding transportation and marketing expenses. The Company is reviewing possible alternatives for remediation in the near future to maximise recoverable resources.

Maintaining licence interests – The Group may be unable to meet or agree amendments to its work programme commitments which may give rise either to minimum work obligations needing to be paid or the implementation of default procedures against the Group as operator which may lead to a licence being rescinded. In the case of the Ruvuma PSA, Aminex has applied for extensions to the Mtwara Licence and is seeking a new production sharing agreement for the Lindi Licence, both of which are pending approval by the Tanzanian authorities. Aminex has applied for a development licence for the Ntorya Prospect and which is pending approval by the Tanzanian authorities. The TPDC holds security over up to 15% of profit share for the Kiliwani North Development Licence in the event that part or all of the work commitments under the terms of the Ruvuma PSA relating to either the Mtwara or Lindi Licences are not fulfilled.

Mitigation – Aminex is committed to fulfilling its commitments and seeks extensions to licence periods and deferrals of or amendments to production sharing terms through negotiation with the TPDC in order to ensure that commitments are met even if not in the original timeframe expected. The Board believes that there is a reasonable expectation that Aminex will be able to obtain an extension to the Mtwara Licence and obtain a new production sharing agreement for the Lindi Licence based on discussions with the Tanzanian authorities. The Board also believes that Aminex will be granted a development licence for Ntorya, for which application was made in September 2017. Aminex intends to meet its commitments, with each exploration well drilled on the Ruvuma PSA reducing the security over the Kiliwani North Development Licence.

Compliance Risks

Political risks – Aminex may be subject to political, economic, regulatory, legal, and other uncertainties (including but not limited to terrorism, military repression, war or other unrest). As Aminex's principal activities are in a developing nation, there are risks of nationalisation or expropriation of property, changes in and interpretation of national laws and energy policies. The Tanzanian government passed three new laws in July 2017, affecting the mining and energy sectors - the Natural Wealth and Resources (Permanent Sovereignty) Act; the Written Laws (Miscellaneous Amendments) Act; and the Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms). This new legislation includes the right of the Tanzanian authorities to renegotiate 'unconscionable terms' in agreements.

Mitigation – Aminex monitors international and national political risk in relation to its interests, liaising with governmental and other key stakeholders in its countries of operations. The Company has reviewed and continues to monitor the new legislation. Based on the Board's current understanding of this new legislation and given the existing terms and conditions of our PSAs it is unclear if there will be any material impact on Aminex's operations in Tanzania. From time to time Aminex seeks to spread asset and regional risk in order to reduce exposure to one business or region.

Health and safety – The main health and safety risks for the Group occur during drilling operations and from production operations.

Mitigation – The Group develops, implements and maintains effective health and safety procedures, including environmental issues and security, to ensure robust safeguards for well control and drilling operations are in place.

Legal compliance – The Group could suffer penalties or damage to reputation through failure to comply with legislation or other regulations, in particular those over bribery and corruption, and these risks may be increased when operating in certain regions of the world.

Mitigation – Aminex manages risk of legal compliance failure through the implementation and monitoring of high standards to minimise the risk of corrupt or anti-competitive behaviour. All employees and consultants are required to confirm their understanding of the Group's anti-bribery policy.

Financial Risks

Credit risk – All of the Group's revenues arising from the sale of natural gas is to one customer, the TPDC, which is the gas aggregator and operator of the National Gas Pipeline in Tanzania. Sales of natural gas and the credit terms relating to the sales are governed by a gas sales agreement. The recoverability and timing of receipts are therefore dependent on one customer.

Mitigation – The credit risk arising from sales to TPDC can be mitigated by a letter of credit which is required under the gas sales agreement once a commercial operations date has been declared. In the absence of regular payments from TPDC, Aminex could suspend supply until the indebtedness has been reduced.

Currency risk – Although the reporting currency is the US dollar, which is the currency most commonly used in the pricing of petroleum commodities and for significant exploration and production costs, a significant proportion of the Group's other expenditure (in particular central administrative costs) is made in local currencies (as are the Company's equity fundings), and fluctuations in exchange rates may significantly impact the results of the Group and the results between periods, thus creating currency exposure.

Mitigation – The Group has a policy of minimising exposure to foreign currency rates by holding the majority of the Group's funds in US dollars.

Going concern basis

The financial statements of the Company and the Group are prepared on a going concern basis.

The Directors have given careful consideration to the Group's and Company's ability to continue as a going concern through review of cash flow forecasts prepared by management for the period to 31 December 2019, review of the key assumptions on which these are based and sensitivity analysis. The Directors concluded that the Group and Company would have sufficient resources to continue as a going concern for the foreseeable future, that is a period of not less than 12 months from the date of approval of the financial statements, assuming receipt of payment of outstanding invoices for gas sales made to the Group's sole customer, the Tanzania Petroleum Development Corporation ("TPDC") at 31 December 2017, as disclosed in Note 16 to the Financial Statements, and for gas sales made after that date. The Directors updated their consideration of going concern to take account of the subsequent claim received from the TPDC on 11 April 2018, as disclosed in Note 26(c) to the financial statements.

The Group's ability to make planned capital expenditure on its main licence interests in Tanzania and to fund its ongoing operational expenditure, can be assisted if necessary by the successful sale of assets, deferral of planned expenditure or by raising additional capital. The Directors have taken into account the current discussions with an affiliate of the Zubair Corporation regarding a possible farm out of part of Aminex's interest in the Ruvuma PSA, which includes the Ntorya prospect, for which Aminex has submitted a development licence application. A transaction with the Zubair Corporation, Aminex's largest shareholder through a shareholding held by Eclipse Investments LLC, would be a related party transaction.

Notwithstanding that the Directors have a reasonable expectation that the Group will be able to implement some or all of these actions, the TPDC claim and non-payment to date of the trade receivable balance due from TPDC to the Group at 31 December 2017, indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and that the Group and Company may, as a consequence, be unable to realise its assets and discharge its liabilities in the normal course of business. The Group and Company financial statements have been prepared on a going concern basis and do not include any adjustments that would be necessary if this basis were inappropriate.

Viability Statement

In accordance with Provision C.2.2 of the 2016 UK Corporate Governance Code, the Board has assessed the viability of the Group over a period longer than the period of twelve months from the date of the approval of the financial statements as provided in the Going Concern statement. The Board has determined that a three-year period to December 2020 is reasonable for the Group at its current stage of development and has therefore assessed whether the Group will continue to operate and will be able to meet its liabilities as they fall due during that period. The assessment has taken into account the Group's current balance sheet, strategic plans and principal risks in the evaluation of the business.

The review of the Group's strategic plans covered the three-year period to December 2020 and conducted a sensitivity analysis of and considered the impact of certain principal risks on those plans. As an exploration and production business, the Group may enter into binding agreements with national governments which may give rise to work commitments which are required to be met in order to protect the Group's interests and which would need to be financed from internal revenues, asset management or external sources of capital. While each of the principal risks, including work commitments from time to time, may have an impact on the Group, the Board assumed the availability and effectiveness of mitigating factors and actions which are either currently in the process of being undertaken or could be entered into and which the Board believes could reasonably be concluded to support the Group's long-term viability.

The Directors also undertook a robust review of the Group's principal risks as set out above. In carrying out the review, the Board considered the inherent risk associated with the oil and gas exploration industry and concluded that by its nature the Group undertook risks inherent in the activities required for the exploration, development and production of hydrocarbon resources, in particular drilling exploration wells. In considering the Group's principal risks, the Board has also sought to mitigate those risks by seeking a strategy which will help to minimise the impact of high-risk exploration through the development of its own production opportunities, which started with gas production from Kiliwani North in 2016 and with the expected development of the Ntorya Prospect, which has two gas wells and for which the Company has applied for a 25-year development licence. The Board also expected the Company to benefit from the continuing support of its strategic investor, Eclipse Investments LLC, for the development of the Group's projects.

In evaluating the risks and mitigating actions, the Board took into account the regular review and conclusions of the Group's Audit and Risk Committees.

As a result of the assessment, the Board has a reasonable expectation that the Group will continue to operate and will be able to meet its liabilities as they fall due during the three-year period to December 2020.

On behalf of the Board,

K.J. Phair

Director

27 April 2018

Directors' Remuneration Report

In preparing this Report, the Remuneration Committee ("the Committee") has followed the provisions of the UK Corporate Governance Code published in April 2016, unless otherwise stated.

It is the policy of the Board to compensate Directors with a combination of salary, fees and other benefits together with a flexible share option package with the intention of aligning their interests with those of the Company's shareholders. In February 2017, the Committee recommended to the Board that an independent external consultant be contracted to undertake an independent review of senior management pay to ensure that it is fair and competitive. The consultant reported back to the Committee in April 2017.

It has been recommended by the Remuneration Committee, and adopted by the Board, that the Executive Directors' remuneration package should have the following components:

- Base Salary;
- Annual Performance Bonus Award; and
- Award of Options under the Aminex PLC Executive Share Option Scheme.

The consultant recommended that Base Salary should be benchmarked against comparable companies in the Company's peer group. The Annual Bonus Award is to be set against key business performance indicators to be set at the beginning of each year and the Remuneration Committee will continue to consider the award of options under the Aminex PLC Executive Share Option Scheme.

When determining the total remuneration of the Executive Directors, the Committee takes into account the remuneration practices adopted in the general market.

Remuneration of Directors

The Non-Executive Directors' fees were as follows:

	Fees	
	2017 US$'000	2016 US$'000
S. Al-Ghaithi	**-**	-
J. Bell	**5**	-
O. Fjeld	**-**	-
B.A. Hall	**82**	67
A.N.J. Hay	**11**	27
T.A. Mackay	**34**	27
K.J. Phair	**39**	27
Total	**171**	148

The remuneration of the Executive Directors was as follows:

	Basic Salary		Bonus		Benefits in kind		Sub total		Pension		Total	
	2017 US$'000	2016 US$'000	**2017 US$'000**	2016 US$'000	**2017 US$'000**	2016 US$'000	**2017 US$'000**	2016 US$'000	**2017 US$'000**	2016 US$'000	**2017 US$'000**	2016 US$'000
J.C. Bhattacherjee	**338**	220	**72**	108	**3**	3	**413**	331	**10**	40	**423**	371
W.A.P. Thompson	**-**	152	**-**	-	**-**	2	**-**	154	**-**	-	**-**	154
M.V. Williams	**262**	194	**57**	94	**6**	6	**325**	294	**21**	49	**346**	343
Total	**600**	566	**129**	202	**9**	11	**738**	779	**31**	89	**769**	868

Note: Mr W.A.P. Thompson resigned in August 2016.

In December 2017, the Committee also considered it appropriate to award bonuses to the Executive Directors to reflect the continuing advances made in meeting the Company's strategy including: successful drilling of Ntorya-2 well, continuing production from Kiliwani North-1, repayment of all debt of the Company and submission of Development Licence application for Ntorya discovery. The combination of these achievements has led to enhanced shareholder value and the Committee considered it reasonable to award the bonuses. Salaries are reviewed annually with effect from 1 January. Benefits in kind comprise life insurance and health insurance. Contributions are made to the private pension plans of certain Executive Directors. As at 31 December 2017, there were two Executive Directors (2016: two) and six Non-Executive Directors (2015: five). There was an average number of two Executive Directors and five Non-Executive Directors holding office during the year.

Directors' Remuneration Report continued

Share options

Directors participate in the Aminex PLC Executive Share Option Scheme and are granted options over the Company's Ordinary Shares at prevailing market prices at the time of the grant. Options are exercisable not later than ten years after the date of grant, with options granted in and since May 2016 being limited to exercise within either two or three years of date of grant. The Scheme was established in 1980 and subsequently extended with shareholders' approval at the Annual General Meetings held in 1996, 1999, 2004, 2009 and 2014.

The Scheme does not comply in all respects with current best practice of the Code and the Annex. As stated elsewhere in this report, certain of the Company's Non-Executive Directors hold options over the Ordinary Shares of the Company. The Board considers that it is in the Group's best interests to attract and retain high calibre directors. With limited cash resources, the Board has previously granted options to Non-Executive Directors, but with effect from January 2018, the Board does not intend to grant any further options to any current or future Non-Executive Directors.

