Annual Report & Accounts 2016

Aminex PLC annual report & accounts 2016

Contents

02	Overview	Chairman's Statement	2
03	Business Review	Chief Executive's Review	3
		Financial Review	5
		Operations Report	8
		Resources	10
		Corporate and Social Responsibility	11
12	Governance	Board of Directors	12
		Directors' Report	13
		Additional Information for Shareholders	15
		Corporate Governance	17
		Directors' Remuneration Report	24
		Statement of Directors' Responsibilities	26
		Independent Auditor's Report to the Members of Aminex PLC	27
30	Financial Statements	Group Income Statement	30
		Group Statement of Other Comprehensive Income	30
		Group and Company Balance Sheets	31
		Group Statement of Changes in Equity	32
		Company Statement of Changes in Equity	32
		Group and Company Statements of Cashflows	33
		Notes Forming Part of the Financial Statements	34
62	Additional Information	Registrars and Advisers	62
		Glossary of terms used	62
		Principal Operating Companies	63
		Senior Personnel	63

◆ Gas flare at Ntorya-2

Chairman's Statement

Dear Shareholder,

Enclosed is Aminex PLC's Annual Report for the year ended 31 December 2016. During the year, the Group recorded a loss of $2.53 million compared with a loss of $3.78 million in the previous year. Net assets at year end totalled $106.35 million, including net current assets of $11.00 million.

2016 was a landmark year for your Company in Tanzania.

In the early part of the year we started producing from the Kiliwani North-1 well into the new Tanzanian national pipeline system and production continues at approximately 16 MMcfd at the time of writing. Kiliwani North is Aminex's first African production and is making a positive impact on the Company's finances.

In the summer, the Company completed a placing of new shares together with an open offer to existing shareholders which raised $24.37 million after expenses in order to move forward a development-led work programme. The largest contributor to the placing was Eclipse Investments LLC, a division of the Zubair Corporation of Oman, which now holds a strategic stake of just under 30% of the Company's issued share capital. The Zubair Corporation, through its interest in ARA Petroleum LLC ("ARA"), had identified the long-term potential of our acreage in Tanzania and we have subsequently been pleased to welcome Mr. Ola Fjeld of ARA to our Board. Ola has a strong track record of successful operations in our industry and his participation and support is warmly appreciated. Since the fund raising, Philip Thompson, who joined Aminex in 2013, left the Company for personal reasons and we wish him well in the future.

Just before the year-end we spudded the Ntorya-2 appraisal well in the Ruvuma Basin, a follow-up to our earlier Ntorya-1 gas discovery. Since the year-end, we have successfully finished drilling this well, recording a 51-metre gross reservoir section with approximately 31 metres of net pay. Evidence of trace oil was found while drilling the reservoir section. The well was successfully tested and the Company is currently updating its basin model so as to determine the optimal development plan.

We have been working in Tanzania for a long time and have never lost our conviction that there is a major hydrocarbons play to be exploited. Earlier drilling successes at Kiliwani North and Ntorya were important milestones but our latest discovery at Ntorya-2 opens up a new era of development possibilities. We were also pleased to receive an extension to the Nyuni Area PSA in December 2016, which will enable us to accelerate activity on that licence. The Company remains focused on projects that have the potential for early cash flow and with infrastructure available, the Ruvuma PSA provides us with a great opportunity for development.

At the forthcoming AGM to be held in Dublin on 19 May 2017, we are proposing resolutions to cancel the nil-value Deferred Shares and to consolidate the existing Ordinary Shares. The first resolution is a matter of housekeeping and will have no effect on shareholders. The second, consolidation resolution will reduce the large number of shares outstanding and increase the value of each share. Your Board believes that this will improve our market profile and provide more clarity for investors in the Company. The Board is recommending that you vote in favour of both these resolutions.

Aminex management and technical team has done a fine job in persevering with these projects through many difficulties, while all of us at the Company appreciate the support of shareholders who have stayed with us through good times and bad, as we look forward to an exciting future.

Yours sincerely,

Brian Hall

Chairman

◆ Ntorya-2 drilling operations

Chief Executive's Review

Financial HIghlights

- First production revenues received from Kiliwani North-1
- Regular gas receipts paid in US Dollars
- Placing and Open Offer raised net $24.37 million
- Zubair Corporation of Oman became a strategic investor with 29.9% holding
- Corporate loan facility extended to 31 January 2018 and significantly paid down
- Loss of $2.53 million for year (2015: $3.78 million)

Operating HIghlights

- Kiliwani North-1 average production rate of approximately 15 MMcfd from July 2016
- Ntorya-2 appraisal well spudded in December 2016
- Mtwara Licence extended to December 2017
- Nyuni Area licence extended to October 2019

Post year-end:

- Ntorya-2 appraisal well tested at average flow rate of 17 MMcfd.

Aminex has progressed strongly on many fronts during 2016 and early 2017, becoming a Tanzanian gas producer for the first time following Kiliwani North start-up and significantly advancing the production potential of the Ntorya Prospect in the Ruvuma Basin with the success of the recent Ntorya-2 appraisal well.

The loss for the period was $2.53 million compared with $3.78 million for the previous year. A full commentary on the results is provided in the Financial Review section.

Tanzania

Aminex's principal assets are its three interests in Tanzania.

(1) Ruvuma PSA. The results of the Ntorya-2 well test, announced since the year-end, endorse the Board's belief in the quality of the assets held by Aminex in the Ruvuma Basin. This well was drilled to a final total vertical depth of 2,795 metres and at 2,593 metres encountered a gross gas-bearing reservoir unit of approximately 51 metres with significant gas influx and high associated pressures. The well was tested and flowed dry, high quality gas at an average rate of 17 MMscfd (2,833 BOED) on a 40/64" choke. Strong pressure build-up occurred in all instances during the well test. Ntorya-2 also encountered traces of oil in the gross reservoir interval and the Company is updating its basin model to determine the optimal drilling depths for Ntorya-3 and for future development wells. Post analysis, Aminex will be able to revise its interpretation of in-place volumes.

◆ Ntorya-2 drilling operations

◆ Kiliwani North-1 wellhead

Aminex will now apply for a 25-year development licence. Subject to tie-in, gas from the field can be produced into the National Gas Gathering System and the Company is also evaluating, with the Tanzania Petroleum Development Corporation ('TPDC'), early production options for monetising the gas. To allow for an effective review of the Ntorya-2 well results and development licence application, Aminex is requesting a further extension of time for the Mtwara Licence within the Ruvuma PSA. Discussions are ongoing simultaneously on an extension of the other part of the Ruvuma PSA, the neighbouring Lindi Licence, which officially ended in January 2017, as the Ntorya-Likonde prospects straddle the licence boundaries and development may be conducted in both licences for greater efficiency. The Board has a reasonable expectation of achieving a favourable outcome with the Tanzanian authorities.

(2) Kiliwani North. KN-1 has been producing gas into the new Songo Songo Island Gas Processing Plant since April 2016 and, since July, commercial rates have been averaging approximately 15 MMcfd. The gas is being sold at wellhead and has achieved an average price of $3.25 per Mcf, ahead of the predicted $3.07 per Mcf. The higher price is a result of (i) a higher calorific value than expected and (ii) price indexation. TPDC has not yet confirmed a commercial operations date and therefore has not finalised the agreed credit guarantees but production rates remain constant and regular payments are being received by Aminex in US Dollars.

(3) Nyuni Area PSA. The Company received the formal extension of the licence into the First Extension Period, currently due to end in October 2019. However due to delays in finalising the new arrangements, Aminex has requested that the four-year extension be effective from the date of grant of the First Extension Period in December 2016 and this is currently being considered by the authorities. Aminex now plans to re-tender for 3D seismic acquisition over the deep-water sector of the licence and in parallel is conducting a review of potential leads in the licence area and over the adjoining Kiliwani North block. The objective of this is to fast-track potential development opportunities, production from which could be tied back to the Songo Songo Island Gas Processing Plant.

Financial Position

The Company's successful capital raise in August 2016 was supported by Eclipse Investments LLC, part of the Zubair Corporation of Oman, which is now a 29.9% shareholder, and Majedie Asset Management, which now holds just under 10%. Strong, supportive shareholders will greatly assist development and the Company has now been able to advance its capital expenditure programme in Tanzania. At 31 December 2016, cash balances were $19.57 million while corporate debt had been reduced substantially to $4.93 million with repayments funded primarily from gas revenues. The Company has continued to pay down debt after the year-end and this remains a priority.

Evaluation of New Opportunities

The Company's management and technical team continues to evaluate and analyse new production-led business opportunities with a view to creating a well-balanced and larger company.

Looking Forward

Following the success of the Ntorya-2 well, the interpretation of results will be used to finalise the design for the Ntorya-3 well. Aminex is prioritising preparation of a development plan for Ntorya and will submit an application to the Tanzanian authorities for a 25-year development licence over the prospect with the intention of identifying and drilling development wells in the most cost effective manner. The Company proposes to monetise gas from Ruvuma as quickly as possible and will continue to work with TPDC on suitable early production systems, with the ultimate aim of supplying gas into the National Gas Gathering System. Production from Kiliwani North is being used to accelerate repayment of the Company's corporate debt facility in full ahead of the 31 January 2018 repayment date. The Group's ongoing overhead expenses are closely monitored although, as attention turns to development and production, the in-house technical team will be strengthened to meet expanding operations.

I would like to thank our staff and all those that have been associated with the Company's progress for their consistent hard work but most of all our shareholders for their continued support and trust.

Jay Bhattacherjee
Chief Executive

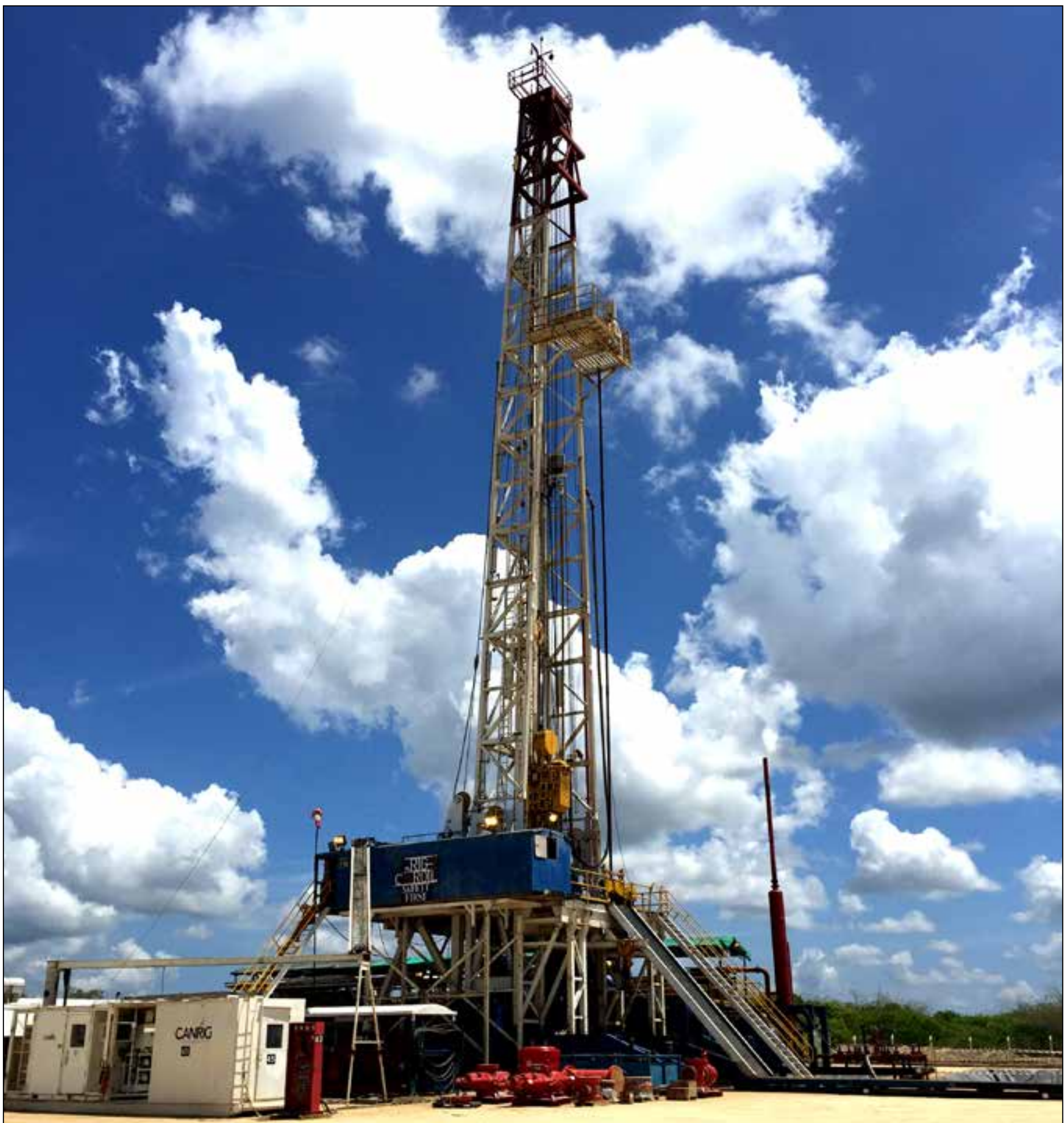
Financial Review

Financing and future operations

In April 2016, the Kiliwani North gas field started production, initially for the supply of gas for testing and commissioning the new Songo Songo Island Gas Processing Plant. From July 2016, production was increased to a consistent rate which has averaged approximately 16 MMcfd during the second half of 2016, providing a strong revenue stream which has supported operations and contributed to retiring corporate debt.

