Isle of Man Company Number 010493V

ANDALAS ENERGY AND POWER PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

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Directors	Simon Gorringe Daniel Jorgensen Ross Warner Graham Smith Dr Robert Arnott
Company Number	010493V
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Independent Auditors	BDO LLP 55 Baker Street London W1U 7EU
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ANDALAS ENERGY AND POWER PLC
CHAIRMAN'S REPORT

During the past year, Andalas Energy and Power PLC ("Andalas", the "Group" or the "Company") has reviewed its operations and restructured its business. The Company's strategy has a renewed focus on its core competency of oil and gas exploration and production (E&P) and broadened its geographical focus to include areas outside its existing operations in Indonesia.

The Company has undertaken some significant management changes. It has appointed Dr Robert Arnott as its Chairman and Mr Simon Gorringe as its Chief Executive Officer. Rob and Simon are industry veterans with many years of experience operating in the North Sea and elsewhere. Earlier in the year, Paul Warwick resigned as Chairman. His role was taken up by David Whitby who subsequently resigned in the latter part of the period.

Indonesia

Indonesia is a core focus area of the Company. The country's oil and gas industry is similar in size to that of the UK. We believe that a number of Indonesia's on-shore regions such as Sumatra have near-term development and production opportunities at attractive entry prices and we have been actively assessing them as we seek to build our upstream asset base.

During the period, the Company announced that it had initiated a number of well-head independent power projects (well-head IPP) in Indonesia. Under our E&P focused strategy, the board believes that well-head IPP is better considered as simply one of a number of methods to commercialise upstream opportunities. This means the Company will initiate new projects based on its assessment of the upstream opportunity alone. Whilst some of these projects may sell gas to a well-head IPP, Andalas will not necessarily seek to participate in those well-head IPPs and it will not initiate new "stand alone" well-head IPP opportunities.

In relation to the Company's existing well-head IPP opportunities, Sumatra-1 is considered the most likely to advance. We believe the Company has a realistic prospect of participating in the upstream component of this project and, accordingly, we will continue to pursue it. The proposed project comprises a 40 MW well-head IPP in southern Sumatra. Andalas, together with its joint venture partner, has completed preliminary grid stability and demand studies which concluded that the transmission system is capable of evacuating power from the IPP and there is a market for it within the national power company, PLN. The parties have entered into a gas sales MOU with the upstream owner for the sale of 6 MMscfd of gas for a period of at least 15 years at such price as enables PLN to permit the project without public tender in accordance with Indonesian laws and regulations. The project has been discussed with PLN. Further advances in these discussions are dependent on, in initially, further regulatory approvals in relation to the development of the upstream project and then the formation of a Consortium and appropriate funding to develop the project. In the meantime, the Company has continued to advance discussions with additional joint venture partners.

The other well-head IPP projects announced during the period are less advanced and our ability to influence them has continued to disappoint. The board will keep each of them under review. At this stage, the Puspa project will not be actively advanced until Sumatra-1 has been de-risked. This reflects the Company's desire to both preserve financial resources and focus management time on those projects that have a more certain development. The Company is likely to abandon Jambi-1 because it has made only limited progress on this project and it is not consistent with our E&P focused strategy. The Company remains in active discussions with its partner in this project, PT PP Energi, regarding their potential co-investment in future projects.

UK Southern North Sea

The Company is pleased to have been able to secure an indirect interest in Licence P2112, a southern North Sea licence containing the Badger prospect, as a result of its acquisition of a minority interest in Eagle Energy. The Company is excited by the Badger prospect. Work undertaken by the previous operator indicates Badger has significant gas potential.

Petroleum Geo-Services ASA (PGS) has been contracted to reprocess the 3D seismic data and we expect to be able to announce these results in summer 2018. Andalas' team has over 25 years' experience in the UK North Sea, working across 15 fields on every stage of the development cycle. Eagle is actively seeking additional projects and we believe our expertise compliments their team and will provide a valuable contribution towards securing these projects.

Financial review

During the year the Company focussed on streamlining its cost base and strengthening its balance sheet. All non-essential expenditures were cut-back, including the overhaul of the board of Directors, and we focussed on reducing creditors including fully settling last year's loan note liability. In parallel the Company raised a total of US$3.632m (£2.7m) of new equity that together with the aforementioned effort has substantially changed the financial position of the Company at the balance sheet date.