The Directors who held office at 31 December 2017 had the following beneficial interests in options over the Company's Ordinary Shares:

Name	Options held at 1 January 2017 Number	Options granted/ (lapsed) during the year Number	Options held at 31 December 2017 Number	Exercise price Sterling	Period of exercise From	To
J.C. Bhattacherjee	30,000,000	-	30,000,000	Stg1.34p	May-16	May-19
B.A. Hall	1,500,000	(1,500,000)	-	Stg21p	Jul-07	Jul-17
	300,000	-	300,000	Stg22p	May-08	May-18
	2,500,000	-	2,500,000	Stg8.5p	Jan-10	Jan-20
	7,000,000	-	7,000,000	Stg1.34p	May-16	May-19
T.A. Mackay	6,000,000	-	6,000,000	Stg1.34p	May-16	May-19
K.J. Phair	200,000	-	200,000	Stg8.5p	Jan-10	Jan-20
	6,000,000	-	6,000,000	Stg1.34p	May-16	May-19
M.V. Williams	500,000	(500,000)	-	Stg21p	Jul-10	Jul-17
	100,000	-	100,000	Stg22p	May-11	May-18
	1,000,000	-	1,000,000	Stg8.5p	Jan-13	Jan-20
	29,000,000	-	29,000,000	Stg1.34p	May-16	May-19
	84,100,000	**(2,000,000)**	**82,100,000**			

Mr. S. Al-Ghaithi and Mr. O. Fjeld have no beneficial interest in any options. Mr. A.N.J. Hay, at the date of his retirement, had an interest in 6,500,000 options at prices ranging from Stg1.34p to Stg22p and with periods of exercise ending no later than January 2020.

No options were exercised and 2,000,000 options lapsed during the year. No options were granted during the year at below market value. Since the year end, a total of 17,000,000 options have been granted at Stg3.08p to Mr. J. Bell, Mr. J.C. Bhattacherjee and Mr. M.V. Williams.

Service contracts

Each Executive Director has a service contract: none contains provisions which could result in any Director receiving compensation on termination in excess of one year's salary and benefits in kind. The Committee considers the notice period appropriate taking into account the size of the Group and the business environment in which the Group operates.

Non-Executive Directors

Fees paid to Non-Executive Directors are determined by the Board. Each Non-Executive Director has a letter of appointment for a period of three years, although either party may terminate the agreement with notice of less than one year, except in the case of the Chairman, who is entitled to one year's notice.

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Company Financial Statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. Under that law, the Directors are required to prepare the Group Financial Statements in accordance with IFRS as adopted by the European Union and applicable laws including Article 4 of the IAS Regulation. The Directors have elected to prepare the Company Financial Statements in accordance with IFRS as adopted by the European Union as applied in accordance with the Companies Acts 2014.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group and Company's profit or loss for that year. In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union, and as regards the Company, as applied in accordance with the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company, and which enable them to ensure that the Financial Statements of the Company comply with the provisions of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by the subsidiary companies which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014. They are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report which complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Company's website www.aminex-plc.com. Legislation in Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement as required by the Transparency Directive and the UK Corporate Governance Codes

Each of the Directors, whose names and functions are listed on page 12 of this Annual Report, confirm that, to the best of each person's knowledge and belief:

- The Group Financial Statements, prepared in accordance with IFRS as adopted by the European Union, and the Company financial Statements, prepared in accordance with the IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014, give a true and fair view of the assets, liabilities, financial position of the Group and Company at 31 December 2017 and of the profit or loss of the Group for the year then ended;
- The Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face; and
- The Annual Report and financial statements, taken as a whole, provides the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Company's position and performance, business model and strategy.

Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of the relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as the Directors are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

On behalf of the Board

J.C. Bhattacherjee	**M.V. Williams**
Director	Director

Independent Auditor's Report to the Members of Aminex PLC

1 Opinion: our opinion is unmodified

We have audited the financial statements of Aminex plc ("the Company") for the year ended 31 December 2017 which comprise the Group income statement, the Group and Company balance sheets, the Group and Company statement of changes in equity, the Group and Company statement of cashflows and the related notes, including the statement of accounting policies in Note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2017 and of its loss for the year then ended;
- the Company statement of financial position gives a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the EU;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the EU as applied in accordance with the provisions of the Companies Act 2014; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were appointed as auditor by the directors prior to 6 July 1995 when the Company first became an EU public interest entity. The period of total uninterrupted engagement is the 22 years ended 31 December 2017. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty related to Going Concern section below, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have included a new key audit matter in the current year relating to the carrying value of the Group's property, plant and equipment (producing assets) which was identified at the planning stage of the audit due to the declining production from the Kiliwani North-1 well announced by the Group during the year.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Group Audit Matters

Valuation of Exploration & Evaluation assets $99.6m (2016 - $89.2m)

Refer to pages 38 and 39 (accounting policy) and Note 11 (financial disclosures)

The key audit matter

There is a risk that the Group's exploration and evaluation assets in Tanzania will not be recovered due to the inherent uncertainties which exist with oil and gas exploration activities. The valuation of these assets requires management to assess whether there are indicators of impairment based on consideration of factors such as the status of licences and the expectation of their extension where they have expired, the Group's intention to proceed with future work programmes for each licence area and the evaluation of drilling and geological data.

How the matter was addressed in our audit

Our audit procedures included, among others, detailed evaluation of the directors' impairment assessment for each exploration asset performed at the year end based on the criteria set out in IFRS 6 "Exploration for and Evaluation of Mineral Resources" and the Group's accounting policy on exploration and evaluation assets. We considered the exploration activity undertaken in the year, the results of seismic interpretation carried out and the future plans for each of the licence areas. We also read the most recent Competent Person's Report on the Group's Tanzanian producing and exploration assets in Tanzania which was commissioned by the Board and issued subsequent to the year end. We challenged management to provide evidence to support the expected continuance of exploration and evaluation activity in each licence area and to support their expectation that the Lindi and Mtwara licences which have expired as at year end, will be renewed. We also considered the adequacy of the Group's disclosures (see note 11) in respect of impairment assessment.

Based on the audit evidence obtained, we found that the carrying value of the exploration and evaluation assets at 31 December 2017 has been properly assessed by management in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources" and that the key assumptions used by management in that assessment are reasonable.

Valuation of Property, Plant & Equipment (Producing Assets) $2.4m (2016 - $6.7m)

Refer to page 39 (accounting policy) and Note 12 (financial disclosures).

The key audit matter

There is a risk that the group's property, plant and equipment (principally its Kiliwani North-1 gas producing well) will not be recovered due to the inherent uncertainties which exist with gas production activities. The valuation of these assets requires significant judgement and the application of estimation techniques in determining the existence of gas reserves, the expected remaining useful life of the gas producing asset and the future capital expenditure required to recover the reserves and the timing of collection of cash receipts from the Group's sole customer for the gas. Any changes to the above assumptions could have a significant impact on the valuation of these assets.

How the matter was addressed in our audit

Our audit procedures included, among others, testing of the directors' impairment assessment for the producing asset performed at the year end. We obtained the discounted cash flow calculations for the group's producing asset and performed procedures over the accuracy of the calculation of net present value. We agreed key inputs in the model to internally and externally derived sources. Certain of the key inputs, specifically mineral resource, the life of the well, together with capital and operating costs require significant estimation and judgement in their selection and can have a significant impact on the derived net present value. For these key inputs we assessed the reasonableness of the assumptions used by management by reference to internal data and forecasts and to the Competent Person's Report referred to above. We considered the production activity undertaken in the year (including the impact of the decline in the production output which was announced by the Group during the year), the results of technical reviews by management and the future plans for the producing asset having regard to the requirements of IAS 16 "Property, Plant and Equipment" and IAS 36 "Impairment of Assets". We obtained support and considered the basis for the reclassification of c.US$4.5 million of costs from the Property, Plant and Equipment to Exploration and Evaluation assets in respect of the Kiliwani South structure and recalculated the depletion charge for the year. We also considered the adequacy of the Group's disclosures (see note 12) in respect of impairment testing, and whether disclosures about the outcome of the impairment assessment properly reflected the judgements inherent in the valuations.

Based on the audit evidence obtained, we are satisfied that the carrying value of the property, plant and equipment (producing) assets at 31 December 2017 has been properly assessed by management in accordance with IAS 36 "Impairment of Assets" and that the key assumptions used by management are reasonable.

Company Audit Matter

Carrying value of amounts due from subsidiary undertakings US$99.5m (2016 - US$93.3.m)

Refer to page 40 (accounting policy) and Note 14 (financial disclosures)

The key audit matter

There is a risk that the Company's subsidiary undertakings will not be able to repay the amounts due to the Company which has provided finance to those entities to fund their activities, including exploration and evaluation (this has no impact on the Group's financial position).

How the matter was addressed in our audit

Our audit procedures included, among others, assessing the carrying value of the amounts due from the subsidiary undertakings for any indicators of impairment and recalculating the impairment charge booked by the Company itself during the year.

Based on the results of our testing, we found that the outcome of management's impairment testing of the carrying value of amounts due from subsidiary undertakings was within an acceptable range.

3 Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at US$575,000 (2016: US$627,000). This has been calculated with reference to a benchmark of Group total assets of which it represents approximately 0.5%, which we consider to be one of the principal considerations for members of the Company in assessing the financial performance of the Group.

Independent Auditor's Report to the Members of Aminex PLC continued

We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of US$29,000 (2016: US$31,000), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality for the Company financial statements as a whole was set at US$575,000 (2016: US$627,000), determined by reference to a benchmark of the Company's total assets of which it represents approximately 0.5%.

The Group finance function based in London centrally maintains the accounting records of each of the Group's subsidiaries.

The audit work in respect of 100% of Group revenue; 100% of Group profit before taxation and 100% of Group total assets was conducted by the Group audit team.

4 Material uncertainty related to going concern

We draw attention to Note 1 to the financial statements which indicates that the Group's and Company's ability to continue as a going concern is dependent on the receipt of payment in respect of a trade receivable balance due from Tanzania Petroleum Development Corporation and the outcome of a related claim from the customer (Notes 16 and 26(c)). These events and conditions, along with the other matters explained in Note 1, constitute a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

5 We have nothing to report on the other information in the annual report

The directors are responsible for the other information presented in the annual report together with the financial statements. The other information comprises the information included in the directors' report and the other sections of the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statement audit, we have nothing material to add or draw attention to in relation to:

- the Principal Risks and Uncertainties disclosures describing these risks and explaining how they are being managed and mitigated;
- the directors' confirmation within the viability statement on page 23 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Other corporate governance disclosures

We are required to address the following items and report to you in the following circumstances:

- *Fair, balanced and understandable*: if we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- *Report of the Audit Committee*: if the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee;
- *Statement of compliance with UK Corporate Governance Code*: if the directors' statement does not properly disclose a departure from provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

In addition as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on pages 17 to 23, that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC) Regulations 2016 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act; and
- based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information.

We also report that, based on work undertaken for our audit, other information required by the Act is contained in the Corporate Governance Statement.

6 Our opinions on other matters prescribed the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's statement of financial position and the profit and loss account is in agreement with the accounting records.

7 We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.

The Listing Rules of the Irish Stock Exchange and UK Listing Authority require us to review:

- the Directors' statement, set out on page 23, in relation to going concern and longer-term viability;
- the part of the Corporate Governance Statement on pages 17 to 23 relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review; and
- certain elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 26, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf

9 The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for our report, or for the opinions we have formed.

Eamonn Russell
for and on behalf of

KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
27 April 2018

Group Income Statement

for the year ended 31 December 2017

	Notes	2017 US$'000	2016 US$'000
Continuing operations			
Revenue	2	**6,633**	4,934
Cost of sales	2	**(5,463)**	(1,688)
Gross profit		**1,170**	3,246
Administrative expenses		**(2,291)**	(2,851)
(Loss)/profit from operating activities before other items		**(1,121)**	395
Gain on disposal of development asset	6	**-**	344
Impairment of other receivables		**-**	(1,971)
Impairment loss on available for sale assets	15	**(4)**	(18)
Loss from operating activities		**(1,125)**	(1,250)
Finance income	7	**20**	13
Finance costs	8	**(1,173)**	(1,297)
Loss before tax	5	**(2,278)**	(2,534)
Income tax expense	9	**-**	-
Loss for the financial year attributable to equity holders of the Company		**(2,278)**	(2,534)
Basic and diluted loss per Ordinary Share (in US cents)	10	**(0.06)**	(0.10)

Group Statement of Other Comprehensive Income

for the year ended 31 December 2017

	2017 US$'000	2016 US$'000
Loss for the financial year	**(2,278)**	(2,534)
Other comprehensive income:		
Items that are or maybe reclassified to profit or loss:		
Currency translation differences	**876**	(1,559)
Total comprehensive income for the financial year attributable to the equity holders of the Company	**(1,402)**	(4,093)