In August 2016, Aminex completed a capital raising of approximately $24.37 million net of expenses, assisted by the introduction of a strategic investor, the Zubair Corporation, which now has a 29.9% shareholding in the Company. The funds raised were primarily to enable the drilling of the Ntorya-2 appraisal well and the planned Ntorya-3 exploration well. Ntorya-2 was spudded on 21 December 2016 and on 6 February 2017 reached a total depth of 2,795 metres. This well was subsequently tested and achieved an average flow rate of 17 MMcfd. Aminex plans to apply for a Ntorya development licence as the next stage for Ntorya.

As previously advised, the repayment of the corporate loan is a priority for the Board. In June 2016 Aminex negotiated and agreed an eighteen-month extension to the repayment date which expires on 31 January 2018. During the second half of 2016, Aminex repaid $4.5 million against the corporate loan from the receipt of gas revenues and the application of part of the Open Offer funds. Since the year-end, a further $2.40 million has been repaid reducing the corporate debt to approximately $3.0 million at the date of this report.



◆ Ntorya-2 drilling operations

In April 2016 Aminex entered into an asset sale agreement for the sale of a 4.0263% interest (or a 3.825% interest net of a back-in for 5% by the Tanzania Petroleum Development Corporation ("TPDC")) in the Kiliwani North Development Licence to Solo Oil plc for a consideration of approximately $2.17 million. The first tranche of the sale, being $0.57 million for a 1.0526% interest, was concluded in April 2016. The second tranche for a 1.3158% interest did not meet the condition of completion within fifteen days of receipt of first revenue payments by the TPDC, although a third instalment for a 1.6579% interest remains effective. TPDC has indicated to the Company that it would like to participate in the joint venture by taking a 5% interest as permitted under the terms of the Nyuni East Songo Songo Production Sharing Agreement but as at the date of this report the transfer of interest has not concluded.

Revenues from Kiliwani North, the extension of the repayment period for and the planned early repayment of the corporate loan, the capital raising and the commitment of the new strategic investor all provide a strong financial base to enable Aminex to become a debt-free company, to meet its work commitments over the next twelve months and to fast-track its existing projects as well as seek new development opportunities.

Revenue Producing Operations

Revenues from continuing operations amounted to $4.93 million (2015: $0.35 million). The revenues included Aminex's share of gas production of 1.45 BCF from Kiliwani North-1, giving rise to gas revenues of $4.57 million (2015: $nil). The remaining revenues of $0.36 million (2015: $0.35 million) related to oilfield services comprising the provision of technical and administrative services to joint venture operations and sales of equipment to third parties. Cost of sales was $1.69 million (2015: $0.34 million) of which the depletion charge on Kiliwani North production amounted to $1.24 million (2015: $nil), with production costs for gas operations of $0.09 (2015: $nil) and $0.36 million (2015: $0.34 million) for oilfield services. The low gas production costs reflect the sale of gas from Kiliwani North-1 at wellhead. Accordingly, there was a gross profit of $3.25 million for the year compared with a gross profit of $0.01 million for the previous year.

Group administrative expenses, including depreciation and net of costs capitalised against projects, were $2.85 million (2015: $1.63 million). The expenses for the current period include a share-based payment charge of $0.81 million relating to executive share options granted in May 2016. No options were granted in 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 $2.04 million, an increase of $0.41 million. The increase includes administrative expenses of $0.12 million for production operations which were previously capitalised to development assets. Management has continued to maintain strict expenditure controls and, where possible, to reduce overhead costs but continues to strengthen the technical team as the Company moves from exploration to production and development. The partial disposal of the Group's interest in the Kiliwani North Development Licence gave rise to a gain of $0.34 million (2015: gain $1.77 million). Following a review of the carrying value of assets, the Board has decided to reduce the fair value of the production payment receivable to $nil: the provision arising of $1.97 million recognises continuing non-payment of amounts due by Mayan Energy Limited (formerly Northcote Energy Limited), although Aminex is seeking settlement of outstanding receivables related to the 2014 sale of US assets. A further impairment provision of $0.02 million was made against available for sale assets. Impairment provisions and losses in the comparative year amounted to $2.24 million. The Group's resulting net loss from operating activities was $1.25 million (2015: $2.10 million).

Finance costs reflect an interest charge of $1.30 million (2015: $1.69 million). Of this, a charge of $1.26 million (2015: $1.64

◆ Ntorya-2 drilling operations

million) relates to the corporate loan, while the unwinding of the discount on the decommissioning provision was $0.04 million (2015: $0.04 million).

The Group's net loss for the period amounted to $2.53 million (2015: $3.78 million).

Balance sheet

The Group's investment in exploration and evaluation assets increased from $79.86 million at 31 December 2015 to $84.62 million at 31 December 2016. The increase reflected well planning for two Ntorya wells, the initial costs of the Ntorya-2 appraisal well spudded on 21 December 2016, 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, which include the cost of the Ntorya-1 gas discovery. The carrying value of property, plant and equipment has decreased from $12.42 million at 31 December 2015 to $11.22 million at 31 December 2016. The net decrease of $1.20 million reflected the depletion charge of $1.24 million and the amount of $0.13 million released on the part disposal of an interest in the field in April 2016 offset by additions of $0.17 million. Non-current trade and other receivables relate to the fair value of production payments due from the US amounting to $1.97 million at 31 December 2015, which has reduced to a fair value of $nil in the year under review. Current assets comprise trade and other receivables of $9.18 million, including the gross receivable of $5.90 million due from TPDC for gas revenues, and cash and cash equivalents of $19.57 million.

Under current liabilities, loans and borrowings of $4.93 million relate to the corporate loan (see commentary under Going Concern below) which had reduced from $8.56 million at the 31 December 2015 following repayments amounting to $4.5 million offset by additional interest. The outstanding loan amount has been reduced by repayments of a further $2.4 million since the period end. Trade payables amounted to $12.83 million. The non-current decommissioning provision increased from $0.45 million at 31 December 2015 to $0.48 million, the net increase arising on the release of $0.01 million on the partial disposal of the interest in Kiliwani North offsetting the unwinding of the discount charge of $0.04 million for the period. Total equity has increased by $21.48 million between 31 December 2015 and 31 December 2016 to $106.35 million. The net movement comprises the increase in issued capital and share premium of $25.92 million arising from the capital raise completed in August; the foreign currency translation reserve has increased by $1.56 million as a result of a stronger US dollar; and the movement of $3.48 million in retained earnings comprises the loss of $2.53 million for the year and the cost of $1.55 million for the capital raise offset by a release of $0.60 million from the share option reserve.

Cash Flows

The net increase in cash and cash equivalents for the year ended 31 December 2016 was $17.44 million compared with an increase of $0.36 million for the comparative period. The Company raised net proceeds of $24.37 million on the issue of new equity through a capital raise in August 2016. During the period, the Group also received $0.57 million net consideration for the part-disposal of the Kiliwani North Development Licence. Net cash outflows from operating activities amounted to $3.20 million (2015: $2.50 million). Expenditure on exploration and evaluation assets in the current period amounted to $2.11 million (2015: $1.00 million), relating to the Ntorya-2 appraisal well spudded on 21 December 2016 on the Ruvuma PSA acreage, together with continuing licence costs. Expenditure on property, plant and equipment was $0.13 million for pre-production expenditure on the Kiliwani North licence and the acquisition and installation of a new wellhead control panel since production started. The cash balance at 31 December 2016 was $19.57 million (31 December 2015: $2.13 million).

Going concern

The Directors have given careful consideration to the Group's ability to continue as a going concern. The Group continuously monitors and manages its cash flow and liquidity risk. Cash forecasts are regularly updated and sensitivities are run for different scenarios, including the production flow and timing of cash flow from the Group's Kiliwani North producing asset, the timing and cost of the Group's drilling and exploration activities and the timing of corporate loan repayments. The Directors have concluded that, following consideration of the Group's cash forecasts and taking account of the capital raise in August 2016 which raised approximately $24.37 million net of transaction costs, the Group has sufficient capital resources from both ongoing operating cash flows and existing cash 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 and accordingly, they are satisfied that it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements. The Group's ability to continue to make planned capital expenditure, in particular on its main licence interests in Tanzania, can be assisted if necessary by the successful sale of assets, deferral of planned expenditure or an alternative method of raising capital. The Directors have a reasonable expectation that the Group would be able to implement one or more of these mitigating actions should it be required.

Max Williams

Finance Director

Operations Report

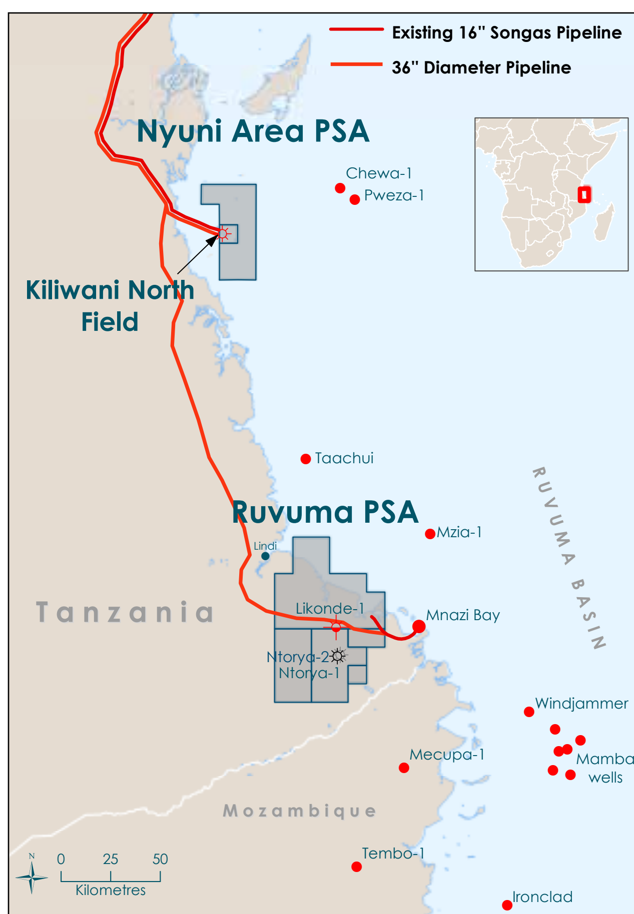
TANZANIA

Kiliwani North Development Licence – Production

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

The Kiliwani North-1 gas well ("KN-1") came on stream on 4 April 2016, representing Aminex's first production in Tanzania. Production rates for the period to 30 June 2016 were determined by the plant operator and in line with normal requirements for testing and commissioning procedures for the new Songo Songo Island Gas Processing Plant ("SSIGPP"). This plant has a 140 MMscfd processing capacity. Since early July, the well has been producing at commercial rates but remains under commissioning conditions. Average production during the second half of the year was approximately 15 MMcfd with up to 100 barrels of condensate. The rate has continued at this level post year-end and in February 2017 a new well head control panel, purchased in late 2016, was installed. Commercial gas from Kiliwani North is sold at wellhead and is being 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.

A resource report by LR Senergy, completed in May 2015, attributed approximately 28 BCF gross best estimate Contingent Resource to the Kiliwani North field. The Company notes that, as a result of continued production following a long period when the well was shut-in, the wellhead pressure is declining and the Company is reviewing possible alternatives for remediation in the near future to maximize recoverable resources. In the absence of a commercial operations date for the Kiliwani North-1 well, the Company is planning to update its resource report. First revenues were received during August 2016 and, although credit guarantees from Tanzania Petroleum Development Corporation ("TPDC") are only required to be completed once TPDC has formally declared a commercial operations date under the Kiliwani North Gas Sales Agreement ("GSA") which was signed at the start of the year, production continues at commercial levels and regular payments have been received. The GSA guarantees pricing at $3.00 per mmbtu (approximately $3.07 per mcf) with yearly adjustment based on a United States Consumer Price Index. Due to a higher calorific value for the gas than anticipated and the effect of the indexation allowance, the gas has in practice been sold at an average of approximately $3.25 per mcf.



As part of continuing work over its near-shore interests under the Kiliwani North Development Licence and the Nyuni Area PSA, Aminex is conducting a review of existing seismic data to identify drillable prospects which could be tied back to the National Gas Gathering System on Songo Songo Island.

The TPDC has notified Ndovu Resources Limited that it intends to take up its 5% share of production in accordance with the Nyuni East Songo Songo Production Sharing Agreement which governs the Kiliwani North Development Licence. However it has not yet finalised its participation in the joint operating agreement and Aminex's working interest, held through Ndovu Resources Limited, has therefore remained at 57.4474% (net revenue interest of 50.5537%) following a part disposal to Solo Oil plc in April 2016. The transfer of a 5% interest from partners to TPDC is now expected to be completed in 2017.

In April 2016 Aminex entered into an asset sale agreement for the sale of a 4.0263% interest (or 3.825% assuming the TPDC had completed the exercise of its right to participate with a 5% interest) in the Kiliwani North Development Licence to Solo Oil plc for a consideration of approximately $2.17 million. The first tranche of the sale, being $0.57 million for a 1.0526% interest was concluded in April. The second tranche for a 1.3158% interest did not complete, although a third instalment for a 1.6579% interest remains to be completed on the confirmation of the commercial operations date by TPDC.