The operating loss was reduced to $1,161,000 from $4,317,000 - a reduction of 73%. This renewed financial discipline was further evidenced by the cash spend in the second half of the year being 26% lower than the first half of the year.

The Company held a cash balance of US$38,000 at 30 April 2018 (US$8,000 at 30 April 2017), which was to be supplemented by the proceeds from the placing of new ordinary shares of US$827,000 (£600,000) completed on 29 April 2018 but received post year end.

In addition the Company had trade and other payables of US$1,045,000 at 30 April 2018 (US$1,546,000 at 30 April 2017), included in this amount is a total of US$172,500 (2017: US$Nil) in respect of consideration payable to Eagle Gas Limited and fees in connection with the year-end placing of US$69,000 (2017:US$Nil) that was accrued but not paid at the year end.

The remaining trade payables and accruals totalled US$803,500, (2017: US$1,546,000). Within this amount are certain payables totalling US$316,000 (2017: $461,000) to Directors or former Directors, US$Nil (2017: US$395,000) due to key consultants and US$145,000 (2017: US$405,000) due to third parties, where each party, at their election, has either agreed to either receive equity settlement or cash at such time as the Company has greater cash resources at its disposal.

The Company's principal cost is its people, therefore to preserve cash the Company's Directors and key consultants ("key stakeholders") waived or otherwise cancelled $865,000 of unpaid accrued remuneration or invoices. The result on the balance sheet was significant, with the balance sheet strengthening to a net assets position of $61,000 from a net liability position of US$2,029,000 in the prior year. This focus on financial discipline and strengthening the balance sheet will continue into the remainder of 2018.

Outlook

The board believes the Company is now in a good position to reap the benefits of its new strategy. Shareholders can look forward to the Company participating in new and exciting upstream E&P opportunities, alongside existing opportunities, that will deliver value.

Robert Arnott
Non-Executive Chairman
2 July 2018

ANDALAS ENERGY AND POWER PLC
DIRECTORS' REPORT
YEAR ENDED 30 April 2018

The Directors present their report and the audited financial statements for the year ended 30 April 2018.

Principal activities, business review and future developments

The principal activity of Andalas Energy and Power PLC during the year was as a gas to power developer in the Republic of Indonesia. Further details on the activities of the Group are provided in the Chairman's Report.

Results and dividends

Loss on ordinary activities after taxation amounted to $1,334,000 (30 April 2017: $4,601,000). The Directors do not recommend the payment of a dividend (30 April 2017: $Nil).

Key Performance Indicators ('KPIs')

The board monitors the activities and performance of the Group on a regular basis, including as part of the regular board updates and board meetings. During the year the principal focus of the Group was to develop a gas to power business in the Republic of Indonesia and to continue to explore upstream E&P opportunities. The KPIs being monitored by the Group as at the date of this report were as follows:

- Cash management;
- Business development; and
- Project development;

Risks and uncertainties

The principal risks and uncertainties inherent in an Andalas' business strategy are summarised below:

- Volatility of commodity prices which may impact investment decisions taken. The Group monitor price forecasts in board meetings and reacts accordingly.
- Foreign currency volatility impacts the potential cost base of projects and the Group monitor and assess, as far as practicable, the impact on budgets and cash flows.
- Operational risks relate to dealing with stakeholders on any potential project. The ability of partners to finance and support projects, customers or governments to approve projects can impact budgets and cash flows and the Group maintains and monitors its stakeholder relationships.
- Availability of finance and funding is key to ensuring that there are funds available for working capital and to allow the Group to make strategic investment decisions. The board are responsible for monitoring the cash flows and cash forecasts of the business.

Financial Risk Management

The Group's operations expose it to a variety of financial risks that include the effect of changes in debt market prices, movements in foreign currency exchange rates, credit risk and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate or foreign exchange costs and, as such, no hedge accounting is applied. Details of the Group's financial risk management policies are set out in Note 8 to the Financial Statements.

Internal Controls

The board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented.

Events after the reporting date

See note 19 for details of events after the reporting date.