On behalf of the Board

J.C. Bhattacherjee
Director

M.V. Williams
Director

27 April 2018

Group and Company Balance Sheets

at 31 December 2017

	Notes	Group 2017 US$'000	Group 2016 US$'000 (Restated - Note 11)	Company 2017 US$'000	Company 2016 US$'000
Assets					
Non-current assets					
Exploration and evaluation assets	11	**99,587**	89,162	**-**	-
Property, plant and equipment	12	**2,429**	6,673	**-**	-
Investments in subsidiary undertakings	13	**-**	-	**5,207**	5,207
Amounts due from subsidiary undertakings	14	**-**	-	**99,554**	93,308
Available for sale assets	15	**-**	4	**-**	4
Total non-current assets		**102,016**	95,839	**104,761**	98,519
Current assets					
Trade and other receivables	16	**8,777**	9,179	**24**	25
Amounts due from subsidiary undertakings	14	**-**	-	**5,628**	4,362
Cash and cash equivalents	17	**6,226**	19,567	**3,182**	14,992
Total current assets		**15,003**	28,746	**8,834**	19,379
Total assets		**117,019**	124,585	**113,595**	117,898
Equity					
Issued capital	22	**69,062**	68,874	**69,062**	68,874
Share premium		**122,267**	120,274	**122,267**	120,274
Other undenominated capital		**234**	234	**234**	234
Share option reserve	23	**2,540**	3,894	**2,540**	3,894
Share warrant reserve	24	**-**	3,436	**-**	3,436
Foreign currency translation reserve		**(2,142)**	(3,018)	**-**	-
Retained earnings		**(84,551)**	(87,341)	**(80,617)**	(83,848)
Total equity		**107,410**	106,353	**113,486**	112,864
Liabilities					
Non-current liabilities					
Decommissioning provision	19	**636**	476	**-**	-
Total non-current liabilities		**636**	476	**-**	-
Current liabilities					
Loans and borrowings	20	**-**	4,931	**-**	4,931
Trade and other payables	18	**8,973**	12,825	**109**	103
Total current liabilities		**8,973**	17,756	**109**	5,034
Total liabilities		**9,609**	18,232	**109**	5,034
Total equity and liabilities		**117,019**	124,585	**113,595**	117,898

On behalf of the Board

J.C. Bhattacherjee
Director

M.V. Williams
Director

27 April 2018

Group Statement of Changes in Equity

for the year ended 31 December 2017

	Attributable to equity shareholders of the Company							
	Share capital US$'000	Share premium US$'000	Other undenominated capital US$'000	Share option reserve US$'000	Share warrant reserve US$'000	Foreign currency translation reserve US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2016	67,192	96,036	234	3,683	3,054	(1,459)	(83,864)	84,876
Transactions with shareholders recognised directly in equity								
Shares issued	1,682	24,238	-	-	-	-	(1,546)	24,374
Share options granted	-	-	-	814	-	-	-	814
Share option reserve transfer	-	-	-	(603)	-	-	603	-
Share warrants granted	-	-	-	-	382	-	-	382
Comprehensive income:								
Currency translation differences	-	-	-	-	-	(1,559)	-	(1,559)
Loss for the financial year	-	-	-	-	-	-	(2,534)	(2,534)
At 1 January 2017	68,874	120,274	234	3,894	3,436	(3,018)	(87,341)	106,353
Transactions with shareholders recognised directly in equity								
Shares issued	188	1,993	-	-	-	-	(15)	2,166
Share options granted	-	-	-	293	-	-	-	293
Share option reserve transfer	-	-	-	(1,647)	-	-	1,647	-
Share warrants exercised	-	-	-	-	(3,436)	-	3,436	-
Comprehensive income:								
Currency translation differences	-	-	-	-	-	876	-	876
Loss for the financial year	-	-	-	-	-	-	(2,278)	(2,278)
At 31 December 2017	**69,062**	**122,267**	**234**	**2,540**	**-**	**(2,142)**	**(84,551)**	**107,410**

Company Statement of Changes in Equity

for the year ended 31 December 2017

	Attributable to equity shareholders of the Company						
	Share capital US$'000	Share premium US$'000	Other undenominated capital US$'000	Share option reserve US$'000	Share warrant reserve US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2016	67,192	96,036	234	3,683	3,054	(76,531)	93,668
Transactions with shareholders recognised directly in equity							
Shares issued	1,682	24,238	-	-	-	(1,546)	24,374
Share options granted	-	-	-	814	-	-	814
Share option reserve transfer	-	-	-	(603)		603	-
Share warrants granted	-	-	-	-	382	-	382
Comprehensive income:							
Loss for the financial year	-	-	-	-	-	(6,374)	(6,374)
At 1 January 2017	68,874	120,274	234	3,894	3,436	(83,848)	112,864
Transactions with shareholders recognised directly in equity							
Shares issued	188	1,993	-	-	-	(15)	2,166
Share options granted	-	-	-	293	-	-	293
Share option reserve transfer	-	-	-	(1,647)	-	1,647	-
Share warrants exercised	-	-	-	-	(3,436)	3,436	-
Comprehensive income:							
Loss for the financial year	-	-	-	-	-	(1,837)	(1,837)
At 31 December 2017	**69,062**	**122,267**	**234**	**2,540**	**-**	**(80,617)**	**113,486**

Group and Company Statements of Cashflows

for the year ended 31 December 2017

		Group		Company	
	Notes	**2017 US$'000**	2016 US$'000	**2017 US$'000**	2016 US$'000
Operating activities					
Loss for the financial year		**(2,278)**	(2,534)	**(1,837)**	(6,374)
Depletion and depreciation	2	**4,577**	1,248	**-**	-
Equity-settled share-based payments	4	**293**	814	**-**	146
Finance income	7	**(20)**	(13)	**(20)**	(13)
Finance costs	8	**1,173**	1,297	**1,094**	1,255
Gain on disposal of development asset	6	**-**	(344)	**-**	-
Impairment of other receivables		**-**	1,971	**-**	1,971
Impairment of available for sale assets	15	**4**	18	**4**	18
Impairment provision against investment in subsidiary undertakings	14	**-**	-	**1,276**	1,471
Decrease/(increase) in trade and other receivables		**403**	(8,595)	**1**	7
(Decrease)/increase in trade and other payables		**(3,008)**	5,361	**6**	48
Net cash absorbed by/(used in) operations		**1,144**	(777)	**524**	(1,471)
Interest paid		**(540)**	(2,419)	**(540)**	(2,419)
Net cash inflows/(outflows) from operating activities		**604**	(3,196)	**(16)**	(3,890)
Investing activities					
Proceeds from sale of development asset		**-**	567	**-**	-
Acquisition of property, plant and equipment		**(23)**	(128)	**-**	-
Expenditure on exploration and evaluation assets		**(10,623)**	(2,110)	**-**	-
Increase in amounts due from subsidiary undertakings		**-**	-	**(8,495)**	(3,853)
Interest received		**20**	13	**20**	13
Net cash used in investing activities		**(10,626)**	(1,658)	**(8,475)**	(3,840)
Financing activities					
Proceeds from issue of share capital	22	**2,181**	25,920	**2,181**	25,920
Payment of transaction expenses		**(15)**	(1,546)	**(15)**	(1,546)
Loans repaid	20	**(4,931)**	(2,081)	**(4,931)**	(2,081)
Net cash (outflows)/inflows from financing activities		**(2,765)**	22,293	**(2,765)**	22,293
Net (decrease)/increase in cash and cash equivalents		**(12,787)**	17,439	**(11,256)**	14,563
Cash and cash equivalents at 1 January	17	**19,567**	2,128	**14,992**	429
Foreign exchange loss		**(554)**	-	**(554)**	-
Cash and cash equivalents at 31 December	17	**6,226**	19,567	**3,182**	14,992

Notes Forming Part of the Financial Statements
for the year ended 31 December 2017

1 Statement of Accounting Policies

Aminex PLC (the "Company") is a company domiciled and incorporated in Ireland. The Group financial statements for the year ended 31 December 2017 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as "the Group"). The Group has consistently applied the following policies to all periods presented in these financial statements. Certain comparative amounts have been reclassified as a result of a change in the classification of certain expenditures during the current year (Note 11).

Basis of preparation

The Group and Company financial statements (together the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Going concern

The Directors have given careful consideration to the Group's and Company's ability to continue as a going concern through review of cash flow forecasts prepared by management for the period to 31 December 2019, review of the key assumptions on which these are based and sensitivity analysis. The Directors concluded that the Group and Company would have sufficient resources to continue as a going concern for the foreseeable future, that is a period of not less than 12 months from the date of approval of the financial statements, assuming receipt of payment of outstanding invoices for gas sales made to the Group's sole customer, the Tanzania Petroleum Development Corporation ("TPDC"), at 31 December 2017, as disclosed in Note 16 to the Financial Statements, and for gas sales made after that date. The Directors updated their consideration of going concern to take account of the subsequent claim received from the TPDC on 11 April 2018, as disclosed in Note 26(c) to the financial statements.

The Group's ability to make planned capital expenditure on its main licence interests in Tanzania and to fund its ongoing operational expenditure, can be assisted if necessary by the successful sale of assets, deferral of planned expenditure or by raising additional capital. The Directors have taken into account the current discussions with an affiliate of the Zubair Corporation regarding a possible farm out of part of Aminex's interest in the Ruvuma PSA, which includes the Ntorya prospect, for which Aminex has submitted a development licence application. A transaction with the Zubair Corporation, Aminex's largest shareholder through a shareholding held by Eclipse Investments LLC, would be a related party transaction.

Notwithstanding that the Directors have a reasonable expectation that the Group will be able to implement some or all of these actions, the TPDC claim and non-payment to date of the trade receivable balance due from TPDC to the Group at 31 December 2017, indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and that the Group and Company may, as a consequence, be unable to realise its assets and discharge its liabilities in the normal course of business. The Group and Company financial statements have been prepared on a going concern basis and do not include any adjustments that would be necessary if this basis were inappropriate.

Statement of compliance

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards and their interpretations as adopted by the EU ("EU IFRS"). The individual financial statements of the Company ("Company financial statements") have been prepared and approved by the Directors in accordance with EU IFRS and as applied in accordance with the Companies Acts 2014 which permits a company that publishes its company and group financial statements together to take advantage of the exemption in Section 304 of the Companies Act 2014 from presenting to its members its company income statement and related notes that form part of the approved Company financial statements.

i) New accounting standards and interpretations adopted

Below is a list of standards and interpretations that were required to be applied in the year ended 31 December 2017:

- Amendments to IAS 7: Disclosure Initiative (29 January 2016) - effective 1 January 2017
- Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses (19 January 2016) - effective 1 January 2017
- Annual improvements to IFRS 2014-2016 cycle

1 Statement of Accounting Policies (continued)

ii) Standards not affecting the reported results or the financial position

New and revised Standards and Interpretations adopted in the current year did not have any significant impact on the amounts reported in these Financial Statements.

At the date of authorisation of these Financial Statements, the following Standards and Interpretations which have not been applied in these Financial Statements, but will have an impact on future Financial Statements, were in issue but not yet effective and in some cases had not yet been adopted by the EU:

- IFRS 9: *Financial Instruments* - effective 1 January 2018
- IFRS 15: *Revenue from contracts with customers (May 2014) including amendments to IFRS 15* - effective 1 January 2018
- IFRS 16: *Leases - effective 1 January 2019*
- IFRS 14: *Regulatory Deferral Accounts*
- Amendments to IFRS 2: *Classification and measurement of share-based payment transactions*
- IFRIC 22: *Foreign Currency transactions and advance consideration*
- Amendments to IAS 40: *Foreign Currency transactions and advance consideration*
- IFRIC 23: *Uncertainty over Income Tax Treatments*
- Amendments to IFRS 9: *Prepayment Features with Negative Compensation*
- IFRS 17: *Insurance Contracts (issued on 18 May 2017)*
- Amendments to IFRS 10 and IAS 28: *Sale or contribution of assets between an investor and its associate or joint venture*

Basis of consolidation

The Group financial statements consolidate the financial statements of Aminex PLC and its subsidiaries. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Financial statements of subsidiaries are prepared for the same reporting year as the parent company.

The statutory individual financial statements of subsidiary companies have been prepared under the accounting policies applicable in their country of incorporation but adjustments have been made to the results and financial position of such companies to bring their accounting policies into line with those of the Group for consolidation purposes.

All inter-company balances and transactions, including unrealised profits arising from inter-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains except to the extent that there is evidence of impairment.

Jointly controlled operations

Jointly controlled operations are those activities over which the Group exercises joint control with other participants, established by contractual agreement. The Group recognises, in respect of its interests in jointly controlled operations, the assets that it controls, the liabilities that it incurs, the expenses that it incurs and the share of the income that it earns from the sale of goods or services by the joint operation.

Revenue recognition

Revenue arises from sales of gas together with the provision of technical oilfield and administrative services and equipment. Revenue from gas sales in the year represents the Group's share of gas production sold in the year, net of VAT and duties and is recognised when the significant risks and rewards of ownership have been transferred, which is considered when title passes to the customer. Revenue from the provision of the services is recognised net of value added tax as the services are performed. Revenue is only recognised where it is considered probable that the revenue will be collected and no other contingencies related to the revenue earning process exist.

Operating profit/(loss)

Operating profit/(loss) is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit/(loss) excludes net finance costs, share of profit of equity accounted investees and income taxes.

Employee benefits

(a) Pensions and other post-employment benefits

The Group contributes towards the cost of certain individual employee defined contribution pension plans. Annual contributions are based upon a percentage of gross annual salary or as otherwise agreed, managed on an individual basis. Pension contributions are recognised as an expense in the income statement and are accounted for on an accruals basis based on the employee's related service.