Ruvuma PSA – Onshore Appraisal and Exploration

Aminex (operator)	75%
Solo Oil plc	25%

Aminex spudded the Ntorya-2 appraisal well on 21 December 2016 which was successfully drilled to a total vertical depth of 2,795 metres post year-end. At 2,593 metres drilling depth the well encountered a gross gas bearing reservoir unit of approximately 51 metres. Petrophysical analysis indicated a net hydrocarbon bearing reservoir section of approximately 31 metres. Drilling of the reservoir section was associated with significant gas influxes with high associated pressures. Subsequent to wireline logging, a 7-inch liner was run and cemented in place from 1,967 to 2,795 metres. Detailed petrophysical analysis will be conducted on both the LWD and wireline logs.

The well was perforated over a gross interval of 34 metres. It underwent a testing programme for a period of 160 hours and flowed gas across a variety of choke sizes. The well flow tested at an average rate of 17 MMscfd (2,833 BOED) on a 40/64" choke. Strong pressure build-up occurred in all instances during the well test.

According to wireline logs, Ntorya-2 encountered the equivalent reservoir section at approximately 74 metres higher than in the Ntorya-1 well. Ntorya-2 also encountered traces of oil in the gross reservoir interval and the Company is updating its basin model to determine the optimal drilling depths for Ntorya-3 and for future development wells. Post analysis, Aminex will be able to revise its interpretation of in-place volumes.

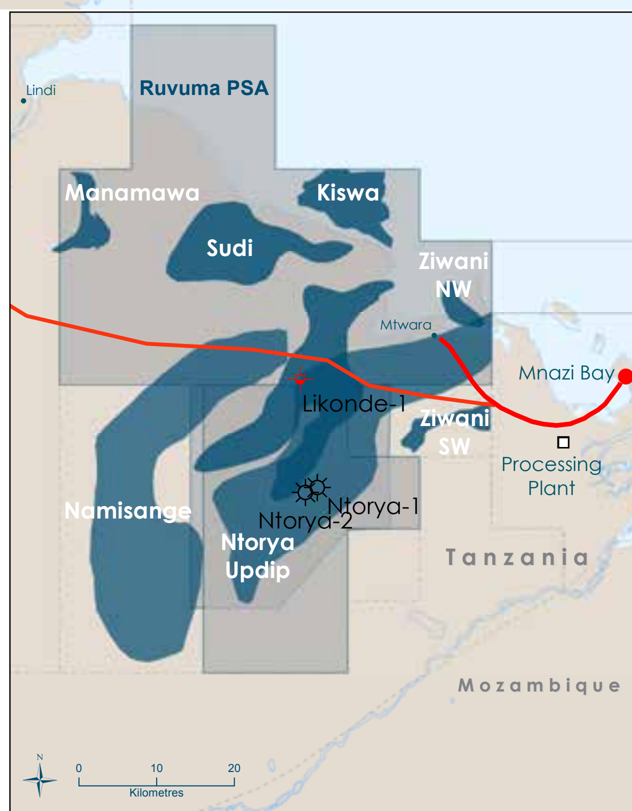
Ntorya-2 was drilled in the onshore Ruvuma Basin to appraise further the Ntorya location area where the Ntorya-1 gas discovery drilled by the Company showed net pay of 3.5 metres and flow-tested at 20 million cubic feet per day, with 139 barrels of associated condensate. The Ntorya field is approximately 40 kilometres from the Madimba gas processing plant, which receives gas into the Tanzanian National Gas Pipeline system. Ntorya-2 completes the appraisal drilling obligations for the Ntorya location area.

The Company will apply for a 25-year development licence over the Ntorya prospect and is currently preparing a development plan to be submitted to the Tanzanian authorities for approval.

A resource report by LR Senergy, completed in May 2015, attributed approximately 70 BCF gross best estimate Contingent Resource to the Cretaceous channel associated with the Ntorya-1 gas discovery. The results of the Ntorya-2 well drilled into the same Cretaceous channel but updip to Ntorya 1 will now be integrated with the previous study and an updated independent resources report prepared.

The next well location in the programme, Ntorya-3, was identified from 2D seismic acquired in 2014 and intersects the thickest part of the main Cretaceous channel based on the 2D seismic data currently available. The Ntorya-3 reservoir is expected to be encountered further up-dip from Ntorya-1 and Ntorya-2 and envisages testing a further 323 BCF as independently attributed by LR Senergy gross best estimate Prospective Resource (945 BCF gross Pmean gas in-place) across multi-zone potential. The well pad was prepared following the completion of the pad for Ntorya-2, but the well design for Ntorya-3 will depend on final interpretation of Ntorya-2 in order to intersect multiple stratigraphic units in the area which are potentially both oil and gas bearing.

The Ruvuma PSA provides Aminex with a combination of exploration, appraisal and potential development activity. The key to unlocking the commercial potential for these opportunities is the common-user gas pipeline which runs from the south-east of Tanzania to Dar es Salaam. The pipeline and associated facilities have been operational since 2015 and provide a means of marketing gas discoveries at Ruvuma through selling gas to the TPDC. In addition, Aminex is reviewing options for an early production system, such as compressed natural gas or gas-to-power, in order to commercialise discoveries with an initial low capital outlay, although the long-term plan is to connect the gas field by a



spur line to new infrastructure. As well as the Ntorya wells, several further prospects were identified from the 2014/2015 mapping, including potential prospects at Likonde and Namisange. During 2016, Aminex received formal Ministerial approval for the extension by one year of the Mtwara Licence of the Ruvuma PSA to 8 December 2017. Although the Lindi Licence technically expired on 28 January 2017, negotiations are ongoing for the extension of the Lindi Licence and its work commitments and, in conjunction with the Mtwara Licence discussions, the Directors have a reasonable expectation that an extension will be granted.

Under the terms of the Ruvuma PSA, after the grant of a development plan, 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	6.6667%

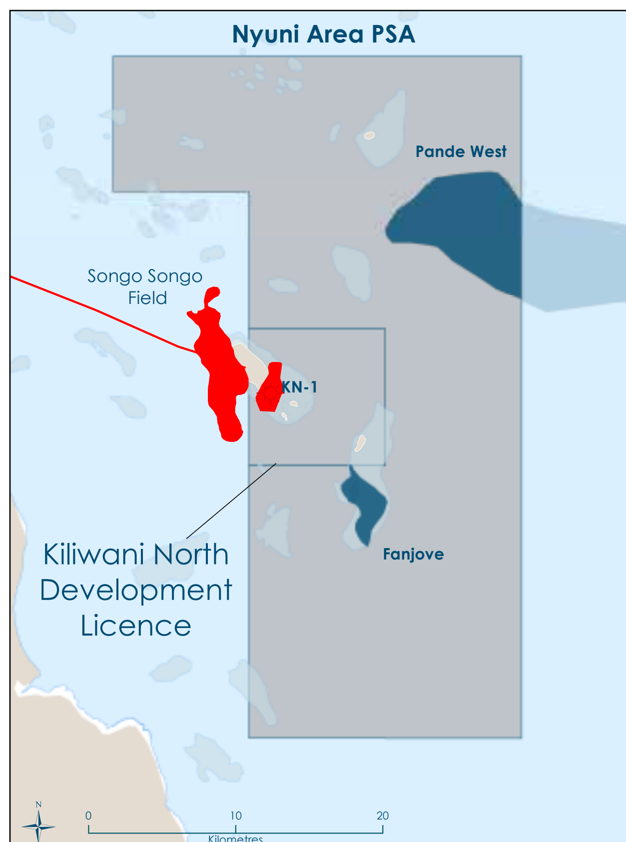
In December 2016, a four-year licence for the First Extension Period of the Nyuni Area PSA was granted. The work commitment for the new licence period reflects the amended terms of 3D seismic data acquisition over the deep-water sector of the licence and the drilling of four exploration wells. The licence post relinquishment covers ten blocks, providing a balance of leads in the deep-water and on the continental shelf close to Songo Songo Island. The licence period has been backdated to the end of the Initial Work Period and is therefore scheduled to expire in October 2019. However, Aminex, through its subsidiary company Ndovu Resources Limited, has appealed the start date on the grounds that the delays in finalising the grant of licence were outside the Company's control.

The grant of the licence extension crystallised the deferral of the outstanding work commitments from the Initial Work Period into the First Extension Period, as well as the statutory relinquishment of 50% of the licence blocks. The Licence now comprises five blocks over the deep water and five over the continental shelf.

The Company focus remains on projects which will deliver commercial gas in the near term. A re-tender process is planned to select a 3D seismic contractor capable of acquiring high quality 3D seismic over the key Pande West lead and to identify other potential prospects in the deep water with a view to bringing them to drill-ready status. Pande West is analogous to some of the recent major deep water discoveries in the vicinity. The drilling success rate achieved by other operators, based on 3D seismic in the main fairway east of Nyuni Area, is over 90%. The Company is reviewing ways to enable the potential monetisation of discoveries on the shelf and deep water through delivery into the National Gas Gathering System. Although the Company is unlikely to be in a position to drill an expensive deep water well in the Nyuni Area without introducing a larger company as a farm-in partner, the possibility of drilling wells on the continental shelf more economically remains an option. As part of continuing work over its near-shore interests under the Kiliwani North Development Licence and the Nyuni Area PSA, Aminex is conducting a review of existing data to identify drillable prospects which could be tied back to the National Gas Gathering System on Songo Songo Island.

Following the withdrawal of RAK Gas LLC from the licence in 2015 and in accordance with the terms of the joint operating agreement, the partners assume their proportionate share of the withdrawing partner's interest. With the grant of the extension to the licence, Aminex expects the partners to determine their interests going forward.

Under the terms of the Nyuni Area PSA, after the grant of a development plan TPDC may elect to contribute 20% of costs, excluding exploration 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.

Resources Independently audited estimates of resources in Tanzania

PSA/Licence	Licence status	Gas resource	Aminex interest	Gross Contingent	Net Contingent	Gross prospective resource	Net prospective resource
				BCF Best Est	BCF Best Est	BCF Best Est	BCF Best Est
Kiliwani North	Producing	Discovered	57.4474%	28	16	-	-
Ntorya Discovery	Appraisal	Discovered	75%	70	52	-	-
Ntorya Updip	Appraisal	Undiscovered	75%	-	-	323	243
Ruvuma (other)	Exploration	Undiscovered	75%	-	-	631	473

IMPORTANT NOTES:
The volumes above were independently assessed by LR Senergy in 2015
LR Senergy assigned best estimate contingent resources to both the Kiliwani North and Ntorya discoveries in 2015
The undiscovered resources are unrisked.
Aminex's interest in Kiliwani North is stated before the completion of an asset sale agreement with Solo Oil plc in April 2016.
Aminex's interest in Kiliwani North is subject to the completion of the transfer of 5% (gross) to the Tanzania Petroleum Development Corporation.

PSA/Licence	Licence status	Gas resource	Aminex interest	Gross Contingent	Net Contingent	Gross GIIP	Net GIIP resource
						BCF Pmean	BCF Pmean
Nyuni Area	Exploration	Undiscovered	93.3333%	-	-	4,858	4,534

Aminex's interest in Nyuni Area is subject to the completion of the deed of assignment of interests for outstanding transfers.

Corporate and Social Responsibility

◆ Local village scene near Mtwara

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 and Environment Policy

Aminex values the safety and health of all our employees, contractors and the wider community in which it operates.

As standard practice, the Company:

- does not compromise on safety;
- complies with legislative requirements;
- identifies, assesses and manages environmental health and safety hazards, risks and impacts;
- promotes continous 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 and safety 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 and safety 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 has strict anti-bribery procedures and policies in place and ensures that its employees observe these at all times in carrying out the Company's business.

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.

Board of Directors

Brian Hall, (71) (UK)

Chairman (N, Rk)

In March 2014 Brian Hall was appointed Chairman in a non-executive capacity, prior to when 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. He is a Chartered Accountant. In 2012 Mr. Hall joined the board of AIM-listed Great Western Mining Corporation PLC where he is now Chairman.

Jay Bhattacherjee, (39) (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, (53) (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. Mr. Williams was appointed Company Secretary in 1999. He is a graduate of the University College of Wales, Aberystwyth, and holds a degree in Accounting and Law.

Andrew Hay, (65) (UK)

Non-Executive Director (A, N, R)

Andrew Hay has spent his career in investment banking in London and New York most recently as managing director at Edmond de Rothschild in London. He is now a Senior Adviser to Edmond de Rothschild in London. He is a graduate of Oxford University and in the past has held senior positions at both Schroders and ING Barings. Andrew Hay has acted as adviser to Aminex from time to time since 2002 and was appointed a Director in April 2007.

Keith Phair, (62) (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 in October 2009.

Tom Mackay, (60) (UK)

Non-Executive Director (A, N, R)

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, (58) (Norway)

Non-Executive Director

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 responsible for two subsidiary E&P companies operating in Oman. He holds a Master's degree from NTNU, Norway. He was appointed a Director in August 2016.

A Member of Audit Committee
N Member of Nominations Committee
R Member of Remuneration Committee
Rk Member of Risk 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 2016.

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 East Africa.

Results and dividends

As set out in the Group Income Statement on page 30, the Group loss after tax amounted to US$2.53 million which compares with a loss after tax of US$3.78 million for 2015. No dividends were paid during the year (2015: US$nil).

Share capital

At 31 December 2016, 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 3,475,897,030 and 818,658,421 respectively (2015: 1,976,205,480 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 (2015: €62,000,000) comprising 5,000,000,000 Ordinary Shares of €0.001 each and 1,000,000,000 Deferred Shares of €0.059 each (2015: 3,000,000,000 Ordinary Shares of €0.001 each and 1,000,000,000 Deferred Shares of €0.059 each). Details of the increase in issued share capital of 1,499,691,550 Ordinary Shares of €0.001 during the year are set out in Note 23 to the financial statements. The Ordinary Shares are in registered form.