Going Concern

The financial statements have been prepared on a going concern basis. The Company raises money to support its corporate overheard, its operations and capital projects as and when required. The Group requires additional funding to meet its daily working capital needs, to settle its outstanding liabilities and in order to fund the development of its projects. As additional funding is required in order to settle outstanding liabilities, to meet on going working capital needs and to raise finance to fund project development there can be no assurance that the Group's projects will be developed in accordance with current plans or completed on time or to budget. Therefore future work on the development of the Group's projects and financial returns arising therefrom may be adversely affected by factors outside the control of the Group which are inherently linked to the availability of funding for the Group.

The Directors remain confident that the potential income stream from the development of its projects, the continued deferral of remuneration by the Directors and senior consultants, together with the Directors' historic ability to raise additional funds and the availability, subject to mutual agreement, of the Volantis loan note facility, will enable the Group to settle its outstanding liabilities, finance its future working capital and fund the development cost requirements of its projects beyond the period of twelve months from the date of approval of this report. However, there are no confirmed funding arrangements in place at present; as such there can be no guarantee that the required funds to settle current liabilities, meet future working capital requirements and fund future development costs will be available to the Group within the necessary timeframe. Consequently a material uncertainty exists that may cast significant doubt on the Group's ability to fund this cash shortfall and therefore be able to meet its commitments and discharge its liabilities in the normal course of business for a period not less than twelve months from the date of approval of these financial statements. The financial statements do not include the adjustments that would result if the Group were unable to continue in operation.

Directors and directors' interests

The following Directors held office during the year:
Daniel Jorgensen
Ross Warner
Simon Gorringe
Graham Smith
Dr Robert Arnott
David Whitby (resigned 29 April 2018)
Paul Warwick (resigned 31 October 2017)

Directors' interests
As at the date of approval of the financial statements the beneficial and non-beneficial interests of the Directors (who remain in office at the respective reporting dates) and their families in the Company's shares, are as follows:

	2018 Ordinary shares	2017 Ordinary shares	**2018 Options** [1]	2017 Options [1]
David Whitby	-	77,983,109	-	24,900,828
Paul Warwick	-	13,783,109	-	6,868,972
Daniel Jorgensen	79,366,281	48,366,281	6,868,972	6,868,972
Ross Warner	102,485,738	71,485,738	24,900,828	24,900,828
Simon Gorringe	102,875,153	71,875,153	24,900,828	24,900,828
Graham Smith [2]	18,000,000	-	-	-
Dr Robert Arnott	-	-	-	-

(1) These relate to 0.4pence options, which were allocated to a number of Directors on 27 April 2017. At both 2017 and 2018 year ends the first of four equal tranches of the options had vested with the remaining three equal tranches being subject to conditions based on certain performance criteria being achieved.
(2) The shareholding was held by FIM Capital Limited, a Company in which Graham is beneficially interested.

Details of the Directors' remuneration are given in note 7 to the Financial Statements.

Directors' third-party indemnity provisions

During the year under review the Group provided third party indemnity insurance to the Directors for a total cost of $12,000 (2017:$12,000).

Provision of information to auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

BDO LLP has signified its willingness to continue in office.

This report was approved by the Board and signed on its behalf by:

Simon Gorringe
Chief Executive Officer
2 July 2018

ANDALAS ENERGY AND POWER PLC
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Directors are required to prepare financial statements for each financial year. The Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and currently explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and which allow financial statements to be prepared. They are also responsible for safeguarding the assets of 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 on the Group's website. The Group is compliant with AIM Rule 26 regarding the Group's website.

Independent auditor's report to the members of Andalas Energy and Power plc

Opinion

We have audited the financial statements of Andalas Energy and Power plc (the "Company") its subsidiaries (the 'Group') for the year ended 30 April 2018 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 30 April 2018 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to Note 2.7 to the financial statements which explains that the Group requires further funding, although no confirmed funding arrangement in place, in order to continue to undertake the required work to develop and build its asset acquisition strategy and to continue as a going concern.

The matters explained in Note 2.7 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the constrained cash flows of the Group and judgements involved in forecasting cash flows, we consider going concern to be a Key Audit Matter. We performed the following work in response to this key audit matter.

Our response
We obtained an understanding of management's working capital management strategy from discussion with Management.