1 Statement of Accounting Policies (continued)

(b) Share-based payment

The Group operates a share option scheme. For equity-settled share-based payment transactions (i.e. the issuance of share options), the Group measures the services received by reference to the value of the option or other financial instrument at fair value at the measurement date (which is the grant date) using a recognised valuation methodology for the pricing of financial instruments (i.e. the binomial model). If the share options granted do not vest until the completion of a specified period of service, the fair value assessed at the grant date is recognised in the income statement over the vesting period as the services are rendered by employees with a corresponding increase in equity. For options granted with no vesting period the fair value is recognised in the income statement at the date of the grant. Where share options granted do not vest until performance-related targets, which include targets outside management's control, have been achieved, the fair value assessed at the grant date is recognised in the income statement over a vesting period estimated by management.

The share options issued by the Company are not subject to market-based vesting conditions as defined in IFRS 2. Non-market vesting conditions are not taken into account when estimating the fair value of share options as at the grant date; such conditions are taken into account through adjusting the number of equity instruments included in the measurement of the amount charged to the income statement over the vesting period so that, ultimately, the amount recognised equates to the number of equity instruments that actually vest. The expense in the income statement in relation to share options represents the product of the total number of options anticipated to vest and the fair value of these options at the date of grant. This amount is allocated to accounting periods on a straight-line basis over the vesting period. Given that the performance conditions underlying the Company's share options are service-related and non-market in nature, the cumulative charge to the income statement is reversed only where an employee in receipt of share options leaves the Group prior to completion of the service period and forfeits the options granted. The proceeds received by the Company on the exercise of share entitlements are credited to share capital and share premium. Where share options are awarded by the Company to employees of subsidiary companies, the value of the share based payment is credited to the Company's share option reserve and charged through the intercompany account to the income statement of the relevant subsidiary company. When share options which have not been exercised reach the end of the original contractual life, the value of the share options is transferred from the share option reserve to retained earnings. The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

Share capital

Ordinary shares and deferred shares are classified as equity. Proceeds received from the issue of ordinary shares above the nominal value is classified as Share Premium. Costs directly attributable to new shares are shown in equity as a deduction from retained earnings from June 2015 in accordance with the provisions of the Companies Act 2014. Prior to that date costs were deducted from Share Premium.

Warrants reserve

Warrants granted are fair valued using an appropriate option pricing model, taking into account the terms and conditions upon which the warrants are granted.

The fair value of the warrants granted is credited to a warrants reserve. Where the warrants granted relate to equity, the fair value is charged against Share Premium. Where warrants granted relate to debt finance, the fair value is charged against the balance of the loan and forms part of the effective interest rate charged on the debt and is recognised over the expected life of the loan. The warrants reserve is non-distributable and is transferred to the Share Premium account or retained earnings upon the exercise of warrants. Any balance of warrants reserve in relation to unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, the unwinding of the discount on the decommissioning provision and foreign exchange losses.

Finance income

Finance income comprises interest income, which is recognised in the income statement as it accrues using the effective interest rate method and foreign exchange gains.

Tax

The tax expense in the income statement represents the sum of the current tax expense and deferred tax expense.

Tax currently payable is based on taxable profit for the year and any adjustments to tax payable in respect of previous years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The liability for current tax is calculated using rates that have been enacted or substantively enacted at the balance sheet date.

Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

1 Statement of Accounting Policies (continued)

Deferred tax is provided, using the liability method, on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except those arising from non-deductible goodwill or on initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realised or the liability to be settled based on laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised for all deductible differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit would be available to allow all or part of the deferred tax asset to be utilised.

Earnings per ordinary share

Basic earnings per share is computed by dividing the net profit for the financial period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial period.

Diluted earnings per share is computed by dividing the profit for the financial period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue after adjusting for the effects of all potential dilutive ordinary shares that were outstanding during the financial period.

Foreign currency translation

The presentation currency of the Group and the functional currency of Aminex PLC is the US dollar (US$). Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange at the balance sheet date. All translation differences are taken to the income statement with the exception of differences on foreign currency borrowings that are designated as a hedge against a net investment in a foreign operation. These are recognised in other comprehensive income to the extent they are effective together with the exchange difference on the net investment in the foreign operation.

Results and cash flows of non-dollar subsidiary undertakings are translated into dollars at average exchange rates for the year and the related assets and liabilities (including goodwill and fair value adjustments) are translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results of non-dollar subsidiary undertakings at average rates, and on the restatement of the opening net assets at closing rates, are dealt with in a separate translation reserve within equity, net of differences on related currency borrowings. Proceeds from the issue of share capital are recognised at the prevailing exchange rate on the date that the Board of Directors ratifies such issuance; any foreign exchange movement arising between the date of issue and the date of receipt of funds is charged or credited to the income statement.

The principal exchange rates used for the translation of results, cash flows and balance sheets into US dollars were as follows:

	Average		Year-end	
US$1 equals	**2017**	2016	**2017**	2016
Pound sterling	**0.7765**	0.7414	**0.7402**	0.8128
Australian dollar	**1.3045**	1.3451	**1.2788**	1.3841

On loss of control of a foreign operation, accumulated currency translation differences are recognised in the income statement as part of the overall gain or loss on disposal.

Exploration and evaluation assets

Expenditure incurred prior to obtaining the legal rights to explore an area is written off to the income statement. Expenditures incurred on the acquisition of a licence interest are initially capitalised on a licence by licence basis. Exploration and evaluation expenditure incurred in the process of determining exploration targets on each licence is also capitalised. These expenditures are held undepleted within the exploration licence asset until such time as the exploration phase on the licence area is complete or commercial reserves have been discovered.

Exploration and evaluation drilling costs are capitalised on a well by well basis within each licence until the success or otherwise of the well has been established. Unless further evaluation expenditures in the area of the well have been planned and agreed or unless the drilling results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial, drilling costs are written off on completion of a well.

Details of a change in classification of certain costs from property, plant and equipment to exploration and evaluation assets which occurred during the year are set out in Note 11.

1 Statement of Accounting Policies (continued)

Property, plant and equipment – *developed and producing oil and gas assets (stated at cost)*

Following appraisal of successful exploration wells and the establishment of commercial reserves, the related capitalised exploration and evaluation expenditures are transferred into a single field cost centre within developed and producing properties after testing for impairment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, the entire carrying amount of the related assets is written off to the income statement.

Subsequent expenditure is capitalised only where it either enhances the economic benefits of the developed and producing properties or replaces part of the existing developed and producing properties. The carrying amounts of the part replaced are expensed to the income statement. Interest on borrowings for development projects is capitalised by field up to the time that the asset commences to produce commercial reserves.

Disposal of exploration and evaluation assets and developed and producing oil and gas assets

The net proceeds from any disposal of an exploration asset are initially credited against the previously capitalised costs. Where non-cash consideration is received, for instance where the Group enters an asset swap agreement, the fair value of the asset disposed of represents the consideration. Any surplus proceeds are credited to the income statement. The net proceeds from any disposal of developed and producing properties are compared with the previously capitalised cost on a field by field basis. A gain or loss on disposal of the developed and producing properties is recognised in the income statement to the extent that the net proceeds exceed or are less than the carrying amounts of the assets disposed of.

Depletion

The Group depletes capitalised costs calculated at price levels ruling at the balance sheet date on developed and producing properties on a unit of production basis, based on proved and probable reserves on a field by field basis. In certain circumstances, fields within a single development may be combined for depletion purposes.

Amortisation is calculated by reference to the proportion that production for the period bears to the total of the estimated remaining commercial reserves as at the beginning of the period. Changes in reserves quantities and cost estimates are recognised prospectively.

Impairment

Exploration and evaluation assets are reviewed at each reporting date for indicators of impairment and tested for impairment where such indicators exist such as: whether the licence term has expired or is near expiry and is not expected to be renewed; whether significant expenditures on further exploration and evaluation assets are budgeted or planned: whether the entity has decided to discontinue exploration and evaluation activities due to lack of exploration success; and whether the entity has sufficient data indicating that the book cost is unlikely to be recovered in full from a successful development or from a sale. If the test indicates that the carrying value might not be recoverable the asset is written down to its recoverable amount. Any such impairment arising is recognised in the income statement for the year. In cases where no developed and producing properties exist, the impairment of exploration costs is recognised immediately in the income statement.

Impairment reviews on developed and producing properties are carried out on each cash-generating unit identified in accordance with IAS 36 “Impairment of Assets”. The Group’s cash-generating units are those assets which generate largely independent cash inflows and are normally, but not always, single development areas or fields.

Where there has been a charge for impairment in an earlier period that charge will be reversed in a later period where there has been a change in circumstances to the extent that the discounted future net cash flows are higher than the net book value at the time. In reversing impairment losses, the carrying amount of the asset will be increased to the lower of its original carrying value or the carrying value that would have been determined (net of depletion) had no impairment loss been recognised in prior periods.

Decommissioning costs

Provision is made at the start of the life of the producing asset for the decommissioning of oil and gas wells and other oilfield facilities at the end of the life of the asset. The cost of decommissioning is determined through discounting the amounts expected to be payable to their present value at the date the provision is recorded and is reassessed at each balance sheet date. This amount is included within the developed and producing assets by field and the liability is included in provisions. Such cost is depleted over the life of the field on a unit of production basis and charged to the income statement. The unwinding of the discount is reflected as a finance cost in the income statement over the remaining life of the well. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated asset.

1 Statement of Accounting Policies (continued)

Property, plant and equipment – other

Other property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the original cost of other property, plant and equipment less its estimated residual value over their expected useful lives on a straight line basis.

The estimated useful lives applied in determining the charge to depreciation are as follows:

Leasehold property	remaining life of lease
Plant and equipment	3-5 years
Fixtures and fittings	3-5 years

The useful lives and residual values are reassessed annually.

On disposal of other property, plant and equipment, the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount less any proceeds is taken to the income statement.

The carrying amounts of other property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Goodwill

Goodwill on acquisitions is initially measured as the fair value of consideration transferred; plus the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the cash-generating unit retained.

Financial assets - financial investments

Investments in equity securities are classified as available for sale and are measured at fair value with changes therein, other than impairment losses, recognised in other comprehensive income. The fair value of investments is their quoted market price at the balance sheet date. When fair values for investments cannot be measured reliably, investments are held at cost. Investments are assessed for potential impairment at each balance sheet date. If any such evidence exists, the impairment loss is recognised in the income statement.

Investments in and loans to subsidiary undertakings are stated at cost less provision for impairment in the Company's balance sheet.

Gains and losses arising on disposal of financial assets are credited or charged to the result from operating activities in the income statement.

Cash and cash equivalents

Cash and short term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised and carried at original invoice amount less an allowance for any potential shortfall in receipt. An estimate of any shortfall in receipt is made when there is objective evidence that a loss has been incurred. Bad debts are written off when identified. Trade and other receivables which have terms greater than 90 days are initially recognised and carried at the transaction price when the Company or Group becomes party to contractual obligations. Non-current trade receivables are subsequently measured at fair value using the net present value method and any changes in fair value are charged or credited to the income statement.

Inventories

Inventories held represent oilfield equipment and are measured at the lower of cost or net realisable value. Cost includes expenditure in acquiring inventories and other costs of bringing them to their present location and condition.

2 Segmental Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group considers that its operating segments consist of (i) Producing Oil and Gas Properties, (ii) Exploration Activities and (iii) Oilfield Services. These segments are those that are reviewed regularly by the Chief Executive Officer (Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. However, the Group further analyses these by region for information purposes. Segment results include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses, cash balances and certain other items.

Segmental revenue

	2017 US$'000	2016 US$'000
Region of destination		
Tanzania - producing oil and gas assets	**5,950**	4,572
Tanzania - provision of oilfield services	**683**	362
	6,633	4,934

	2017 US$'000	2016 US$'000
Cost of sales		
Region of destination		
Tanzania - production costs	**264**	90
Tanzania - depletion	**4,566**	1,237
Tanzania - provision of oilfield services	**633**	361
	5,463	1,688

	2017 US$'000	2016 US$'000
Segment profit/(loss) for the financial year		
Tanzania - producing oil and gas assets	**573**	3,134
Tanzania - exploration activities	**(59)**	(388)
Ireland - non-attributable corporate expenses (1)	**(1,837)**	(6,374)
UK - oilfield services	**(955)**	1,094
Total Group loss for the financial year	**(2,278)**	(2,534)

	2017 US$'000	2016 US$'000 (Restated)
Segment assets		
Tanzania - producing oil and gas assets	**11,508**	13,570
Tanzania - exploration activities	**101,919**	95,808
Ireland - non-attributable assets (2)	**3,206**	15,021
UK - oilfield services	**386**	186
Total assets	**117,019**	124,585

	2017 US$'000	2016 US$'000
Segment liabilities		
Tanzania - producing oil and gas assets	**8,021**	5,694
Tanzania - exploration activities	**784**	7,122
Ireland - non-attributable liabilities (3)	**109**	5,034
UK - oilfield liabilities	**695**	382
Total liabilities	**9,609**	18,232

Total non-current assets and liabilities by geographical region are set out in Notes 11 and 12 to the financial statements. Details of changes in classification from property, plant and equipment to exploration and evaluation assets which occurred during the year are set out in Note 11. Segment assets have been restated accordingly.