Resolutions have been proposed (i) to renew the Directors' authority to allot share capital of the Company (ii) to cancel the nil-value Deferred Shares and (iii) to consolidate the existing ordinary shares, as are set out more fully in the Notice of Annual General Meeting.

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. J.C. Bhattacherjee and Mr. T.A. Mackay retire from the Board and being eligible offer themselves for re-election. Mr. A.N.J. Hay will retire from the Board at the forthcoming AGM and is not offering himself for re-election as he has served nine years on the Board. Mr. O. Fjeld was appointed to the Board on 23 August 2016, since the last Annual General Meeting, and is therefore required to seek election at the forthcoming Annual General Meeting. Mr. W.A.P. Thompson resigned from the Board on 23 August 2016.

With the exception of the transactions stated in Note 30 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 2016 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	
	19 April 2017	31 December 2016	31 December 2015
J.C. Bhattacherjee	45,569,977	45,569,977	43,881,611
O. Fjeld	-	-	-
B.A. Hall	15,195,927	15,195,927	14,384,277
A.N.J. Hay	1,843,946	1,843,946	1,676,315
T.A. Mackay	1,028,947	1,028,947	526,315
K.J. Phair	9,019,401	9,019,401	8,017,639
M.V. Williams	3,750,288	3,750,288	3,250,288

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	29.99
Majedie Asset Management Limited and Majedie Asset Management Investment Fund Company	330,061,624	9.50

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 2016 and outlook for 2017 are set out in the Chairman's Statement on page 2, the Chief Executive's Review on page 3 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 September 2014 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 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; and
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
f) review the Group's internal financial and non-financial controls

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
In February 2017, Aminex, through its wholly-owned subsidiary company Ndovu Resources Limited, announced the completion of drilling operations for the Ntorya-2 appraisal well. The well was subsequently tested and in March it was announced that Ntorya-2 flowed at an average flow rate of 17 MMcfd.

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 60 Sloane Avenue, London, SW3 3DD, 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

19 April 2017

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. Two special resolutions will be proposed at the Annual General Meeting to be held on 19 May 2017 to seek approval to consolidate the Ordinary Shares of €0.001 each and to cancel the Deferred Shares of €0.059 each.

Rights attaching to shares

The rights attaching to the Ordinary and Deferred Shares are defined in the Company's Constitution. 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 Regulations 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 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 the 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.

Additional Information for Shareholders *continued*

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 September 2014 as adopted by the Irish Stock Exchange (“ISE”) and London Stock Exchange (“LSE”) throughout the financial year ended 31 December 2016. 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, given that a significant proportion of the Group's operations involve long-term capital projects from which benefits may not be realised for some time, the Board has concluded that it is not appropriate at present to put in place a scheme to enable part of 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 four 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, three 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

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 seven members and comprises a Non-Executive Chairman, two Executive Directors and four Non-Executive Directors. The Chairman, Mr. B.A. Hall, and three of the Non-Executive Directors, Mr. A.N.J. Hay, 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. O. Fjeld does not have a beneficial interest in the Company and does 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. The Board considers each of the current Non-Executive Directors to be independent of management and free from any business relationships that could materially interfere with the exercise of their independent judgment. Mr. Hay is also a former director of and is currently a Senior Adviser to Edmond de Rothschild Securities (UK) Ltd, which has provided advisory services to the Company on an ad hoc basis from time to time. The Board recognises this potential conflict of interest and procedures are in place to ensure that any services provided by Edmond de Rothschild Securities (UK) Ltd are on an arm's-length basis. Mr. Fjeld is the Chief Operating Officer of ARA Petroleum LLC, which is part of the Zubair Corporation and an associate company of Eclipse Investments LLC, and was nominated by Eclipse Investments LLC to be a Non-Executive Director. The Board recognises this potential conflict of interest and procedures are in place to ensure that the obligations of Mr. Fjeld as a Director 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. Hay.

The Board plans to meet at least six times a year. All Directors are expected to attend these scheduled meetings but 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.

Under the terms of the Company's Constitution, 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. O. Fjeld. The Directors required to seek re-election at the forthcoming Annual General Meeting are Mr. J.C. Bhattacherjee and Mr. T.A. Mackay. Mr. A.N.J. Hay will retire from the Board at the forthcoming AGM and is not offering himself for re-election as he has served nine years on the Board.

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 and a Nominations 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. A.N.J. Hay 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 by 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 judgments that had been applied.

The Audit Committee determined that the key risks of misstatement of the Group's financial statements related to the ability of the Group to continue as a going concern, impairment of exploration and evaluation assets and 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 2016 and the financial statements for the year ended 31 December 2016 in March 2017. These issues and how they were addressed is set out in further detail below:

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 2018 from the date of approval of the financial statements. The Audit Committee noted that the balance of the Argo Loan is repayable on or before 31 January 2018 and that the corporate loan balance had been reduced to $4.93 million at 31 December 2016, with further repayments amounting to $2.4 million between the year-end and the date of the Report. The Group successfully completed a fundraising in August 2016 and has benefited from gas revenues from the Kiliwani North-1 well. The Committee considered the Group's ability to continue to repay the balance and meet its operational and capital expenditure planned for 2017 and 2018. The Audit Committee discussed the action being taken by the executive management and taking this into account concluded that it is satisfied, having regard to the above, that the Group is in a position to continue as a going concern.

Impairment of exploration and evaluation assets

The total carrying value of exploration and evaluation assets at 31 December 2016 is $84.6 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 term left to expiry on 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 considered the continuing discussions with the Tanzanian authorities for an extension to the Lindi Licence. The Audit Committee noted that, in the event that the Lindi Licence, which includes the cost of the Likonde-1 well, is not extended, an impairment of the carrying value might be necessary. However the Lindi Licence and the Mtwara Licence jointly comprise the Ruvuma PSA and the Audit Committee considered the recent drilling success at Ntorya in the Mtwara Licence, 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 2016 is $11.2 million. 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 commencement and continuation of production at the Kiliwani North-1 well, together with payment by TPDC, 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.

Accounting policies benchmarking

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 critical judgments and key estimates (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. 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.

Remuneration Committee

During the year, the Remuneration Committee comprised Mr. A.N.J. Hay, 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 2016, although on the recommendation of the Remuneration Committee the life of the options was restricted to 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.

Corporate Governance *continued*

Risk Committee

A Risk Committee, which during the year comprised the Chairman, Mr. B.A. Hall, two Executive Directors, Mr. W.A.P. Thompson (until his resignation in August 2016) and Mr. M.V. Williams, and a member of the management team, 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 once during the year to consider the appointment of Mr. O. Fjeld as a Director, as proposed by the Zubair Corporation.

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 2016.

	Board (Main)	Audit Committee	Remuneration Committee	Risk Committee
Number of meetings	9	2	2	2
	Meetings attended	Meetings attended	Meetings attended	Meetings attended
J.C. Bhattacherjee	9	n/a	n/a	n/a
O. Fjeld	3	n/a	n/a	n/a
B.A. Hall	9	n/a	n/a	2
A.N.J. Hay	9	2	2	n/a
T.A. Mackay	9	2	2	n/a
K.J. Phair	9	2	2	n/a
W.A.P. Thompson	7	n/a	n/a	2
M.V. Williams	9	n/a	n/a	2

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

During 2016, certain Directors who were not committee members attended meetings of the Audit and Remuneration 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 may affect the Group's business, although there are other risks which are not currently known to the Directors or 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 maintains a majority interest in each of its licences which offers greater upside potential to shareholders or the possibility of further farmout 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 by 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 producers 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.

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.

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, the TPDC holds security over up to 15% of the Kiliwani North Development Licence in the event that part or all of the work commitments under the terms of the Ruvuma PSA are not fulfilled.

Mitigation – Aminex is committed to fulfilling its commitments and seeks 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. In particular, the Company is currently seeking the extension of the Lindi Licence within the Ruvuma PSA.

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.

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. 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

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 ability to continue as a going concern. The Group continuously monitors and manages its cash flow and liquidity risk. Cash forecasts are regularly updated and sensitivities are run for different scenarios, including the production flow and timing of cash flow from the Group's Kiliwani North producing asset, the timing and cost of the Group's drilling and exploration activities and the timing of corporate loan repayments. The Directors have concluded that, following consideration of the Group's cash forecasts and taking account of the capital raise in August 2016 which raised approximately $24.37 million net of transaction costs, the Group has sufficient capital resources from both ongoing operating cash flows and existing cash 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 this annual report and accordingly, they are satisfied that it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements. The Group's ability to continue to make planned capital expenditure, in particular on its main licence interests in Tanzania, can be assisted if necessary by the successful sale of assets, deferral of planned expenditure or an alternative method of raising capital. The Directors have a reasonable expectation that the Group would be able to implement one or more of these mitigating actions should it be required.

Viability Statement

In accordance with Provision C.2.2 of the 2014 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 2019 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 2019 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 plans to apply for a development licence, within the period of the three-year period of review. The Board also expected the Company to benefit from the continuing support of its strategic investor 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 2019.

On behalf of the Board,

J.C. Bhattacherjee

Director

19 April 2017

Directors' Remuneration Report

In preparing this Report, the Remuneration Committee ("the Committee") has followed the provisions of the UK Corporate Governance Code published in September 2014, 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 Committee considered a review was appropriate at this stage of the Company's development. The consultant will also examine how a proper process could be set up for incentivisation in the future which will include benchmarking against comparable companies and a remuneration strategy to fit the Company's strategy. The aim of the proposed incentivisation strategy is to be clear and simple. The Board has agreed the recommendation and the consultant is currently conducting the agreed scope of work. The Committee also consults with the Chairman with regard to the remuneration of certain senior employees.

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

The Board has considered the requirements of the UK Corporate Governance Code regarding the recommendation that a proportion of remuneration be performance-related. Given that a significant proportion of the Group's operations involve long-term capital projects from which benefits may not be realised for some time, the Board has previously concluded that it was not appropriate to put in place such a scheme. However with the Company entering the production phase with further development projects in the near-term, the Committee considers it appropriate to review and if necessary implement a range of performance-related incentives.

Remuneration of Directors

The Non-Executive Directors' fees were as follows:

	Fees	
	2016 US$'000	2015 US$'000
B.A. Hall	**67**	76
A.N.J. Hay	**27**	31
T.A. Mackay	**27**	31
O. Fjeld	-	-
K.J. Phair	**27**	31
Total	**148**	169

The remuneration of the Executive Directors was as follows:

	Basic Salary		Bonus		Benefits in kind		Sub total		Pension		Total	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000
J.C. Bhattacherjee	**220**	237	**108**	-	**3**	4	**331**	241	**40**	61	**371**	302
W.A.P. Thompson	**152**	275	**-**	-	**2**	2	**154**	277	**-**	-	**154**	277
M.V. Williams	**194**	202	**94**	-	**6**	7	**294**	209	**49**	45	**343**	254
Total	**566**	714	**202**	-	**11**	13	**779**	727	**89**	106	**868**	833

In December 2016, 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: finalising the Kiliwani North Gas Sales Agreement, commencement of production from Kiliwani North-1, ensuring regular receipts from the Tanzania Petroleum Development Corporation, reaching agreement with a strategic investor, completion of a capital raise and the spudding of the Ntorya-2 appraisal well and obtaining the extensions to the Nyuni Area Licence and the Mtwara Licence. The combination of these achievements has led to enhanced shareholder value and the Committee considered it reasonable to award the one-off 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 2016, there were two Executive Directors (2015: three) and five Non-Executive Directors (2015: four). There was an average number of three Executive Directors and four Non-Executive Directors holding office during the year.

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 2016 being limited to exercise within 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 the current Best Practice Provision of the Irish Stock Exchange. 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 and that, with limited cash resources, this can be achieved effectively by the granting of options.

The Directors who held office at 31 December 2016 had the following beneficial interests in options over the Company's Ordinary Shares:

Name	Options held at 1 January 2016 Number	Options granted/ (lapsed) during the year Number	Options held at 31 December 2016 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	500,000	(500,000)	-	Stg29.75p	Jan-06	Jan-16
	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
A.N.J. Hay	200,000	-	200,000	Stg21p	Jul-07	Jul-17
	100,000	-	100,000	Stg22p	May-08	May-18
	200,000	-	200,000	Stg8.5p	Jan-10	Jan-20
	-	6,000,000	6,000,000	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	200,000	(200,000)	-	Stg29.75p	Jan-09	Jan-16
	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
	7,300,000	**83,300,000**	**90,600,000**			

Mr. Fjeld has no beneficial interest in any options.

No options were exercised and 700,000 options lapsed during the year. No options were granted during the year at below market value. No options have been granted to Directors since the year end.

The market price of the shares during the year ranged between Stg0.9750p/€0.012 and Stg2.2320p/€0.030 and at 31 December 2016 was Stg2.1775p/€0.025.

Service contracts

Each Executive Director has a service contract: none contains provisions which could result in the 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 each 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 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 that the financial statements comply with IFRSs 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 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 responsible for the maintenance and integrity of the corporate and financial information included in the Group's and Company's website www.aminex-plc.com. Legislation in the Republic of 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 2016 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

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Aminex PLC for the year ended 31 December 2016 set out on pages 30 to 61. 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. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

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 2016 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 2016;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union 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.

2 Our assessment of risks of material misstatement

In arriving at our audit opinion above on the Group financial statements the risks of material misstatement that had the greatest effect on our audit were as follows:

Going concern assumption

Refer to page 18 (Audit Committee Report) and page 34 (accounting policy).