(1) Non-attributable corporate expenses include amounts of a corporate nature not specifically attributable to an operating segment. They include impairment provisions, interest expense on financial liabilities and related costs.
(2) Non-attributable assets primarily comprise cash and working capital.
(3) Non-attributable liabilities primarily comprise loans and borrowings and trade payables.

2 Segmental Information (continued)

Capital expenditure	2017 US$'000	2016 US$'000
Tanzania - exploration assets	**10,344**	4,754
Tanzania - producing assets	**309**	161
UK - oilfield assets	**23**	15
Total capital expenditure	**10,676**	4,930

Other non-cash items: continuing operations	2017 US$'000	2016 US$'000
Tanzania depletion - producing assets	**4,566**	1,237
UK depreciation - oilfield assets	**11**	11
Impairment of other receivables	**-**	1,971
Interest expense on financial liabilities measured at amortised cost	**79**	42
Impairment provision against available for sale assets	**4**	18

3 Employment

Employment costs charged against the Group operating loss are analysed as follows:

	2017 US$'000	2016 US$'000
Salaries and wages	**1,981**	1,237
Social security costs	**336**	291
Other pension costs	**51**	116
Share based payment charge	**293**	814
	2,661	2,458
Employment costs capitalised (Note 11)	**(1,318)**	(756)
Employment costs charged against the Group operating loss	**1,343**	1,702

The Group's average number of employees, including Executive Directors, during the year was:

	2017 US$'000	2016 US$'000
Europe	**9**	9
Tanzania	**8**	10
	17	19

Employment costs charged against the Company operating loss are analysed as follows:

	2017 US$'000	2016 US$'000
Share based payment charge	**-**	146

The Company incurs no other employment costs and has no employees.
Directors' emoluments (which are included in administrative expenses) and interests are shown in the Directors' Remuneration Report on pages 24 to 25.

4 Share based payments

Aminex PLC operates an Executive Share Option Scheme ("the Scheme"). Under the terms of the Scheme, certain directors and employees of Aminex PLC and its subsidiary companies are entitled to subscribe for Ordinary Shares in Aminex PLC at the market value on the date of the granting of the options, subject to a maximum aggregate of 10% of the issued Ordinary Share capital of Aminex PLC.

Options are granted at market price, in accordance with the Scheme rules, with reference to the average closing price for the fourteen days prior to the grant of options. Options granted before and during 2010 will expire at a date no later than 10 years after their grant date. These Options generally vest if employees remain in service for 3 years from the date of grant and Directors' options vest immediately. No options were granted between 2011 and 2015. Options granted in 2016 and 2017 vest immediately and will expire at a date no later than 3 years after their grant date.

The fair value of the grant date is measured using a recognised valuation methodology for the pricing of financial instruments i.e. the binomial method.

The following expenses have been recognised in the income statement arising on share based payments and included within administrative expenses:

	2017 US$'000	2016 US$'000
Share based payment charge based on vesting of options	**293**	814

The fair value of options granted in the period were calculated using the following inputs into the binomial option-pricing model:

Date of grant	3 May 2017
Contractual life	3 years
Exercise price	Stg 4.99p
Number of options granted (immediate vesting)	15,000,000
Expected volatility	45%
Vesting conditions	Immediate
Fair value per option	£0.0151
Expected dividend	nil
Risk-free rate	0%

The Group recognised total expenses of US$293,000 (2016: US$814,000) related to equity-settled share-based payment transactions during the year.

The total number of share options outstanding and exercisable are summarised as follows:

	Number of options	Average exercise price
Outstanding at 1 January 2016	19,315,000	Stg15.33p
Granted	139,250,000	Stg1.34p
Lapsed	(28,000,000)	Stg1.34p
Expired	(2,090,000)	Stg27.73p
Outstanding at 1 January 2017	128,475,000	Stg3.02p
Granted	15,000,000	Stg4.99p
Expired	(5,725,000)	Stg21.0p
Outstanding at 31 December 2017	137,750,000	Stg2.18p
Exercisable at 31 December 2017	137,750,000	Stg2.18p
Exercisable at 31 December 2016	128,475,000	Stg3.02p

On 31 December 2017, there were options over 137,750,000 (2016: 128,475,000) Ordinary Shares outstanding which are exercisable at prices ranging from Stg1.34 pence to Stg22 pence per share and which expire at various dates up to December 2020. The weighted average remaining contractual life of the options outstanding is 1.39 years (2016: 2.31 years). The weighted average share price for the year ended 31 December 2017 was Stg3.89 pence/€0.0407 (2016: Stg1.56 pence/€0.0189).

5 Loss before tax

The loss before tax has been arrived at after charging the following items:

	2017 US$'000	2016 US$'000
Depletion of producing asset	**4,566**	1,237
Depreciation of other property, plant and equipment	**11**	11
Auditor's remuneration – audit (i)	**146**	103
Auditor's remuneration – interim review	**20**	10
Auditor's remuneration – tax advisory services	**10**	10
Auditor's remuneration – non-audit services	**8**	94
Impairment of other receivables	**-**	1,971
Impairment of available for sale equity instruments	**4**	18
Operating lease payments – land and buildings	**138**	158

(i) Audit comprises audit work performed by KPMG Ireland on the consolidated financial statements. In 2017, US$7,000 (2016: US$7,000) of audit fees related to the audit of the Company.

6 Gain on disposal of development asset

On 4 April 2016, the Company completed the disposal of 1.0526% of its interest in the Kiliwani North Development Licence to Solo Oil plc for a consideration of US$0.57 million giving rise to a profit on disposal of US$0.34 million.

	2017 US$'000	2016 US$'000
Consideration received	**-**	567
Disposal of property, plant and equipment	**-**	(126)
Finance costs - transfer of decommissioning provision	**-**	14
Costs of disposal	**-**	(6)
Capital gains tax arising on disposal	**-**	(105)
Gain on disposal	**-**	344

7 Finance income

	2017 US$'000	2016 US$'000
Deposit interest income	**20**	13

8 Finance costs

	2017 US$'000	2016 US$'000
Interest expense on financial liabilities measured at amortised cost (see Note 20)	**540**	1,255
Other finance costs – decommissioning provision interest charge (see Note 19)	**79**	42
Foreign exchange loss	**554**	-
	1,173	1,297

Included in finance costs for the period is an interest charge of US$540,000 in respect of the US$8 million corporate loan facility, which has been calculated using the effective interest rate method. The outstanding loan balance was fully repaid in the period.

9 Income tax expense

The components of the income tax expense for the years ended 31 December 2017 and 2016 were as follows:

	2017 US$'000	2016 US$'000
Current tax expense:		
Current year	**-**	-
Deferred tax expense:		
Origination and reversal of temporary differences	**-**	-
Total income tax expense for the Group	**-**	-

A reconciliation of the expected tax benefit computed by applying the standard Irish tax rate to the loss before tax to the actual benefit is as follows:

	2017 US$'000	2016 US$'000
Loss before tax	**(2,278)**	(2,534)
Irish standard tax rate	**12.5%**	12.5%
Taxes at the Irish standard rate	**(284)**	(317)
Effect of different tax rates in foreign jurisdiction	**214**	110
Expenses not deductible for tax purposes	**510**	(356)
Losses (utilised)/carried forward	**(440)**	563
	-	-

The following deferred tax assets have not been recognised in the balance sheet as it is currently considered uncertain that the assets will be realised in the future.

	2017 US$'000	2016 US$'000
Net operating losses	**15,762**	16,132

The gross amount of unused tax loss carry forwards with their expiry dates is as follows:

	Ireland 2017 US$'000	**UK 2017 US$'000**	**ROW 2017 US$'000**	**Total 2017 US$'000**
One year	-	-	-	-
Two years	-	-	-	-
Three years	-	-	-	-
Four years	-	-	-	-
Five years	-	-	-	-
More than five years	12,809	18,941	36,471	68,221
Total	**12,809**	**18,941**	**36,471**	**68,221**

	Ireland 2016 US$'000	UK 2016 US$'000	ROW 2016 US$'000	Total 2016 US$'000
One year	-	-	-	-
Two years	-	-	-	-
Three years	-	-	-	-
Four years	-	-	-	-
Five years	-	-	-	-
More than five years	11,346	19,352	37,851	68,549
Total	**11,346**	**19,352**	**37,851**	**68,549**

At 31 December 2017, certain of the Irish, UK and Rest of World subsidiary undertakings had net operating losses available to be carried forward for income tax purposes of approximately US$12.8 million, US$18.9 million and US$36.5 million respectively (2016: Ireland US$11.3 million, UK US$19.4 million, Rest of World US$37.9 million). These losses can be carried forward indefinitely but may only be offset against taxable profits earned from the same trade or trades.

10 Loss per Ordinary Share

The basic loss per Ordinary Share is calculated using a numerator of the loss for the financial year and a denominator of the weighted average number of Ordinary Shares in issue for the financial year. The diluted loss per Ordinary Share is calculated using a numerator of the loss for the financial year and a denominator of the weighted average number of Ordinary Shares outstanding and adjusting for the effect of all potentially dilutive shares, including share options and share warrants, assuming that they had been converted.

The calculations for the basic loss per share for the years ended 31 December 2017 and 2016 are as follows:

	2017	2016
Loss for the financial year (US$'000)	**(2,278)**	(2,534)
Weighted average number of Ordinary Shares ('000)	**3,578,729**	2,600,190
Basic and diluted loss per Ordinary Share (US cents)	**(0.06)**	(0.10)

There is no difference between the basic loss per Ordinary Share and the diluted loss per Ordinary Share for the years ended 31 December 2017 and 2016 as all potential Ordinary Shares outstanding are anti-dilutive. There were 137,750,000 (2016: 128,475,000) share options issued which are anti-dilutive as at 31 December 2017 and no warrants (2016: 167,561,032) in issue at 31 December 2017 (see Note 24).

11 Exploration and evaluation assets

Group

	Tanzania and Total US$'000 (Restated)
Cost	
At 1 January 2016 - as originally reported	84,945
Reclassification from producing assets	4,544
At 1 January 2016 - as restated	89,489
Additions	3,998
Employment costs capitalised	756
At 1 January 2017	94,243
Additions	9,026
Employment costs capitalised	1,318
Increase in decommissioning provision	81
At 31 December 2017	**104,668**
Provisions for impairment	
At 1 January 2016, 31 December 2016 and 31 December 2017	5,081
Net book value	
At 31 December 2017	**99,587**
At 31 December 2016 (restated)	89,162

The Group does not hold any property, plant and equipment within exploration and evaluation assets.

The additions to exploration and evaluation assets during the period relate mainly to the completion of drilling operations for the Ntorya-2 appraisal well and the subsequent successful testing of the well. Other additions include geophysical and geological work, administrative and licence costs associated with the Ruvuma and Nyuni Area PSAs.

As a result of a review during the year of technical data obtained in prior years over the Kiliwani North Development Licence block, the Company has identified the Kiliwani South structure as a viable lead for further exploration with management estimating a Pmean gross gas in place resource of 57 BCF. The Directors have assessed the impact of the new technical interpretation and believe it is appropriate to reclassify costs of US$4.54 million previously incurred in relation to this structure from property, plant and equipment to exploration and evaluation assets. In accordance with IAS 1, the reclassification has also been reflected in the comparative financial statements resulting in an increase of US$4.54 million in the carrying value of exploration and evaluation assets and a reduction of US$4.54 million in the carrying value of property, plant and equipment as at 31 December 2016.

11 Exploration and evaluation assets (continued)

The Directors have considered the licence, exploration and appraisal costs incurred in respect of its exploration and evaluation assets. These assets are carried at historical cost except for provisions against the Nyuni-1 well, the cost of seismic acquired over relinquished blocks and obsolete stock. These assets have been assessed for impairment and in particular with regard to the remaining licence terms, likelihood of renewal, likelihood of further expenditures and ongoing acquired data for each area, as more fully described in the Operations Report. In December 2016, the Tanzanian authorities granted an extension to the Nyuni Area licence which has a licence period ending in October 2019. Aminex believes that the four year extension period should have started from the date of grant in December 2016 and has requested clarification from the TPDC. The Mtwara Licence, which includes the Ntorya appraisal area, was extended to January 2018 and Aminex is in discussions with the TPDC and has a reasonable expectation of the Licence being extended. In September 2017, Aminex applied for a 25-year development licence for Ntorya following the successful testing of the Ntorya-2 appraisal well. The extension to the Mtwara Licence would allow for the development licence process and also enables further exploration activity. Following discussions with the TPDC concerning the extension of the Lindi Licence under the terms of the Ruvuma PSA, the Directors now expect an application to be made for a new production sharing agreement for the Lindi Licence. While the new PSA terms may not be the same as those for the Ruvuma PSA, a new PSA would provide more time to explore and evaluate the leads in the Lindi Licence area and the Directors believe this would be a satisfactory outcome. While negotiations are held to agree terms for the new PSA, and as the Directors believe there is a reasonable expectation that a new PSA will be signed, the carrying cost of the Lindi Licence which amounts to US$10.4 million has not been impaired. The Directors have noted that the recoverable cost pool for the Lindi licence is transferable to the Mtwara licence under the Ruvuma PSA. The Directors are satisfied that there are no further indicators of impairment but recognise that future realisation of these oil and gas assets is dependent on further successful exploration, appraisal and development activities and the subsequent economic production of hydrocarbon reserves.

12 Property, plant and equipment

Group	Producing assets - Tanzania US$'000 (Restated)	Other assets US$'000	Total US$'000 (Restated)
Cost			
At 1 January 2016 - as originally reported	12,405	450	12,855
Reclassification to exploration and evaluation assets	(4,544)	-	(4,544)
At 1 January 2016 - as restated	7,861	450	8,311
Additions in the year	161	15	176
Disposed of during the year	(126)	(273)	(399)
Exchange rate adjustment	-	(65)	(65)
At 1 January 2017	7,896	127	8,023
Additions in the year	309	23	332
Disposed of during the year	-	(74)	(74)
Exchange rate adjustment	-	6	6
At 31 December 2017	**8,205**	**82**	**8,287**
Depreciation and impairment			
At 1 January 2016	-	439	439
Charge for the year	1,237	11	1,248
Disposed of during the year	-	(273)	(273)
Exchange rate adjustment	-	(64)	(64)
At 1 January 2017	1,237	113	1,350
Charge for the year	4,566	11	4,577
Disposed of during the year	-	(74)	(74)
Exchange rate adjustment	-	5	5
At 31 December 2017	**5,803**	**55**	**5,858**
Net book value			
At 31 December 2017	**2,402**	**27**	**2,429**
At 31 December 2016 (restated)	6,659	14	6,673

12 Property, plant and equipment (continued)

As at 31 December 2017, "Other assets" comprises plant and equipment US$24,000 (2016: US$9,000), and fixtures and fittings US$3,000 (2016: US$5,000).

Following the award of the Kiliwani North Development Licence by the Tanzanian Government in April 2011, the carrying cost relating to the development licence, including the associated costs of Kiliwani-1 based on accounting estimates at the date of transfer, was reclassified as a development asset under property, plant and equipment, in line with accounting standards and the Group's accounting policies. Production from the Kiliwani North-1 well commenced on 4 April 2016 and the depletion charge for the year ended 31 December 2016 was calculated with reference to the contingent resources ascribed to the field in 2015. Although the resources remain contingent on the notification of a commercial operations date by the TPDC in accordance with the Gas Sales Agreement with the TPDC, an independent reserves report for Kiliwani North has ascribed reserves of 1.94 BCF gross as at 1 January 2018. The accelerated depletion charge for the year ended 31 December 2017 has been based on the reserves at that date although there remain contingent resources of 30.8 BCF as further identified in the report. As described in Note 11, Aminex's share of the carrying cost of the Kiliwani-1 well drilled in 2008 has been reclassified to exploration and evaluation assets with effect from 1 January 2016 in accordance with IAS 1 and the comparative year has been restated accordingly. Although the Kiliwani North-1 well-head pressure and therefore rates of production have declined, the Directors have reviewed the carrying value of the producing assets at 31 December 2017 based on estimated discounted future cashflows and are satisfied that no impairment charge is required against its carrying value at that date.

13 Investment in subsidiaries and other investments

	2017	2016
	US$'000	US$'000
Company		
At 1 January and 31 December	**5,207**	5,207

Subsidiary undertakings

As at 31 December 2017 the Company had the following principal subsidiary undertakings, in which the Company held ordinary shares:

	Proportion held by Company	Proportion held by Subsidiary	Country of Incorporation
Oil and Gas Exploration, Development and Production			
Aminex Petroleum Services Limited (1)	100%	-	UK
Tanzoil NL (2)	100%	-	Australia
Ndovu Resources Limited (3)	-	100%	Tanzania

Pursuant to Section 316 of the Companies Act 2014, a full list of subsidiary undertakings will be annexed to the Company's Annual Return to be filed in the Companies Registration Office in Ireland.

Registered offices

1. Kings Buildings, 16 Smith Square, London SW1P 3JJ.
2. 3rd Floor, MPH Building, 23 Barrack Street, Perth, WA 6000, Australia.
3. Plot 431 Mahando Street, Msasani Peninsular, Dar es Salaam, Tanzania.

14 Amounts due from subsidiary undertakings

Company	US$'000
Cost	
At 1 January 2016	126,231
Advances to subsidiary undertakings	3,853
Equity-settled share-based payments	668
At 1 January 2017	130,752
Advances to subsidiary undertakings	8,495
Equity-settled share-based payments	293
At 31 December 2017	**139,540**
Provisions for impairment	
At 1 January 2016	31,611
Increase in provision	1,471
At 1 January 2017	33,082
Increase in provision	1,276
At 31 December 2017	**34,358**
Net book value	
At 31 December 2017	**105,182**
At 31 December 2016	97,670

	2017 US$'000	2016 US$'000
Included in non-current assets	**99,554**	93,308
Included in current assets	**5,628**	4,362
At 31 December	**105,182**	97,670

Included in current assets are loans provided to subsidiary undertakings which are interest free and repayable on demand. The balance of US$99,554,000 (2016: US$93,308,000) represents loans provided to subsidiary undertakings which are also technically repayable on demand. The Directors do not expect to call for repayment of these loans in the foreseeable future. At the reporting date, following a review of the recoverability of each loan to subsidiaries, a provision of US$1,276,000 (2016: US$1,471,000) was made against these loans, which were considered to be unlikely to be repaid in full. After taking into account the provisions shown above, the Directors believe the carrying value of these loans to be fully recoverable.

15 Available for sale assets

	Group and Company	
	2017 US$'000	2016 US$'000
At 1 January	**4**	22
Impairment loss charged to income statement	**(4)**	(18)
At 31 December	**-**	4

In 2014, as part of the disposal proceeds for the Company's wholly-owned subsidiary Aminex USA, Inc., the Company was granted shares with a fair market value of US$350,000 in Mayan Energy Limited (formerly Northcote Energy Limited), an AIM listed oil and gas company. The fair value of this investment has decreased significantly and this decrease in value is considered by the Directors to constitute an impairment of the assets at 31 December 2017. Accordingly, an impairment of US$4,000 has been expensed in the income statement.

16 Trade and other receivables

	Group		Company	
	2017	2016	**2017**	2016
	US$'000	US$'000	**US$'000**	US$'000
Current				
Trade receivables	**6,956**	5,923	**-**	-
Amounts due from partners in jointly controlled operations	**1,359**	674	**-**	-
VAT recoverable	**30**	389	**-**	-
Withholding tax recoverable	**-**	175	**-**	-
Other receivables	**314**	606	**-**	-
Prepayments and accrued income	**118**	1,412	**24**	25
	8,777	9,179	**24**	25

Included in trade receivables is an amount of US$6.94 million due from TPDC in respect of Kiliwani North gas sales and interest due on late payment. Aminex's net share of the receivable is US$2.70 million (2016: US$1.94 million). No payments have been received from the TPDC since the year-end. As set out in Note 26(c), Aminex has received a letter from TPDC for certain claims amounting to US$5.97 million for liabilities arising on revenues from gas sales.

All amounts fall due within one year.

17 Cash and cash equivalents

	Group		Company	
	2017	2016	**2017**	2016
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and in hand	**6,226**	19,567	**3,182**	14,992

Included in cash and cash equivalents is an amount of US$447,000 (2016: US$1,287,000) held on behalf of partners in jointly controlled operations.

18 Trade and other payables

	Group		Company	
	2017	2016	**2017**	2016
	US$'000	US$'000	**US$'000**	US$'000
Trade payables	**332**	2,546	**19**	51
Amounts due to partners in jointly controlled operations	**2,076**	2,117	**-**	-
Withholding tax payable	**453**	99	**-**	-
VAT payable	**2,116**	2,354	**-**	-
Capital gains tax payable	**327**	221	**-**	-
Other payables	**2,320**	1,272	**-**	-
Accruals	**1,349**	4,216	**90**	52
	8,973	12,825	**109**	103

Amounts due to partners in jointly controlled operations, VAT payable and Other payables include amounts arising on gas sales and are payable on receipt of gas revenues from TPDC.

19 Provisions – decommissioning

Group	**US$'000**
At 1 January 2016	448
Discount unwound in the year	42
Release from decommissioning provision on disposal of property, plant and equipment	(14)
At 1 January 2017	476
Discount unwound in the year (see Note 8)	79
Increase in decommissioning provision	81
At 31 December 2017	**636**

	2017 US$'000	2016 US$'000
Non-current	**636**	476
Total decommissioning provision	**636**	476

Decommissioning costs are expected to be incurred over the remaining lives of the wells, which are estimated to end between 2021 and 2028. The provision for decommissioning is reviewed annually and at 31 December 2016 and 2017 relates to wells in Tanzania. The provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices and is discounted at 10% per annum, reflecting the associated risk profile.

20 Loans and borrowings

	Group		Company	
	2017 US$'000	2016 US$'000	**2017 US$'000**	2016 US$'000
Secured loan (including accrued finance costs)	**-**	4,931	**-**	4,931
Comprising:				
Current liabilities	**-**	4,931	**-**	4,931

In 2017, the Group paid US$5.47 million comprising capital interest and redemption premium and thereby settled its corporate loan facility in full. An amount of US$0.54 million (2016: US$1.26 million) has been charged to the Group Income Statement in respect of the finance cost of the loan facility (see Note 8).

Reconciliation of liabilities arising from financing activities

	2016 US$'000	Cash Flows US$'000	**2017 US$'000**
Long term borrowings	4,931	(4,931)	**-**

21 Financial instruments and risk management

Group

Financial Risk Management

The Group's financial instruments comprise available for sale financial assets, non-current trade and other receivables, non-current investments, working capital and cash and liquid resources. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group may from time to time enter into derivative transactions to minimise its exposure to interest rate fluctuations, foreign currency exchange rates and movements in oil and gas prices. There were no derivatives held at 31 December 2017 or 31 December 2016.

The Group does not undertake any trading activity in financial instruments. Policies for managing these risks are summarised as follows:

a) Liquidity/interest rate risk

The Group finances its operations through a mixture of shareholders' funds, loans and borrowings and working capital. Board approval is required for all new borrowing facilities. During 2013 the Company secured a loan facility of US$8 million, which was applied to addressing the Group's working capital. During the year the loan was repaid in full.

b) Commodity risk

The requirement for hedging instruments is kept under ongoing review. During the year, the Group did not enter into any hedging transactions.

c) Foreign currency risk

The Group reports in US dollars, which is the currency of a large proportion of its trading income. The risk is managed wherever possible by matching foreign currency income and expenditures.

Fair value

The accounting classification for each class of the Group's financial assets and financial liabilities, together with their associated fair values, is set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Loans and receivables 2017 US$'000	Liabilities at amortised cost 2017 US$'000	Total carrying amount 2017 US$'000	Fair value 2017 US$'000
Other financial assets and financial liabilities				
Current trade and other receivables	8,659	-	8,659	8,633
Cash and cash equivalents	6,226	-	6,226	-
Trade payables	-	(332)	(332)	-
Amounts due to partners in jointly controlled operations	-	(2,076)	(2,076)	-
Other payables	-	(5,216)	(5,216)	-

	Loans and receivables 2016 US$'000	Liabilities at amortised cost 2016 US$'000	Total carrying amount 2016 US$'000	Fair value 2016 US$'000
Other financial assets and financial liabilities				
Available for sale assets	4	-	4	4
Current trade and other receivables	9,179	-	9,179	-
Cash and cash equivalents	19,567	-	19,567	-
Loans and borrowings	-	(4,931)	(4,931)	-
Trade payables	-	(2,546)	(2,546)	-
Amounts due to partners in jointly controlled operations	-	(2,117)	(2,117)	-
Other payables	-	(3,946)	(3,946)	-

21 Financial instruments and risk management (continued)

Estimation of fair values

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets;

Level 2: other techniques for which all inputs have a significant effect on the recorded fair value are observable either directly or indirectly; or

Level 3: techniques which use inputs that are not based on observable market data.

Included in the prior year Group and Company balance sheets trade and other receivables were amounts comprising a production payment to a maximum of US$4,500,000 receivable as part consideration for the disposal of Aminex USA, Inc. These receivables which were calculated using a net present value technique have been expensed to the income statement in the current year and were considered as a Level 3 financial instrument (using inputs that are not based on observable market data).

Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities set out in the table above.

Available for sale assets

Where the market value of other investments is available, the fair values are determined using the bid market price without deduction of any transaction costs. Where the market value of other investments is not available, the fair values are determined based on the expected future cash flows at current interest rates and exchange rates.

Amounts due from/(to) partners in joint operations

The amounts receivable from/payable to partners in jointly controlled operations are expected to be settled within less than six months and so the carrying value is deemed to reflect fair value.

Trade and other receivables/payables

For the receivables and payables with a remaining maturity of less than six months or demand balances, the contractual amount payable less impairment provisions, where necessary, is deemed to reflect fair value. For long term receivables greater than one year the contractual amount has been discounted to reflect fair value using a level 2 technique.

Cash and cash equivalents including short-term deposits

For short-term deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the nominal value is deemed to reflect the fair value.

Loans and borrowings

Loans and borrowings relate to third party loan facilities. For loans and borrowings with a remaining maturity of less than one year, the contractual amount payable is deemed to reflect the fair value. For long term payables greater than one year the contractual amount has been discounted to reflect fair value.

Risk exposures

The Group's operations expose it to various financial risks that include credit risk, liquidity risk and market risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group and it is the policy to manage these risks in a non-speculative manner.

This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing the risk.

Credit risk

Credit risk to customers and to jointly operated activities arises on the outstanding receivables and outstanding cash calls due, as well as cash and cash equivalents, deposits with banks and outstanding production payments.

The carrying value of the Group's various financial assets, as presented within the fair value table set out on page 52, represents the Group's maximum credit risk exposure.

21 Financial instruments and risk management (continued)

Trade and other receivables

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. For trade receivables, credit checks are performed on new customers and appropriate payment terms are agreed with customers. There is a concentration of credit risk by dependence on the Tanzania Petroleum Development Corporation for revenues from gas sales. Trade receivables are monitored by review of the aged debtor reports.

The maximum exposure to credit risk for trade and other receivables at the balance sheet date by geographic region was as follows:

	2017	2016
	US$'000	US$'000
Tanzania	**6,938**	5,923

Amounts due from partners in joint operations

The Group assesses the creditworthiness of potential parties before entering into agreements with them and continues to monitor their creditworthiness. The aggregate of the amount due from partners in jointly controlled operations is considered to be current and receivable with no provisions required.

Other receivables

Included in other receivables is VAT recoverable from the national government in UK. The Group considers the balance will be fully recovered in 2018.

Cash and short-term deposits

Cash and short-term deposits are invested mainly through the Group's bankers and short-term deposits are treasury deposits of less than one month.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible that it has sufficient liquidity to meet its liabilities as they fall due. The Group manages liquidity risk by monitoring rolling forecasts of expected cash flows against actual cash flows. In 2013 the Company secured a loan facility of US$8 million, which was applied to addressing the Group's working capital. During the year the loan was repaid in full. Also during the year the Group raised US$2.17 million net of expenses, through the issue of new Ordinary Shares arising on the exercise of warrants by the warrant holder. The following are the contractual maturities of the financial liabilities including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount 2017 US$'000	Contractual cashflows 2017 US$'000	6 months 2017 US$'000	6-12 months 2017 US$'000	1-2 years 2017 US$'000	2-5 years 2017 US$'000	More than 5 years 2017 US$'000
Trade payables	332	332	332	-	-	-	-
Amounts due to partners in jointly controlled operations	2,076	2,076	2,076	-	-	-	-
Other payables	5,216	5,216	5,216	-	-	-	-
	7,624	**7,624**	**7,624**	**-**	**-**	**-**	**-**

	Carrying amount 2016 US$'000	Contractual cashflows 2016 US$'000	6 months 2016 US$'000	6-12 months 2016 US$'000	1-2 years 2016 US$'000	2-5 years 2016 US$'000	More than 5 years 2016 US$'000
Loan facility	4,931	5,551	3,795	1,756	-	-	-
Trade payables	2,546	2,546	2,546	-	-	-	-
Amounts due to partners in jointly controlled operations	2,346	2,346	2,346	-	-	-	-
Other payables	3,946	3,946	3,946	-	-	-	-
	13,769	14,389	12,633	1,756	-	-	-

The Group's borrowings at 31 December 2016 relate to a corporate loan facility (see Note 20) that was repaid in full in June 2017.

21 Financial instruments and risk management (continued)

Market risk

Market risk is the risk that changes in the market prices and indices will affect the Group's income or the value of its holdings of financial instruments. The Group has four principal types of market risk being commodity prices, equity price risk, foreign currency exchange rates and interest rates.

Commodity price risk. The requirement for hedging instruments is kept under ongoing review. During the year, the Group did not enter into any commodity hedging transactions. General oil and gas commodity strategies are commented on in the Financial Review and the Operations Report.

Equity price risk. Equity price risk arises in respect of assets which are available for sale as equity securities. Any equity securities are usually held for strategic reasons by the Group. The primary goal of the Group's investment strategy is to maximise investment returns in order to meet the specific objectives of the Group.

Foreign currency risk. The Group reports in US dollars, which is the currency of a large proportion of its trading income. The risk is managed wherever possible by matching foreign currency income and expenditures.

Interest rate risk. The Group's exposure to interest rate risk arises from cash and cash equivalents and borrowings. Details of the interest rate profile of the Group's loans and borrowings are set out in Note 20.

The Group's exposure to transactional foreign currency risk, for amounts included in trade and other receivables, cash and cash equivalents and trade and other payables (as shown on the balance sheet), is as follows:

	2017 Sterling US$'000	2017 Euro US$'000	2017 US dollars US$'000	2016 Sterling US$'000	2016 Euro US$'000	2016 US dollars US$'000
Cash and cash equivalents	**694**	**12**	**38**	12,850	3	2
Trade payables	**-**	**(12)**	**(21)**	-	(5)	-
	694	**-**	**17**	12,850	(2)	2

Sensitivity analysis

A 15% strengthening or weakening in the value of sterling or the euro against the US dollar, based on the outstanding financial assets and liabilities at 31 December 2017 (2016: 15%), would have the following impact on the income statement. This analysis assumes that all other variables, in particular interest rates, remain constant.

	15% increase 2017 US$'000	15% decrease 2017 US$'000	15% increase 2016 US$'000	15% decrease 2016 US$'000
Cash and cash equivalents	**148**	**(148)**	1,928	(1,928)
Trade payables	**(5)**	**5**	(1)	1
	143	**(143)**	1,927	(1,927)
Tax impact	**-**	**-**	-	-
After tax	**143**	**(143)**	1,927	(1,927)

The Group finances its operations through a mixture of shareholders' funds, loans and borrowings and working capital. Board approval is required for all new borrowing facilities. The Group had no loans outstanding at the year end. There are no bank borrowings or overdraft facilities at year end. The Group's liquid resources were held in a mixture of current accounts and short term deposits at the year end.

The interest rate profile of the Group's interest bearing financial instruments at 31 December 2017 was as follows:

	Fixed rate 2017 US$'000	Floating rate 2017 US$'000	Total 2017 US$'000	Fixed rate 2016 US$'000	Floating rate 2016 US$'000	Total 2016 US$'000
Cash and cash equivalents	**-**	**6,226**	**6,226**	-	19,567	19,567
Loan facility	**-**	**-**	**-**	(4,931)	-	(4,931)
	-	**6,226**	**6,226**	(4,931)	19,567	(14,636)

21 Financial instruments and risk management (continued)

Cash flow sensitivity analysis

An increase or decrease of 500 basis points in interest rates at the reporting date would have had the following effect on the income statement. This analysis assumes all other variables, in particular foreign currency, remain constant.

	500 bps increase profit 2017 US$'000	500 bps decrease profit 2017 US$'000	500 bps increase profit 2016 US$'000	500 bps decrease profit 2016 US$'000
Cash and cash equivalents	**311**	**-**	978	-
Tax impact	**-**	**-**	-	-
After tax	**311**	**-**	978	-

The Group has no loans outstanding at 31 December 2017. As there are no variable rate loans, there is no potential impact to profit and loss from a change in interest rates.

Company

The Company's approach to the management of financial risk is as set out under the Group disclosures above.

The accounting classification for each class of the Company's financial assets and financial liabilities, together with their fair values, is as follows:

	Loans and receivables 2017 US$'000	Liabilities at amortised cost 2017 US$'000	Total carrying amount 2017 US$'000	Fair value 2017 US$'000
Other financial assets and financial liabilities				
Amounts due from subsidiary undertakings	105,182	-	105,182	-
Cash and cash equivalents	3,182	-	3,182	-
Trade payables	-	(19)	(19)	-

	Loans and receivables 2016 US$'000	Liabilities at amortised cost 2016 US$'000	Total carrying amount 2016 US$'000	Fair value 2016 US$'000
Other financial assets and financial liabilities				
Available for sale assets	4	-	4	-
Amounts due from subsidiary undertakings	97,670	-	97,670	-
Cash and cash equivalents	14,992	-	14,992	-
Loans and borrowings		(4,931)	(4,931)	-
Trade payables	-	(51)	(51)	-

Estimation of fair values

Amounts due from subsidiary companies

The amounts due from subsidiary companies are technically repayable on demand and so the carrying value is deemed to reflect fair value.

The estimation of other fair values is the same, where appropriate, as for the Group as set out in above.

21 Financial instruments and risk management (continued)

Risk exposures

The Company's operations expose it to the risks as set out for the Group above.

This note presents information about the Company's exposure to credit risk, liquidity risk and market risk, the Company's objectives, policies and processes for measuring and managing risk. Unless stated, the policy and process for measuring risk in the Company is the same as outlined for the Group above.

Credit risk

The carrying value of financial assets, net of impairment provisions, represents the Company's maximum exposure at the balance sheet date.

At the balance sheet date, the Directors have reviewed the carrying value of the amounts due from subsidiary companies for indicators of impairment and these were found to be impaired and their carrying value written down by US$1.3 million (2016: US$1.4 million). The Directors are satisfied that no further impairment is considered to have occurred. If the value of any of the Group's exploration or production assets became impaired, then provision is made by the Company against relevant amounts due from subsidiary companies.

Liquidity risk

The liquidity risk for the Company is similar to that for the Group as set out above. Contractual cash flows on trade payables, borrowings amounting to US$90,000 (2016: US$52,000) fall due within six months of the balance sheet date. There were no borrowings repayable within 7 to 12 months of the balance sheet date (2016: US$1.76 million). The Directors have given careful consideration to the Company's and the Group's ability to continue as a going concern.

Market risk

The market risk for the Company is similar to that for the Group as set out above.
The Company's exposure to transactional foreign currency risk is as follows:

	2017 Sterling US$'000	2017 Euro US$'000	2016 Sterling US$'000	2016 Euro US$'000
Trade payables	**-**	**15**	-	3

Sensitivity analysis

A 15% strengthening or weakening in the value of sterling or the euro against the US dollar (2016: 15%), based on the outstanding financial assets and liabilities at 31 December 2017, would have no material impact on the income statement in the current or prior years. This analysis assumes that all other variables, in particular interest rates, remain constant.

The interest rate risk of the Company is similar to that of the Group as set out above. The interest rate profile of the Company's interest bearing financial instruments at 31 December 2017 was as follows:

	Fixed rate 2017 US$'000	Floating rate 2017 US$'000	Total 2017 US$'000	Fixed rate 2016 US$'000	Floating rate 2016 US$'000	Total 2016 US$'000
Cash and cash equivalents	**-**	**990**	**990**	-	12,850	12,850
Secured loan	**-**	**-**	**-**	(4,931)	-	(4,931)
	-	**990**	**990**	(4,931)	12,850	7,919

Cash flow sensitivity analysis

An increase or decrease of 500 basis points in interest rates at the reporting date would have had the following effect on the income statement. This analysis assumes all other variables, in particular foreign currency, remain constant.

	500 bps increase 2017 US$'000	500 bps decrease 2017 US$'000	500 bps increase 2016 US$'000	500 bps decrease 2016 US$'000
Cash and cash equivalents	**49**	**-**	643	-
Tax impact	**-**	**-**	-	-
After tax	**49**	**-**	643	-

22 Issued capital

Authorised	Number	Value €
Ordinary Shares of €0.001 each:	5,000,000,000	5,000,000
Deferred shares of €0.059 each:	1,000,000,000	59,000,000
At 1 January and 31 December 2017	**6,000,000,000**	**64,000,000**

Allotted, called up and fully paid	Number	€	US$
Ordinary Shares of €0.001 each:	3,475,897,030	3,475,896	4,338,260
Deferred shares of €0.059 each:	818,658,421	48,300,847	64,535,665
At 31 December 2016	4,294,555,451	51,776,743	68,873,925
Issued during 2017	167,561,032	167,561	188,462
At 31 December 2017	**4,462,116,483**	**51,994,304**	**69,062,387**

Comprised of:	
Ordinary Shares of €0.001	3,643,458,062
Deferred shares of €0.059	818,658,421
	4,462,116,483

No voting rights are attached to the deferred shares.