The risk

Going concern has been identified as a significant risk affecting the Group. Whilst the Group continues an active programme of exploration and production activities and was successful in raising additional funds of approximately US$24.37million net of transaction costs during the year, its current activities are not generating sufficient operating cash flows to fund both its working capital and capital commitment requirements on its licence areas. The cash flow projections on which the directors have based their going concern assessment identify that, together with the continued receipt of production revenues from its Kiliwani North interest in Tanzania, the Group will need to raise further funds to complete certain exploration activities scheduled to take place in 2017 and 2018. Certain of the key inputs, specifically the timing and amount of certain exploration expenditure require significant estimation and judgement in their selection by management and have a significant impact on the cash flow projections for the period. In addition, while the Group has extended its loan repayment date to 31 January 2018, it would require the continued support of its lender in the event that funds are not available to make the full loan repayment due by that date.

Our response

Our audit procedures included, among others, an assessment of the cash flow projections prepared by Group management for a period of 24 months from 1 January 2017 to 31 December 2018. Our procedures included consideration of the Group's work commitments under each of the Group's Tanzanian Production Sharing Agreements and the periods remaining on its licences, review of the agreement with the Group's lender for the extension of the loan repayment date to 31 January 2018 and reading of management's analysis of the alternative funding options available to the Group.

We also considered the adequacy of the Group's disclosures within the basis of preparation note on page 34 in respect of going concern, and whether the disclosures properly reflected the risks that the Group faces in respect of its ability to continue as a going concern.

Valuation of exploration and evaluation assets (US$84.6 million)

Refer to page 18 (Audit Committee Report), page 37 (accounting policies) and note 11 of the financial statements.

The risk

There is a risk that the Group's exploration and evaluation assets will not be recovered due to the inherent uncertainties which exist with oil and gas exploration and production activities. Assessment of the carrying value of these assets and whether there are indicators of impairment having regard to the requirements outlined in IFRS 6 'Exploration for and Evaluation of Mineral Resources', requires significant judgements. These include judgements around the Group's intentions in respect of current and future work programmes, assessment of the Group's capacity to raise the funds needed to meet planned exploration and evaluation activities and the likelihood of licence renewal or extension. Any changes to these judgements could have a significant effect on the valuation of these assets.

Our response

Our audit procedures included, among others, evaluation of the directors' assessment of the facts and circumstances surrounding each licence area in determining whether these suggest that the carrying amount of any asset may exceed its recoverable amount at the balance sheet date. We considered the exploration activity undertaken in the year and the Group's plans in respect of each of the exploration areas based on discussions with Group management. We also inspected licences and related correspondence with the Tanzanian Petroleum Development Corporation to verify whether licences were at, or close to, expiry. In the case where one licence had expired in January 2017 (the Lindi licence), we challenged, sought and received evidence supporting the directors' reasonable expectation that a licence extension will be granted.

We also considered the adequacy of the Group's disclosures (see notes 11) in respect of impairment testing, and whether disclosures about the outcome of the impairment assessment properly reflected the judgements inherent in the valuations.

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

The materiality for the Group financial statements as a whole was set at US$627,000 (2015: US$495,000). This has been calculated with reference to a benchmark of Group total assets of which it represents 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. We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of US$31,000 (2015 $25,000), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

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 We have nothing to report on the disclosures of principal risks

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

- the directors' statement on pages 21 and 22, concerning the principal risks, their management, and, based on that, the directors' assessment and expectations of the Group's continuing in operation over the 3 years to 2019; or
- the disclosures in note 1 of the financial statements concerning the use of the going concern basis of accounting.

5 We have nothing to report in respect of the matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider the annual report and financial statements as a whole is fair, balanced and understandable and provides information necessary for shareholders to assess the entity's position and performance, business model and strategy; or

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

- the Directors' statement, set out on pages 22 and 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.

In addition, the Companies Act require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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

6 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes 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 financial statements are in agreement with the accounting records.

In our opinion the information given in the Directors' Report is consistent with the financial statements and the description in the 'Corporate Governance' Statement of the main features of the internal control and risk management systems in relation to the process for preparing the Group financial statements is consistent with the Group financial statements.

In addition we report, in relation to information given in the Corporate Governance Statement on pages 17 to 23, that:

- based on knowledge and understanding of the company and its environment obtained in the course of our audit, there were no material misstatements in the information identified above that have come to our attention;
- based on work undertaken in the course of our audit, in our opinion:

  - the description of the main features of the internal control and risk management systems in relation to the process for preparing the Group financial statements, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 and specified by the Companies Act 2014 for our consideration, are consistent with the financial statements and have been prepared in accordance with the Companies Act 2014; and

  - the Corporate Governance Statement contains the information required by the Companies Act 2014.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Directors' Responsibilities Statement set out on page 26, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group and Company financial statements in accordance with applicable law and International Standards on Auditing (ISAs)(UK & Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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 this 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
19 April 2017

Group Income Statement

for the year ended 31 December 2016

	Notes	2016 US$'000	2016 US$'000	2015 US$'000	2015 US$'000
Continuing operations					
Revenue	2		**4,934**		350
Cost of sales	2		**(1,688)**		(341)
Gross profit			**3,246**		9
Administrative expenses		**(2,840)**		(1,615)	
Depreciation of other assets	12	**(11)**		(15)	
			(2,851)		(1,630)
Loss from operating activities before other items			**395**		(1,621)
Gain on disposal of development asset	6		**344**		1,772
Impairment of other receivables	17		**(1,971)**		(968)
Impairment provision against exploration and evaluation assets	11		**-**		(353)
Impairment provision against assets held for sale	16		**-**		(850)
Impairment loss on available for sale assets	15		**(18)**		(68)
Loss on disposal of available for sale assets	15		**-**		(7)
Loss from operating activities			**(1,250)**		(2,095)
Finance income	7		**13**		3
Finance costs	8		**(1,297)**		(1,686)
Loss before tax	5		**(2,534)**		(3,778)
Income tax expense	9		**-**		-
Loss for the financial year attributable to equity holders of the Company			**(2,534)**		(3,778)
Basic and diluted loss per Ordinary Share (in US cents)	10		**(0.10)**		(0.20)

Group Statement of Other Comprehensive Income

for the year ended 31 December 2016

	2016 US$'000	2015 US$'000
Loss for the financial year	**(2,534)**	(3,778)
Other comprehensive income:		
Items that are or maybe reclassified to profit or loss:		
Currency translation differences	**(1,559)**	(293)
Total comprehensive income for the financial year attributable to the equity holders of the Company	**(4,093)**	(4,071)

On behalf of the Board

J.C. Bhattacherjee
Director

M.V. Williams
Director

19 April 2017

Group and Company Balance Sheets

at 31 December 2016

	Notes	Group 2016 US$'000	Group 2015 US$'000	Company 2016 US$'000	Company 2015 US$'000
Assets					
Non-current assets					
Exploration and evaluation assets	11	**84,618**	79,864	**-**	-
Property, plant and equipment	12	**11,217**	12,416	**-**	-
Investments in subsidiary undertakings	13	**-**	-	**5,207**	5,207
Amounts due from subsidiary undertakings	14	**-**	-	**93,308**	93,960
Available for sale assets	15	**4**	22	**4**	22
Trade and other receivables	17	**-**	1,950	**-**	1,950
Total non-current assets		**95,839**	94,252	**98,519**	101,139
Current Assets					
Trade and other receivables	17	**9,179**	606	**25**	52
Amounts due from subsidiary undertakings	14	**-**	-	**4,362**	660
Cash and cash equivalents	18	**19,567**	2,128	**14,992**	429
Total current assets		**28,746**	2,734	**19,379**	1,141
Total assets		**124,585**	96,986	**117,898**	102,280
Equity					
Issued capital	23	**68,874**	67,192	**68,874**	67,192
Share premium		**120,274**	96,036	**120,274**	96,036
Other undenominated capital		**234**	234	**234**	234
Share option reserve	24	**3,894**	3,683	**3,894**	3,683
Share warrant reserve	25	**3,436**	3,054	**3,436**	3,054
Foreign currency translation reserve		**(3,018)**	(1,459)	**-**	-
Retained earnings		**(87,341)**	(83,864)	**(83,848)**	(76,531)
Total Equity		**106,353**	84,876	**112,864**	93,668
Liabilities					
Non-current liabilities					
Decommissioning provision	20	**476**	448	**-**	-
Total non-current liabilities		**476**	448	**-**	-
Current liabilities					
Loans and borrowings	21	**4,931**	8,559	**4,931**	8,559
Trade and other payables	19	**12,825**	3,103	**103**	53
Total current liabilities		**17,756**	11,662	**5,034**	8,612
Total liabilities		**18,232**	12,110	**5,034**	8,612
Total equity and liabilities		**124,585**	96,986	**117,898**	102,280

On behalf of the Board

J.C. Bhattacherjee
Director

M.V. Williams
Director

19 April 2017

Group Statement of Changes in Equity

for the year ended 31 December 2016

	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	Fair value warrant reserve US$'000	Foreign currency translation reserve US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2015	67,094	93,505	234	3,891	3,031	(1,166)	(80,112)	86,477
Transactions with shareholders recognised directly in equity								
Shares issued	98	2,531	-	-	-	-	(182)	2,447
Share option reserve adjustment	-	-	-	(208)	-	-	208	-
Share warrants granted	-	-	-	-	23	-	-	23
Comprehensive income:								
Currency translation differences	-	-	-	-	-	(293)	-	(293)
Loss for the financial year	-	-	-	-	-	-	(3,778)	(3,778)
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 adjustment	-	-	-	(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 31 December 2016	**68,874**	**120,274**	**234**	**3,894**	**3,436**	**(3,018)**	**(87,341)**	**106,353**

Company Statement of Changes in Equity

for the year ended 31 December 2016

	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	Fair value warrant reserve US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2015	67,094	93,505	234	3,891	3,031	(71,209)	96,546
Transactions with shareholders recognised directly in equity							
Shares issued	98	2,531	-	-	-	(182)	2,447
Share option reserve adjustment	-	-	-	(208)	-	208	-
Share warrants granted	-	-	-	-	23	-	23
Comprehensive income:							
Loss for the financial year	-	-	-	-	-	(5,348)	(5,348)
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 adjustment	-	-	-	(603)	-	603	-
Share warrants granted	-	-	-	-	382	-	382
Comprehensive income:							
Loss for the financial year	-	-	-	-	-	(6,374)	(6,374)
At 31 December 2016	**68,874**	**120,274**	**234**	**3,894**	**3,436**	**(83,848)**	**112,864**

Group and Company Statements of Cashflows

for the year ended 31 December 2016

	Notes	Group 2016 US$'000	Group 2015 US$'000	Company 2016 US$'000	Company 2015 US$'000
Operating activities					
Loss for the financial year		**(2,534)**	(3,778)	**(6,374)**	(5,348)
Depletion and depreciation		**1,248**	15	**-**	-
Impairment provision against assets held for sale		**-**	850	**-**	-
Impairment provision against exploration and evaluation assets		**-**	353	**-**	-
Equity-settled share-based payments		**814**	-	**146**	-
Finance income		**(13)**	(3)	**(13)**	(3)
Finance costs		**1,297**	1,686	**1,255**	1,643
Gain on disposal of development asset		**(344)**	(1,772)	**-**	-
Loss on disposal of available for sale assets		**-**	7	**-**	7
Impairment of other receivables		**1,971**	968	**1,971**	968
Impairment of available for sale assets		**18**	68	**18**	85
Impairment provision against intercompany loans		**-**	-	**1,471**	928
Impairment provision against investment in subsidiary undertakings		**-**	-	**-**	1,397
(Increase)/decrease in trade and other receivables		**(8,595)**	493	**7**	136
Increase in trade and other payables		**5,361**	177	**48**	3
Net cash absorbed by operations		**(777)**	(936)	**(1,471)**	(184)
Interest paid		**(2,419)**	(1,563)	**(2,419)**	(1,563)
Net cash outflows from operating activities		**(3,196)**	(2,499)	**(3,890)**	(1,747)
Investing activities					
Proceeds from sale of development asset		**567**	3,325	**-**	-
Proceeds from disposal of available for sale assets		**-**	10	**-**	-
Acquisition of property, plant and equipment		**(128)**	(204)	**-**	-
Expenditure on exploration and evaluation assets		**(2,110)**	(1,001)	**-**	-
Decrease/(increase) in amounts due from subsidiary undertakings		**-**	-	**(3,853)**	827
Interest received		**13**	3	**13**	3
Net cash (used in)/from investing activities		**(1,658)**	2,133	**(3,840)**	830
Financing activities					
Proceeds from issue of share capital		**25,920**	2,629	**25,920**	2,629
Payment of transaction expenses		**(1,546)**	(182)	**(1,546)**	(182)
Loans repaid		**(2,081)**	(1,718)	**(2,081)**	(1,718)
Net cash inflows from financing activities		**22,293**	729	**22,293**	729
Net increase/(decrease) in cash and cash equivalents		**17,439**	363	**14,563**	(188)
Cash and cash equivalents at 1 January		**2,128**	1,765	**429**	617
Cash and cash equivalents at 31 December	18	**19,567**	2,128	**14,992**	429

Notes Forming Part of the Financial Statements

for the year ended 31 December 2016

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 2016 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as "the Group").

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 ability to continue as a going concern. The Group continuously monitors and manages its cash flow and liquidity risk. Cash forecasts are regularly updated and sensitivities are run for different scenarios, including the production flow and timing of cash flow from the Group's Kiliwani North producing asset, the timing and cost of the Group's drilling and exploration activities and the timing of corporate loan repayments. The Directors have concluded that, following consideration of the Group's cash forecasts and taking account of the capital raise in August 2016 which raised approximately $24.37 million net of transaction costs, the Group has sufficient capital resources from both ongoing operating cash flows and existing cash 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 and accordingly, they are satisfied that it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements. The Group's ability to continue to make planned capital expenditure, in particular on its main licence interests in Tanzania, can be assisted if necessary by the successful sale of assets, deferral of planned expenditure or an alternative method of raising capital. The Directors have a reasonable expectation that the Group would be able to implement one or more of these mitigating actions should it be required.

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 IFRSs"). The individual financial statements of the Company ("Company Financial Statements") have been prepared and approved by the Directors in accordance with EU IFRSs 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 2016. There was no material impact to the financial statements in the current year from these standards set out below:

- Amendments to IFRS 11: *Accounting for acquisition of interests in Joint Operations* - effective 1 January 2016.
- Amendments to IAS 16 and IAS 38: *Clarification of acceptable methods of depreciation and amortisation* - effective 1 January 2016.
- Amendments to IAS 16: *Property, plant and equipment and IAS 41: Bearer Plants* - effective 1 January 2016.
- Amendments to IAS 27: *Equity methods in Separate Financial Statements* - effective 1 January 2016.
- Amendments to IAS 1: *Disclosure Initiative* - effective 1 January 2016.
- Amendments to IFRSs 2012-2014 Cycle - effective 1 January 2016.
- Amendments to IFRS 10, IFRS 12 and IAS 28: *Investment entities exception to Consolidation* - effective 1 January 2016.

ii) New accounting standards and interpretations not adopted

Standards endorsed by the EU that are not yet required to be applied but can be early adopted are set out below. None of these standards have been applied in the current period. There would not have been a material impact to the financial statements if these standards had been applied in the current period. These will be applied as required on a prospective basis.

- IFRS 15: *Revenue from contracts with customers (May 2014) including amendments to IFRS 15* - effective 1 January 2018
- IFRS 9: *Financial Instruments* - effective 1 January 2018

The following standards have been issued by the IASB but have not yet been endorsed by the EU, accordingly none of these standards have been applied in the current period and the Group is currently assessing whether these standards will have a material impact on the financial statements.

- IFRS 14 *Regulatory Deferral Accounts*
- Amendments to IAS 7: *Disclosure Initiative*
- Amendments to IAS 12: *Recognition of deferred tax assets for unrealised losses*
- Clarifications to IFRS 15: *Revenue from contracts with customers*
- Amendments to IFRS 2: *Classification and measurement of share-based payment transactions*
- Amendments to IFRS 4: *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
- Annual Improvements to IFRS 2014 - 2016 Cycle
- IFRIC 22: *Foreign Currency transaction and advance consideration*
- Amendments to IAS 40: *Foreign Currency transaction and advance consideration*
- IFRS 16: *Leases*
- Amendments to IFRS 10 and IAS 28: *Sale or contribution of assets between an investor and its associate or joint venture*

1 Statement of Accounting Policies (continued)

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 oil and gas together with the provision of technical oilfield and administrative services and equipment. Revenue from oil and gas sales in the year represents the Group's share of oil and 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.

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 managed on an individual basis. Pension contributions are recognised as an expense in the income statement and are accounted for on an accruals basis.

(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 to Directors, there is generally no vesting period and 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.

1 Statement of Accounting Policies (continued)

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 will be 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.

Leases

Finance leases, which transfer substantially all the risks and benefits of ownership of the leased asset to the Group, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between the finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement as part of finance costs.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases wherein the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

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.

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.

Notes Forming Part of the Financial Statements

for the year ended 31 December 2016

1 Statement of Accounting Policies (continued)

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	**2016**	2015	**2016**	2015
Pound sterling	**0.7414**	0.6542	**0.8128**	0.6748
Australian dollar	**1.3451**	1.3313	**1.3841**	1.3674

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.

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 related assets are 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.

1 Statement of Accounting Policies (continued)

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.

Other property, plant and equipment

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	5 years
Plant and equipment	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.

Business combinations

The fair value of the consideration in a business combination are measured as the aggregate of the fair value at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued in exchange for control. Deferred consideration arising on business combinations is determined through discounting the amounts payable to their fair value at the date of exchange. The discount element is reflected as an interest charge in the income statement over the life of the deferred payment. In the case of a business combination the acquired assets and liabilities are measured at their provisional fair values at the date of acquisition. Adjustments to the provisional fair values of assets and liabilities are made within twelve months of the acquisition date and reflected as a restatement of the acquisition balance sheet.

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.

1 Statement of Accounting Policies (continued)

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 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.

Provisions

A provision is recognised in the balance sheet when i) the Company or Group has a present legal or constructive obligation as a result of a past event ii) it is probable that an outflow of economic benefits would be required to settle the obligation and iii) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

Segment reporting

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.

2 Segmental Information

The Group considers that its operating segments consist of (i) Producing Oil and Gas Properties, (ii) Exploration Activities and (iii) Oilfield Goods and 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

Region of destination	**2016 US$'000**	2015 US$'000
Africa - producing oil and gas assets	**4,572**	-
Africa - provision of oilfield services	**362**	350
	4,934	350

Cost of sales	**2016 US$'000**	2015 US$'000
Africa - production costs	**90**	-
Africa - depletion	**1,237**	-
Africa - other cost of sales	**361**	341
	1,688	341

Segment profit/(loss) for the financial year	**2016 US$'000**	2015 US$'000
Africa - producing oil and gas assets	**3,134**	-
Africa - exploration activities	**(388)**	1,192
Europe - group costs (1)	**(5,280)**	(4,970)
Total Group loss for the financial year	**(2,534)**	(3,778)

Segment assets	**2016 US$'000**	2015 US$'000
Africa - producing oil and gas assets	**18,114**	12,405
Africa - exploration activities	**91,264**	81,918
Europe - group assets (2)	**15,207**	2,663
Total assets	**124,585**	96,986

Segment liabilities	**2016 US$'000**	2015 US$'000
Africa - producing oil and gas assets	**5,694**	-
Africa - exploration activities	**7,122**	3,118
Europe - group liabilities (3)	**5,416**	8,992
Total liabilities	**18,232**	12,110

Total non-current assets and liabilities by geographical region are set out in Notes 11 and 12 to the financial statements.

(1) Group costs primarily comprise impairment provisions, interest expense on financial liabilities and salary and related costs.
(2) Group assets primarily comprise cash and working capital.
(3) Group liabilities primarily comprise loans and borrowings and trade payables and related costs.

2 Segmental Information (continued)

Capital expenditure	2016 US$'000	2015 US$'000
Africa - exploration assets	**4,754**	1,483
Africa - producing assets	**161**	269
Europe - group assets	**15**	4
Total capital expenditure	**4,930**	1,756

Other non-cash items: continuing operations	2016 US$'000	2015 US$'000
Europe: depreciation - group assets	**11**	15
Impairment of other receivables	**1,971**	968
Interest expense on financial liabilities measured at amortised cost	**1,297**	1,643
Impairment provision against assets held for sale	**-**	850
Impairment provision against exploration and evaluation assets	**-**	353
Impairment provision against available for sale assets	**18**	68

3 Employment

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

	2016 US$'000	2015 US$'000
Salaries and wages	**1,237**	1,432
Social security costs	**291**	139
Other pension costs	**116**	133
Share based payment charge	**814**	-
	2,458	1,704
Employment costs capitalised (Note 11)	**(756)**	(490)
Employment costs charged against the Group operating loss	**1,702**	1,214

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

	2016 US$'000	2015 US$'000
Europe	**9**	9
Tanzania	**10**	6
	19	15

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

	2016 US$'000	2015 US$'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 granted prior to 2010 were granted at the price equal to the market value at the date of grant and will expire at a date no later than 10 years after their grant date. Options generally vest if employees remain in service for 3 years from the date of grant. Directors' options vest immediately.

Options granted in 2016 are granted using the average closing price for fourteen days prior to the date of the grant and will expire at a date no later than 3 years after their grant date. All options vest immediately.

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:

	2016 US$'000	2015 US$'000
Share based payment charge based on vesting of options	**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	9 May 2016
Contractual life	3 years
Exercise price	Stg 1.34p
Number of options granted (immediate vesting)	139,250,000
Expected volatility	45%
Vesting conditions - immediate	-
Fair value per option	£0.0041
Expected dividend	nil
Risk-free rate	0%

The Group recognised total expenses of US$814,000 (2015; US$ nil) 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 2015	21,115,000	Stg14.75p
Expired	(1,800,000)	Stg8.5p
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 31 December 2016	128,475,000	Stg3.02p
Exercisable at 31 December 2016	128,475,000	Stg3.02p
Exercisable at 31 December 2015	19,315,000	Stg15.33p

On 31 December 2016, there were options over 128,475,000 (2015: 19,315,000) 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 January 2020. The weighted average remaining contractual life of the options outstanding is 2.31 years (2015: 2.77 years). The weighted average share price for the year ended 31 December 2016 was Stg1.56 pence/€0.0189 (2015: Stg1.94 pence/€0.0268).

Notes Forming Part of the Financial Statements

for the year ended 31 December 2016

5 Loss before tax

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

	2016 US$'000	2015 US$'000
Depletion of producing asset	**1,237**	-
Depreciation of other property, plant and equipment	**11**	15
Auditor's remuneration – audit (i)	**103**	92
Auditor's remuneration – tax advisory services	**10**	12
Auditor's remuneration – non-audit services	**94**	-
Impairment of other receivables	**1,971**	968
Impairment provision against assets held for sale	**-**	850
Impairment provision against exploration and evaluation assets	**-**	353
Impairment of available for sale equity instruments	**18**	68
Operating lease payments – land and buildings	**158**	200

(i) Audit comprises audit work performed by KPMG Ireland on the consolidated financial statements. In 2016, US$7,000 (2015: US$7,000) of audit fees related to the audit of the Company.

6 Gain on disposal of development asset

In April 2016, the Company signed an agreement with Solo Oil plc for the sale in three tranches of an interest of up to 4.0263% in the Kiliwani North Development Licence for approximately US$2.17 million, subject to certain conditions being met. The Company completed its disposal of the first tranche in April 2016, details of which are set out below. The second tranche of the disposal lapsed in September 2016 and the third tranche remains in effect at the date of this report. To date, the TPDC has not completed its back-in for a 5% interest in the Kiliwani North Development Licence therefore Aminex's interest is 57.444% and Solo Oil plc's interest is 7.5526%

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. In the prior year the Company disposed of a 6.5% of its interest in the Kiliwani North Development Licence to Solo Oil plc for a consideration of US$3.5 million which gave rise to a profit on disposal of US$1.77 million.

	2016 US$'000	2015 US$'000
Consideration received	**567**	3,500
Disposal of property, plant and equipment	**(126)**	(1,352)
Finance costs - transfer of decommissioning provision	**14**	20
Costs of disposal	**(6)**	(66)
Capital gains tax arising on disposal	**(105)**	(330)
Gain on disposal	**344**	1,772

7 Finance income

	2016 US$'000	2015 US$'000
Deposit interest income	**13**	3

8 Finance costs

	2016 US$'000	2015 US$'000
Interest expense on financial liabilities measured at amortised cost (see Note 21)	**1,255**	1,643
Other finance costs – decommissioning provision interest charge (see Note 20)	**42**	43
	1,297	1,686

Included in finance costs for the period is an interest charge of US$1.26 million in respect of the US$8 million corporate loan facility which has been calculated using the effective interest rate method. As a consequence of the share placing during the year, a further 74,984,577 warrants were issued to the lender in accordance with the terms of the agreement. These were fair valued on the date of the grant at US$382,000 and this amount was expensed to the income statement using the effective interest rate method.

9 Income tax expense

The components of the income tax expense for the years ended 31 December 2016 and 2015 were as follows:

	2016 US$'000	2015 US$'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:

	2016 US$'000	2015 US$'000
Loss before tax	(2,534)	(3,778)
Irish standard tax rate	12.5%	12.5%
Taxes at the Irish standard rate	(317)	(472)
Effect of different tax rates in foreign jurisdiction	110	(27)
Expenses not deductible for tax purposes	(356)	(582)
Losses forward	563	1,081
	-	-

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.

	2016 US$'000	2015 US$'000
Net operating losses	16,132	7,936

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

	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**

	Ireland 2015 US$'000	UK 2015 US$'000	ROW 2015 US$'000	Total 2015 US$'000
One year	-	-	-	-
Two years	-	-	-	-
Three years	-	-	-	-
Four years	-	-	-	-
Five years	-	-	-	-
More than five years	8,715	18,369	2,374	29,458
Total	**8,715**	**18,369**	**2,374**	**29,458**

At 31 December 2016, 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$11.3 million, US$19.4 million and US$37.9 million respectively (2015: Ireland US$8.7 million, UK US$18.4 million, Rest of World US$2.4 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 2016 and 2015 are as follows:

	2016	2015
Loss for the financial year (US$'000)	**(2,534)**	**(3,778)**
Weighted average number of Ordinary Shares ('000)	**2,600,190**	**1,934,014**
Basic and diluted loss per Ordinary Share (US cents)	**(0.10)**	**(0.20)**

There is no difference between the basic loss per Ordinary Share and the diluted loss per Ordinary Share for the years ended 31 December 2016 and 2015 as all potential Ordinary Shares outstanding are anti-dilutive. There were 128,475,000 (2015: 19,315,000) share options (see Note 4) issued which are anti-dilutive as at 31 December 2016 and 167,561,032 (2015: 92,576,455) warrants in issue at 31 December 2016 (see Note 25).