The increase during the year in the Ordinary Share capital and share premium of the Company related to the following:

Details	Date of issue	Price Stg pence per share	Number	Issued capital US$'000	Share premium US$'000	Total US$'000
Exercise of warrants	22 May 2017	1.00	167,561,032	188	1,993	2,181

23 Share option reserve

The movements on the share option reserve are as follows:

	US$'000
At 1 January 2016	3,683
Options granted	814
Options expired	(603)
At 1 January 2017	3,894
Options granted	293
Options expired	(1,647)
At 31 December 2017	**2,540**

The share option reserve represents the fair value of share options issued to Directors and employees.

On 3 May 2017 the Company awarded 15,000,000 options to staff (2016: 139,250,000) The fair value of options granted in the period was US$293,000 (2016: US$814,000). During the period 5,725,000 options expired (2016: 2,090,000) with a fair value of US$1,647,000 (2016: US$603,000). Further details regarding the issuance, lapse and expiry of share options are set out in Note 4.

24 Share warrant reserve

On 22 May 2017, the sole warrant holder exercised 167,561,032 warrants over Ordinary Shares with a nominal value of €0.001 each ("Ordinary Shares"). All the warrants exercised had an exercise price of Stg 1 pence per warrant. Accordingly, 167,561,032 new Ordinary Shares were issued for which the Company received gross proceeds of US$2.18 million. The balance of US$3.44 million relating to the warrants included in the share warrant reserve was therefore transferred to retained earnings. The warrants were exercisable by 30 June 2017. No warrants remain outstanding at 31 December 2017.

25 Loss for the financial year

The loss for the financial year arises as follows:

	2017 US$'000	2016 US$'000
In Aminex PLC - loss	**(1,837)**	(6,374)
In subsidiary companies - (loss)/profit	**(441)**	3,840
	(2,278)	(2,534)

The individual financial statements of the Company ("Company financial statements") have been prepared and approved by the Directors in accordance with EU IFRS and as applied in accordance with the Companies Act, 2014, which permit a company that publishes its company and group financial statements together, to take advantage of the exemption in Section 304 of the Companies Act 2014 from presenting to its members its Company income statement and related notes that form part of the approved company financial statements. Of the consolidated loss after taxation, a loss of US$1,837,000 (2016: loss US$6,374,000) is dealt with in the Company income statement of Aminex PLC.

26 Commitments, guarantees and contingent liabilities

Commitments exploration activity

In accordance with the relevant Production Sharing Agreements, Aminex has a commitment to contribute its share of the following outstanding work programmes:

(a) Following the grant of the extension to the Nyuni Area PSA, Tanzania, the terms of the licence require the acquisition of 600 kilometres of 3D seismic over the deep-water sector of the licence, and drilling of four wells, on the continental shelf or in the deep-water, by October 2019.

(b) The Ruvuma PSA, Tanzania, originally comprised two licences. The Mtwara Licence was extended to January 2018 and Aminex is in discussions for and has a reasonable expectation of receiving a further extension on the licence. Two wells are required to be drilled, one of which is expected to be the Chikumbi-1 location. The Company has previously sought an extension to the Lindi Licence, for which there remains a two-well commitment, and is currently seeking a new Lindi PSA.

Commitments under operating leases are as follows:

	Land and buildings		Other	
	2017	2016	**2017**	2016
Group	**US$'000**	US$'000	**US$'000**	US$'000
Operating leases which expire:				
Within one year	**124**	31	**-**	-
In two to five years	**524**	-	**-**	-
	648	64	**-**	-

The Company does not have any other operating lease commitments.

Guarantees and contingent liabilities

(a) Kiliwani North Development Licence. Under the terms of the Addendum to the Ruvuma PSA, Ndovu Resources Limited has provided security to the Tanzania Petroleum Development Corporation for up to 15% of the Kiliwani North Development Licence to guarantee the amended four-well drilling commitment under the Ruvuma PSA. For each well drilled the security interest will be reduced by 3% for the first well and 4% thereafter.

(b) The Company occasionally guarantees certain liabilities and commitments of subsidiary companies. These are considered to be insurance arrangements and are accounted for as such i.e. they are treated as a contingent liability until such time as it becomes probable that the Company will be required to make payment under the guarantee in which case a liability is recognised.

(c) On 11 April 2018, Ndovu Resources Limited, a subsidiary company of Aminex PLC, received formal notification from the TPDC of certain claims amounting to US$5.97 million with regard to unpaid royalties and amounts due under profit share arrangements which it proposes to offset against the receivable of US$6.94 million owing by TPDC to Aminex at 31 December 2017 (see Note 16). Of the amount claimed, Aminex has already accrued for the liabilities it considers appropriate based on its own calculations of amounts due as at 31 December 2017. Aminex has advised the TPDC that it does not accept the balance of the claims, which include computational inaccuracies. No further provision has been made in the financial statements for the additional amounts claimed as the Directors believe the claims are without merit and are satisfied that the US$6.94 million included in trade receivables as owing from the TPDC will be fully recovered.

27 Pension arrangements

The Group contributes towards the cost of certain individual employee defined contribution pension plans. Annual contributions are based upon a percentage of gross annual salary. Pension contributions, which are charged to the Group income statement as incurred, amounted to US$51,000 for 2017 (2016: US$116,000).

28 Analysis of net funds

Group	At 1 January 2017 US$'000	Cash flow US$'000	**At 31 December 2017 US$'000**
Cash at bank	19,567	(13,341)	**6,226**
Secured loan	(4,931)	4,931	**-**
Total	14,636	(8,410)	**6,226**

	At 1 January 2016 US$'000	Cash flow US$'000	At 31 December 2016 US$'000
Cash at bank	2,128	17,439	19,567
Secured loan	(8,559)	3,628	(4,931)
Total	(6,431)	21,067	14,636

29 Related party transactions

The Company entered into the following transactions with its subsidiary companies:

	2017 US$'000	2016 US$'000
Transactions during the year		
Interest receivable from subsidiary undertakings	-	-
Balances at 31 December		
Amounts owed by subsidiary undertakings	**105,182**	97,670

Details of loans advanced to subsidiary undertakings during the year are set out in Note 14.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below. Information about the remuneration of each Director is shown in the Remuneration Report on pages 24 to 25.

	2017 US$'000	2016 US$'000
Short-term employee benefits	**738**	779
Pension contributions	**31**	89
	769	868

During the course of the year, the Group entered into the following related party transactions: fees amounting to US$34,000 (2016: $27,000) which were paid to Upstream Solutions Limited, a company connected with Mr. T.A. Mackay.

30 Post balance sheet events

On 9 January 2018, the Company granted 42 million options over Ordinary Shares to Directors and staff. The exercise price was Stg3.08p with the exercise period not exceeding three years from date of grant. The share-based payment charge arising from the grant will be charged to the Income Statement in the year ending 31 December 2018.

On 5 February 2018, the Company advised that RPS Energy Consultants Limited had completed a Competent Person's Report over the Company's entire Tanzania asset base and that their findings have established a significant resource upgrade. This result, taken together with the results of the Ntorya Gas Commercialisation Study prepared by io oil & gas consulting in 2017, confirmed the feasibility of developing the Ntorya gas field for commercial production.

On 21 March 2018, the Company announced that it was in discussions with the Zubair Corporation for a possible farm out of part of its interest in the Ntorya Appraisal Area. The Zubair Corporation is a significant shareholder in Aminex PLC through its wholly-owned subsidiary company Eclipse Investments LLC.

On 11 April 2018, Aminex received formal notification from the TPDC of certain claims amounting to US$5.97 million for liabilities arising on revenues from gas sales, of which Aminex's share is estimated to be $2.73 million. Aminex has advised the TPDC that it does not accept the claims and no provision has been made in the financial statements beyond amounts Aminex had already accrued. Further details are disclosed in Note 26(c) to the financial statements.

31 Use of estimates and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

The major sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the impairment of exploration and evaluation assets (Note 11), the impairment of and the depletion of property, plant and equipment (Note 12), the decommissioning costs of arising from certain exploration and evaluation assets and property plant and equipment (Note 19), the recoverability of trade and other receivables (Note 16) and the estimation of share-based payment charges (Note 4). In determining the treatment of exploration and evaluations assets, property plant and equipment and the provision for decommissioning, the Directors are required to make estimates and assumptions as to future costs and events. There are uncertainties inherent in making these assumptions, especially with regard to gas reserves and resources and these assumptions include the life of, and title to, an asset, gas recovery rates, gas prices, costs of production, and foreign exchange rates.

Assumptions that are valid at the time of estimation may change significantly as new information becomes available and changes in these assumptions may alter the economic status of and the estimates for exploration and evaluation assets and property plant and equipment and give rise to resources or reserves being restated. The estimation of recoverable amounts is dependent on finance being available to fund the development of the exploration and evaluation assets and property plant and equipment.

32 Approval of financial statements

These financial statements were approved by the Board of Directors on 27 April 2018.

Senior Personnel

Aaron LeBlanc Chief Operating Officer

Aaron LeBlanc is a Geoscientist with 15 years in oil and gas exploration, development and operations. He has worked in Western Canada, the Former Soviet Union, Europe, North Africa, East Africa, the Middle East and South-east Asia. His early career was spent with Devon Energy Corporation where he was an integral member of the Iron River oilfield development which saw production increase from 3,000 to 30,000 BBLS/d. Prior to joining Aminex he was Vice-President Exploration at Serinus Energy Inc and was a key member of the team that grew their Ukrainian gas production 10-fold through an aggressive drilling programme. As COO at Aminex he is responsible for operations in Tanzania and elsewhere when applicable.

Brian Cassidy General Counsel / Company Secretary

Brian Cassidy is a Solicitor licensed to practise both English and Scottish law. He has over 20 years' experience in the oil and gas industry, during which time he was based in the UK, Azerbaijan, Singapore, Hong Kong, China and South Korea. Before moving in-house, he held senior roles with Ledingham Chalmers LLP, McGrigors LLP and Clifford Chance LLP. Prior to joining Aminex PLC, he was Head of Legal and Company Secretary at Bowleven plc.

Thierry Murcia Country Manager, Tanzania

Thierry Murcia has spent his career in commercial management and administration, primarily in Western Australia. Prior to joining Aminex and relocating to Tanzania, he worked for BP in various commercial and administrative capacities. Prior to BP he was an executive with Caltex Australia. Thierry Murcia holds an MBA from The University of Western Australia. He is currently resident in Dar es Salaam where he has day-to-day responsibilities for all Aminex's activities in Tanzania. Thierry Murcia is the Honorary Consul for Australia in Tanzania.

Prosper Victus General Manager, Ndovu Resources Limited, Dar es Salaam

Prosper Victus was an Assistant Commissioner for Energy responsible for Petroleum and Gas in the Ministry of Energy and Minerals between 1992 and 2013. His primary functions included the regulation of the petroleum sub-sector with particular emphasis on the promotion of investment, licencing and to advise on policy instruments for regulation of the industry. As Head of the Petroleum Section of the Energy Department, he participated in negotiating Production Sharing Agreements with International Oil Companies. Among his other professional appointments, he has served as chairman of the East African Petroleum Conference, the National Fertilizer and Agricultural Chemicals Committee under the Prime Minister's Office, the National Engineering Company Ltd. and BP Tanzania Ltd. He has also served as a director on the Boards of the Tanzania Petroleum Development Corporation and the National Environmental Management Council. Prosper Victus is a registered engineer and holds a degree from the University of Dar es Salaam and a Masters from the University of Melbourne, Australia.

Registrars and Advisers

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Telephone sharedealing	Computershare provides a telephone sharedealing service for Irish and UK registered shareholders. For more information please call:	
	Telephone number for Irish shareholders:	01 447 5435
	Telephone number for UK shareholders:	0870 702 0107
Auditor	KPMG, Chartered Accountants	Dublin
Bankers	Bank of Ireland	Dublin
Solicitors	Ashurst	London
	Byrne Wallace	Dublin
Stockbrokers	Davy Stockbrokers Limited	Dublin
	Shore Capital Stockbrokers Limited	London
	Investec Bank plc	London

Glossary of terms used

PSA:	Production Sharing Agreement
MCF:	Thousands of cubic feet of natural gas
BCF:	Billions of cubic feet of natural gas
TCF:	Trillions of cubic feet of natural gas
MMcfd	Millions of standard cubic feet per day of natural gas
Pmean:	The average (mean) probability of occurrence
GIIP:	Gas initially in place
Contingent Resources:	Discovered sub-commercial resources
Prospective Resources:	Undiscovered resources mapped with seismic

Principal operating companies

Registered Office:
Aminex PLC
6 Northbrook Road
Dublin 6
Ireland

Group Support and Services
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Kings Buildings
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SW1P 3JJ

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Dar es Salaam, Tanzania