11 Exploration and evaluation assets

Group

	Tanzania and Total US$'000
Cost	
At 1 January 2015	83,462
Additions	993
Employment costs capitalised	490
At 1 January 2016	84,945
Additions	3,998
Employment costs capitalised	756
At 31 December 2016	**89,699**
Provisions for impairment	
At 1 January 2015	4,728
Increase in provision	353
At 1 January and 31 December 2016	**5,081**
Net book value	
At 31 December 2016	**84,618**
At 31 December 2015	79,864

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

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. During the year, the Tanzanian authorities granted an extension to the Nyuni Area licence which has a licence period ending in October 2019 and which crystallised previous arrangements for the deferral of licences commitments from the initial Work Period and proposed relinquishment blocks against which provision was made in the year ended 31 December 2015. The Tanzanian authorities also granted a one-year extension to the Mtwara Licence, which together with the Lindi Licence, comprises the Ruvuma Production Sharing Agreement. The Mtwara Licence, which includes the Ntorya appraisal area, has a scheduled expiry date in December 2017. The Directors have also taken into account ongoing negotiations with the Tanzanian authorities over the extension to the Lindi Licence. The Lindi Licence was scheduled to expire in January 2017 but the Directors have a reasonable expectation of obtaining an extension to the Lindi Licence. If the Lindi Licence is not extended, an impairment against the carrying value of the Lindi Licence, which includes the Likonde-1 well, may be necessary. 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.

11 Exploration and evaluation assets (continued)

Prior to August 2015, Aminex had a 10% beneficial interest in the South Malak-2 well on the West Esh el Mallaha-2 concession in Egypt through its 12.5% shareholding in Aminex Petroleum Egypt Limited. Aminex's interest in this PSC was free-carried by a partner through to first commercial production and the Company therefore had no day-to-day control over the timing of drilling operations. In August 2015, Aminex entered into an agreement to sell its carried interest in the West Esh el Mallaha-2 licence, on which the South Malak-2 gas discovery was made earlier in the year. In order to optimise the Company's commercial interest in the discovery, over which it had no operational control, Aminex agreed to sell its shareholding in Aminex Petroleum Egypt Limited, together with its indirect carried interest, to a fellow shareholder in return for a 1% gross overriding royalty on all sales revenues from the discovery well in excess of US$2.5 million. The carrying value of this asset at 31 December 2016 and 31 December 2015 was US$nil.

12 Property, plant and equipment

Group	Producing assets - Tanzania US$'000	Other assets US$'000	Total US$'000
Cost			
At 1 January 2015	13,488	468	13,956
Additions in the year	269	4	273
Disposed of during the year	(1,352)	-	(1,352)
Exchange rate adjustment	-	(22)	(22)
At 1 January 2016	12,405	450	12,855
Additions in the year	161	15	176
Disposed of during the year	(126)	(273)	(399)
Exchange rate adjustment	-	(65)	(65)
At 31 December 2016	**12,440**	**127**	**12,567**
Depreciation and impairment			
At 1 January 2015	-	446	446
Charge for the year	-	15	15
Exchange rate adjustment	-	(22)	(22)
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 31 December 2016	**1,237**	**113**	**1,350**
Net book value			
At 31 December 2016	**11,203**	**14**	**11,217**
At 31 December 2015	12,405	11	12,416

As at 31 December 2016, "Other assets" comprises plant and equipment US$9,000 (2015: US$5,000), and fixtures and fittings US$5,000 (2015: US$1,000). In the prior year, "Other assets" included leasehold property of 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 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 has been calculated with reference to the contingent resources ascribed to the field in 2015. The resources remain contingent on the notification of a commercial operations date by the TPDC in accordance with the Gas Sales Agreement. The Directors have reviewed the carrying value of the asset at 31 December 2016 based on estimated discounted future cashflows and are satisfied that no impairment has occurred.

During the year, the Company disposed of 1.0526% of its interest in the Kiliwani North Development Licence (see Note 6). During the prior year, the Company disposed of 6.5% of its interest in the Kiliwani North Development Licence.

13 Investment in subsidiaries and other investments

	2016 US$'000	2015 US$'000
Company		
At 1 January	5,207	6,603
Impairment of subsidiary undertakings	-	(1,396)
At 31 December	**5,207**	5,207

In the prior year, the Directors reviewed the carrying value of the Victorovca and Valeni licenses held by a subsidiary, Canyon Oil and Gas Limited, for indicators of impairment, and the asset was considered to be impaired. The Directors consider that it is no longer probable that a sale will complete within twelve months and accordingly the Company's investment in Canyon Oil and Gas Ltd was fully provided against in 2015.

Subsidiary undertakings

As at 31 December 2016 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
Canyon Oil and Gas Limited (4)	100%	-	British Virgin Islands
Oilfield services			
Amossco Limited (1)	-	100%	UK
Amossco ODS Limited (1)	-	100%	UK
Halyard Offshore Limited (1)	-	100%	UK

Registered offices

1. 60 Sloane Avenue, London, SW3 3DD.
2. 3rd Floor, MPH Building, 23 Barrack Street, Perth, WA 6000, Australia.
3. Plot 431 Mahando Street, Msasani Peninsular, Dar es Salaam, Tanzania.
4. Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

14 Amounts due from subsidiary undertakings

Company	US$'000
Cost	
At 1 January 2015	144,088
Advances written off against provision	(17,030)
Repayments from subsidiary undertakings	(827)
At 1 January 2016	126,231
Advances to subsidiary undertakings	3,853
Equity-settled share-based payments	668
At 31 December 2016	**130,752**
Provisions for impairment	
At 1 January 2015	47,713
Advances written off against provision	(17,030)
Increase in provision	928
At 1 January 2016	31,611
Increase in provision	1,471
At 31 December 2016	**33,082**
Net book value	
At 31 December 2016	**97,670**
At 31 December 2015	94,620

	2016 US$'000	2015 US$'000
Included in non-current assets	**93,308**	93,960
Included in current assets	**4,362**	660
At 31 December	**97,670**	94,620

Included in current assets are loans provided to subsidiary undertakings which are interest free and repayable on demand.

The balance of US$93,960,000 (2015: US$95,012,000) 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$1,471,000 (2015: US$928,000) 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	
	2016 US$'000	2015 US$'000
At 1 January	**22**	107
Disposed of in year	**-**	(17)
Impairment loss charged to income statement	**(18)**	(68)
At 31 December	**4**	22

In 2014, as part of the disposal proceeds for the Company's wholly-owned subsidiary Aminex USA, Inc., the Company was granted 24,850,012 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 2016. Accordingly, an impairment of US$18,000 has been expensed in the income statement. During the prior year, the Company disposed of 4,000,000 shares in Mayan Energy Limited for a net consideration of US$10,000 resulting in a loss on disposal of US$7,000.

16 Assets held for sale

In the prior year, the Directors reviewed the carrying value of the Group's assets in Moldova, see Note 13, for indicators of impairment. The asset was considered to be impaired and the carrying value was written down from US$850,000 to US$nil to reflect prevailing market conditions. In the prior year, the Directors considered that it was no longer probable that a sale would complete within twelve months and accordingly the asset was reclassified as property, plant and equipment. The impairment was expensed in the income statement in 2015.

17 Trade and other receivables

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Current				
Trade receivables	**5,923**	32	**-**	-
Amounts due from partners in jointly controlled operations	**674**	152	**-**	-
VAT recoverable	**389**	19	**-**	-
Withholding tax recoverable	**175**	175	**-**	-
Other receivables	**606**	92	**-**	30
Prepayments and accrued income	**1,412**	136	**25**	22
	9,179	606	**25**	52

All amounts fall due within one year.

	Group and Company	
	2016 US$'000	2015 US$'000
Non-current		
Other receivables	**-**	1,950

Non-current trade and other receivables that fall due after one year relate to part of the consideration arising from disposal in 2014 of Aminex USA, Inc. and comprise a production payment per barrel until a total of US$4.5 million has been recovered. The Directors have reviewed the timing of anticipated production payments and consider these are unlikely to be recovered and are satisfied that the net present value of US$nil (2015: US$1,971,000, using a discount factor of 15%) represents the fair value of future expected production payments. The impairment of US$1,971,000 has been expensed in the income statement in the current year.

18 Cash and cash equivalents

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Cash at bank and in hand	**19,567**	2,128	**14,992**	429

Included in cash and cash equivalents is an amount of US$1,287,000 (2015: US$304,000) held on behalf of partners in jointly controlled operations.

19 Trade and other payables

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Trade payables	**2,546**	579	**51**	8
Amounts due to partners in jointly controlled operations	**2,117**	-	**-**	-
Other payables	**1,272**	222	**-**	-
Withholding tax payable	**99**	-	**-**	-
VAT payable	**2,354**	-	**-**	-
Capital gains tax payable	**221**	-	**-**	-
Overseas employment-related taxes	**-**	41	**-**	-
Accruals	**4,216**	2,261	**52**	45
	12,825	3,103	**103**	53

20 Provisions – decommissioning

Group	**US$'000**
At 1 January 2015	425
Discount unwound in the year	43
Release from decommissioning provision on disposal of property, plant and equipment	(20)
At 1 January 2016	448
Discount unwound in the year (see Note 8)	42
Release from decommissioning provision on disposal of property, plant and equipment (see Note 6)	(14)
At 31 December 2016	**476**

	2016 US$'000	2015 US$'000
Non-current	**476**	448
Total decommissioning provision	**476**	448

Decommissioning costs are expected to be incurred over the remaining lives of the wells, which are estimated to be between 2021 and 2028. The provision for decommissioning is reviewed annually and at 31 December 2015 and 2016 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.

21 Loans and borrowings

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Secured loan (including accrued finance costs)	**4,931**	8,559	**4,931**	8,559
Comprising:				
Current liabilities	**4,931**	8,559	**4,931**	8,559

In June 2016, the Company agreed with the lender, a fund managed by Argo Capital Management (Cyprus) Ltd, for an extension of the repayment period from 31 July 2016 to 31 January 2018. The loan facility, originally agreed in January 2013, initially carried a 12.5% coupon for the period which increased to 15% from 1 July 2013 and a repayment premium which is 20% of the loan. The loan is secured by fixed charges over certain of the Group's subsidiary companies and a floating charge over the Group's assets.

The Group made repayments of interest and capital amounting to US$4.5 million during the period with the balance due at 31 December 2016 amounting to US$4.93 million, as adjusted for the valuation of share warrants granted in the period.

Finance costs have been calculated using the effective interest rate method, based on management's best estimate of expected cash flows arising from the interest, redemption premium and principal repayments in addition to the charge associated with warrants which have been granted to the lender (see Note 25). An amount of US$1.26 million (2015: US$1.64 million) has been charged to the Group Income Statement in respect of this (see Note 8).

22 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 2016 or 31 December 2015.

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. Under the terms of the loan facility, the Company was initially obliged to repay the loan before 31 July 2015. A number of extensions to the repayment date have been granted since then with the most recent in June 2016, when the repayment date was extended to 31 January 2018.

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 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	-
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)	-
Accruals	-	(4,216)	(4,216)	-

	Loans and receivables 2015 US$'000	Liabilities at amortised cost 2015 US$'000	Total carrying amount 2015 US$'000	Fair value 2015 US$'000
Financial assets measured at fair value (level 3):				
Non-current trade and other receivables	1,950	-	1,950	1,950
Other financial assets and financial liabilities				
Available for sale assets	22	-	22	-
Current trade and other receivables	606	-	606	-
Cash and cash equivalents	2,128	-	2,128	-
Loans and borrowings	-	(8,559)	(8,559)	-
Trade payables	-	(579)	(579)	-
Other payables	-	(263)	(263)	-
Accruals	-	(2,261)	(2,261)	-

22 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 and accruals
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.

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 51, represents the Group's maximum credit risk exposure.

22 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 ('TPDC') for revenues from gas sales. Trade receivables are monitored by review of the aged debtor reports by Company.

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

	2016	2015
	US$'000	US$'000
US – current receivables	**-**	21
US – non-current receivables	**-**	1,950
Africa	**5,923**	11
	5,923	1,982

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 governments in UK and Tanzania. The Group considers the balance will be fully recovered in 2017.

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 repayment date for the loan was extended to 31 January 2018. Additionally, the Group raised US$24.37 million net of expenses, through the issue of new Ordinary Shares in 2016.

In April 2016, Aminex completed the sale of 1.0526% of the Kiliwani North Development Licence to Solo Oil plc ('Solo') for US$0.57 million (see Note 6).

22 Financial instruments and risk management (continued)

The following are the contractual maturities of the financial liabilities including estimated interest payments and excluding the impact of netting agreements:

	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 from partners in jointly controlled operations	2,117	2,346	2,346	-	-	-	-
Other payables	3,946	3,946	3,946	-	-	-	-
Accruals	4,216	3,975	3,975	-	-	-	-
	17,756	**18,364**	**16,608**	**1,756**	**-**	**-**	**-**

	Carrying amount 2015 US$'000	Contractual cashflows 2015 US$'000	6 months 2015 US$'000	6-12 months 2015 US$'000	1-2 years 2015 US$'000	2-5 years 2015 US$'000	More than 5 years 2015 US$'000
Loan facility	8,559	9,359	686	8,673	-	-	-
Trade payables	579	579	579	-	-	-	-
Other payables	263	263	263	-	-	-	-
Accruals	2,261	2,261	2,261	-	-	-	-
	11,662	12,462	3,789	8,673	-	-	-

The Group's borrowings at 31 December 2016 and 2015 relate to loan facility with a fund managed by Argo Management (Cyprus) Ltd. (see Note 21).

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.

22 Financial instruments and risk management (continued)

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 21. The Group has a loan facility with an interest rate of 15%.

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:

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:

	2016 Sterling US$'000	2016 Euro US$'000	2016 US dollars US$'000	2015 Sterling US$'000	2015 Euro US$'000	2015 US dollars US$'000
Cash and cash equivalents	**12,850**	**3**	**2**	501	13	35
Trade payables	**-**	**(5)**	**-**	-	(6)	-
	12,850	**(2)**	**2**	501	7	35

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 2016 (2015: 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 2016 US$'000	15% decrease 2016 US$'000	15% increase 2015 US$'000	15% decrease 2015 US$'000
Cash and cash equivalents	**1,928**	**(1,928)**	75	(75)
Trade payables	**(1)**	**1**	(1)	1
	1,927	**(1,927)**	74	(74)
Tax impact	**-**	**-**	-	-
After tax	**1,927**	**(1,927)**	74	(74)

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 has a loan facility with a fund managed by Argo Capital Management (Cyprus) Limited at 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 2016 was as follows:

	Fixed rate 2016 US$'000	Floating rate 2016 US$'000	Total 2016 US$'000	Fixed rate 2015 US$'000	Floating rate 2015 US$'000	Total 2015 US$'000
Cash and cash equivalents	**-**	**19,567**	**19,567**	-	2,128	2,128
Loan facility	**(4,931)**	**-**	**(4,931)**	(8,559)	-	(8,559)
	(4,931)	**19,567**	**14,636**	(8,559)	2,128	(6,431)

22 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 2016 US$'000	500 bps decrease profit 2016 US$'000	500 bps increase profit 2015 US$'000	500 bps decrease profit 2015 US$'000
Cash and cash equivalents	**978**	**-**	106	-
Tax impact	**-**	**-**	-	-
After tax	**978**	**-**	106	-

The Group only has a fixed rate loan facility at 31 December 2016. 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 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	-
Current trade and other receivables	25	-	25	-
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)	-
Accruals	-	(52)	(52)	-

	Loans and receivables 2015 US$'000	Liabilities at amortised cost 2015 US$'000	Total carrying amount 2015 US$'000	Fair value 2015 US$'000
Financial assets measured at fair value (level 3):				
Non-current trade and other receivables	1,950	-	1,950	1,950
Other financial assets and financial liabilities				
Available for sale assets	22	-	22	-
Current trade and other receivables	52	-	52	-
Amounts due from subsidiary undertakings	94,620	-	94,620	-
Cash and cash equivalents	429	-	429	-
Loans and borrowings	-	(8,559)	(8,559)	-
Trade payables	-	(8)	(8)	-
Accruals	-	(45)	(45)	-

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.

22 Financial instruments and risk management (continued)

Risk exposures

The Company's operations expose it to the risks as set out in (a) 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 and their carrying value written down by US$1.4 million (2015: US$0.9 million). The Directors are satisfied that no further impairment is considered to have occurred. The recoverability of the amounts due from subsidiary companies is linked to the impairment of exploration and production assets. 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 in (a) above. Contractual cash flows on trade payables, borrowings and accruals amounting to US$52,000 (2015: US$53,000) fall due within six months of the balance sheet date. Borrowings of US$1.76 million are repayable within 7 to 12 months of the balance sheet date (2015: US$8.6million). 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 in (a) above.
The Company's exposure to transactional foreign currency risk is as follows:

	2016 Sterling US$'000	2016 Euro US$'000	2015 Sterling US$'000	2015 Euro US$'000
Trade payables	**-**	**3**	-	6

Sensitivity analysis

A 15% strengthening or weakening in the value of sterling or the euro against the US dollar (2015: 15%), based on the outstanding financial assets and liabilities at 31 December 2016, 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 shown in (a) above. The interest rate profile of the Company's interest bearing financial instruments at 31 December 2016 was as follows:

	Fixed rate 2016 US$'000	Floating rate 2016 US$'000	Total 2016 US$'000	Fixed rate 2015 US$'000	Floating rate 2015 US$'000	Total 2015 US$'000
Cash and cash equivalents	**-**	**12,850**	**12,850**	-	429	429
Secured loan	**(4,931)**	**-**	**(4,931)**	(8,559)	-	(8,559)
	(4,931)	**12,850**	**7,919**	(8,559)	429	(8,130)

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 2016 US$'000	500 bps decrease 2016 US$'000	500 bps increase 2015 US$'000	500 bps decrease 2015 US$'000
Cash and cash equivalents	**643**	**-**	21	-
Tax impact	**-**	**-**	-	-
After tax	**643**	**-**	21	-

23 Issued capital

Authorised	Number	Value €
Ordinary Shares of €0.001 each:	3,000,000,000	3,000,000
Deferred shares of €0.059 each:	1,000,000,000	59,000,000
At 1 January 2016	4,000,000,000	62,000,000
Increase in authorised share capital	2,000,000,000	2,000,000
At 31 December 2016	**6,000,000,000**	**64,000,000**

At an Extraordinary General Meeting held on 2 August 2016, shareholders approved the increase in the authorised share capital by €2,000,000 to €64,000,000 comprising 2,000,000,000 Ordinary Shares of €0.001 each. At the same meeting, the shareholders approved a capital raise for proceeds of US$24.37 million (net of transaction expenses) through the issue of 1,499,691,550 Ordinary Shares of nominal value €0.001 each at Stg1.3 pence per Ordinary Share. The capital raise comprised a placing of 1,302,071,002 Ordinary Shares and an Open Offer whereby existing shareholders subscribed for 98,175,162 Ordinary Shares. On 4 August 2016, a further placing of 99,445,386 Ordinary Shares was completed at the same issue price.

Allotted, called up and fully paid	Number	€	US$
Ordinary Shares of €0.001 each:	1,976,205,480	1,976,205	2,656,402
Deferred shares of €0.059 each:	818,658,421	48,300,847	64,535,665
At 31 December 2015	2,794,863,901	50,277,052	67,192,067
Issued during 2016	1,499,691,550	14,996,916	1,681,858
At 31 December 2016	**4,294,555,451**	**65,273,968**	**68,873,925**

Comprised of:	
Ordinary Shares of €0.001	3,475,897,030
Deferred shares of €0.059	818,658,421
	4,294,555,451

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
Placing	2 August 2016	1.30	1,302,071,002	1,461	21,064	22,525
Open offer	2 August 2016	1.30	98,175,162	110	1,587	1,697
Placing	4 August 2016	1.30	99,445,386	111	1,587	1,698
			1,499,691,550	**1,682**	**24,238**	**25,920**

24 Share option reserve

The movements on the share option reserve are as follows:

	US$'000
At 1 January 2015	3,891
Options expired	(208)
At 1 January 2016	3,683
Options granted	814
Options expired	(603)
At 31 December 2016	**3,894**

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

On 9 May 2016 the Company awarded 139,250,000 options to its Directors and staff (2015: US$nil) The fair value of options granted in the period was US$814,000 (2015: nil). During the period 2,090,000 options expired (2015: 1,080,000) with a fair value of US$603,000 (2015: US$208,000). Further details regarding the issuance, lapse and expiry of share options are set out in Note 4.

25 Share warrant reserve

During the year the Company increased its issued share capital, and the lender was granted an additional 74,984,577 warrants in line with the terms of the financing agreement (see Note 21). The fair value of warrants granted was US$382,000.

The fair values of warrants granted in each year were calculated using the following inputs into the binomial model:

Date of grant	2 August 2016	4 August 2016	25 June 2015
Contractual life	11 months	11 months	2.01 years
Exercise price	£0.013	£0.013	£0.01
Number of warrants granted or deemed granted (vesting period variable)	70,012,308	4,972,269	4,400,000
Expected volatility	45%	45%	60%
Vesting conditions – weighted average vesting period	Immediately	Immediately	Immediately
Fair value per option	£0.0038	£0.0044	£0.0033
Expected dividend yield	nil	nil	nil
Risk-free rate	0%	0.%	0%

26 Loss for the financial year

The loss for the financial year arises as follows:

	2016 US$'000	2015 US$'000
In Aminex PLC - loss	**(6,374)**	(5,348)
In subsidiary companies - profit	**3,840**	1,570
	(2,534)	(3,778)

The individual financial statements of the Company ("Company Financial Statements") have been prepared and approved by the Directors in accordance with EU IFRSs 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$6,374,000 (2015: loss US$5,348,000) is dealt with in the Company income statement of Aminex PLC.

27 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:

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, comprises two licences. The Mtwara Licence has been extended to December 2017 and two wells are required to be drilled, one of which is expected to be the Ntorya-3 location. The Company is seeking an extension to the Lindi Licence, which also requires two wells to be drilled.

Commitments under operating leases are as follows:

	Land and buildings		Other	
	2016	2015	**2016**	2015
Group	**US$'000**	US$'000	**US$'000**	US$'000
Operating leases which expire:				
Within one year	**31**	64	**-**	-
In two to five years	**-**	-	**-**	-
	31	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 Variation 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) Loan facility. In January 2013, Aminex was granted a loan facility for the principal amount of US$8 million by a fund managed by Argo Capital Management (Cyprus) Limited. The loan was fully drawn down during the year ended 31 December 2013. The loan is secured by fixed charges over certain of the Group's subsidiary companies and a floating charge over the Group's assets.

(c) 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.

28 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$116,000 for 2016 (2015: US$133,000).

29 Analysis of net (debt)/funds

Group	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**

	At 1 January 2015 US$'000	Cash flow US$'000	At 31 December 2015 US$'000
Cash at bank	1,765	363	2,128
Secured loan	(10,218)	1,659	(8,559)
Total	(8,453)	2,022	(6,431)

30 Related party transactions

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

	2016 US$'000	2015 US$'000
Transactions during the year		
Interest receivable from subsidiary undertakings	-	-
Balances at 31 December		
Amounts owed by subsidiary undertakings	**97,670**	94,620

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.

	2016 US$'000	2015 US$'000
Short-term employee benefits	**779**	727
Pension contributions	**89**	106
	868	833

During the course of the year, the Group entered into the following related party transactions: fees amounting to US$27,000 (2015: $31,000) which were paid to Upstream Solutions Limited, a company connected with Mr. T.A. Mackay.

31 Post balance sheet events

In February 2017, Aminex, through its wholly-owned subsidiary company Ndovu Resources Limited, announced the completion of drilling operations for the Ntorya-2 appraisal well. The well was subsequently tested and in March 2017 it was announced that Ntorya-2 flowed at an average flow rate of 17 MMcfd.

32 Critical accounting policies, use of estimates and judgment

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Directors believe that the Group's critical judgments, which are those that require management's most subjective and complex judgments, are those described below. These critical accounting judgments and other uncertainties affecting application of the Group's accounting policies and the sensitivity of reported results to changes in conditions and assumptions, are factors to be considered in reviewing the Financial Statements.

The Directors consider the critical judgments in applying accounting policies to be related to the ability of the Group to continue as a going concern (Note 1), valuation of exploration and evaluation assets (Note 11), the depletion and decommissioning costs of property, plant and equipment (Note 12), trade and other long-term receivables (Note 17) and the decommissioning provision (Note 20). The Directors are required to estimate the expected remaining useful life of the oil and gas producing assets, the future capital expenditure required to recover oil and gas reserves and the future prices of oil and gas in assessing these balances. Future revisions to these estimates and their underlying assumptions could arise from results of drilling activity, movements in oil and gas prices and cost inflation in the industry.

34 Approval of financial statements

These financial statements were approved by the Board of Directors on 19 April 2017.

Registrars and Advisers

Registrars	Computershare Investor Services (Ireland) Limited Heron House, Corrig Road Sandyford Industrial Estate, Dublin 18	
	Telephone number for Irish shareholders:	01 247 5697
	Telephone number for UK shareholders:	00353 1 247 5697
	Telephone number for other shareholders:	00353 1 216 3100
	Fax:	00353 1 216 3150
	e-mail:	web.queries@computershare.ie
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 or PSC:	Production Sharing Agreement or Contract
MCF:	Thousands of cubic feet of natural gas
BCF:	Billions of cubic feet of natural gas
TCF:	Trillions of cubic feet of natural gas
BBLS:	Barrels of oil
BOE	Barrels of oil equivalent
MBBL	Thousands of barrels of oil
MBOE	Thousands of barrels of oil equivalent
BOPD:	Barrels of oil per day
BOED:	Barrels of oil equivalent per day
MM(s)cfd	Millions of (standard) cubic feet per day of natural gas
mmbtu	One million British Thermal Units
Pmean:	The average (mean) probability of occurrence
P90:	90% probability of occurrence
P50:	50% probability of occurrence
P10:	10% probability of occurrence
Contingent Resources:	Discovered sub-commercial resources
Prospective Resources:	Undiscovered resources mapped with seismic
JOA:	Joint Operating Agreement

Principal operating companies

Registered Office:
Aminex PLC
6 Northbrook Road
Dublin 6
Ireland

Group Support & Services:
Aminex Petroleum Services Ltd.
60 Sloane Avenue
London SW3 3DD
United Kingdom
Tel: +44 (0)20 3198 8415
Email: info@aminex-plc.com

Tanzanian Operations:
Ndovu Resources Limited
PO Box 105589, Mahando Road
Msasani Peninsular
Dar es Salaam, Tanzania

Senior Personnel

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 (T) 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.