Our specific audit testing relating to going concern included:

- Performing a detailed review of the Group's cash flow forecast for the period from May 2018 to June 2020 to assess the reasonableness of the forecasts based on our understanding of the Group's historical performance and future plans.
- Sensitising the cash flow forecast prepared by Management.
- Confirming opening cash balances and post year end equity raises to the bank statements
- Checking the integrity of the cash flow model
- Considering the impact of any significant post reporting date events and reviewing the contracts for further funding arrangements
- Reviewing the appropriateness of the disclosure made within the financial statements

Key audit matters

In addition to the matter described in the material uncertainty related to going concern section, key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Independent auditor's report to the members of Andalas Energy and Power plc (continued)

Key audit matters (continued)

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter: Accuracy and completeness of equity
In the current year, the Group entered into a large number of transactions impacting equity which include share issues, share warrants and other equity settled transactions with third parties.
Given the qualitative and quantitative impact on the share structure of the Group and the judgements and estimates required to be taken by management to value share transactions, this financial statement area is considered to be an audit risk that could result in a material misstatement.

How we addressed the key audit matter in the audit
We obtained an understanding of the nature of equity transactions entered into by the Company during the year through discussions with management a review of regulatory news service announcements and from the review of Board minutes and key contracts.

Our specific audit included:

- the verification of share issues through the review of the originating agreements, share registers and the re-performance of the valuations in order to assess the reasonableness of judgements and estimates applied by management.
- running sensitivity analysis on inputs applied by management in valuation models to determine whether the values determined by management were within an acceptable range, and
- substantively testing the costs associated with the share issues and ensuring the correct accounting treatment was adopted.

Our application of materiality

Group materiality was $155,000 (2017: $480,000) based on 7.5% of loss before tax.

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We consider loss before tax to be the most relevant consideration of the Group's financial performance as the majority of the costs are expensed whilst the Group continues to develop and build on its asset acquisition strategy. In performing the audit we applied a lower level of performance materiality in order to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds financial statement materiality. Performance materiality for the financial statements was set at $116,000 (2016: $360,000), being 75% of financial statement materiality, having taken into consideration the historic level of uncorrected misstatements and non-complex nature of the Group.

Whilst materiality for the financial statements as a whole was $155,000, each significant component of the Group was audited to a lower level of materiality ranging from $20,000 to $125,000. Such materiality levels are used to determine the financial statement areas that are included within scope of our audit and the extent of sample sizes tested during the audit.

We agreed with the Audit Committee that we would report to the Committee all individual audit differences identified during the course of our audit in excess of $3,000 (2016: $10,000). There were no misstatements identified during the course of our audit that were individually, or in aggregate, considered to be material in terms of their absolute monetary value or on qualitative grounds.

An overview of the scope of our audit

Our Group audit scope focused on the Group's parent company, Andalas Energy and Power plc ("Andalas"). Andalas was subject to a full scope audit. The significant component identified was Corvette Energy (Singapore) Pte Ltd ("Corvette") which was also subject to a full scope audit. Desktop reviews and analytical work was performed on the non-significant component. All audit work was undertaken by BDO LLP.

Independent auditor's report to the members of Andalas Energy and Power plc (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:
https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 15 May 2018. 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.

BDO LLP
Chartered Accountants
2 July 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ANDALAS ENERGY AND POWER PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 APRIL 2018

	Note	2018 $'000s	2017 $'000s
Asset evaluation expense	4	**(282)**	**(2,481)**
Readmission costs	4	**-**	**(446)**
Other administrative expenses	4	**(879)**	**(1,390)**
Total administrative expenses	4	**(1,161)**	**(4,317)**
Operating loss		**(1,161)**	**(4,317)**
Finance costs	3	**(173)**	**(284)**
Loss before tax		**(1,334)**	**(4,601)**
Tax expense	9	**-**	**-**
Loss after tax attributable to owners of the parent		**(1,334)**	**(4,601)**
Total comprehensive loss for the year attributable to owners of the parent		**(1,334)**	**(4,601)**
Basic and diluted loss per share attributable to owners of the parent during the year (expressed in US cents per share)	6	**(0.03)**	**(0.19)**

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing.

The accounting policies and notes on pages 16 to 32 form part of these Financial Statements.

ANDALAS ENERGY AND POWER PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2018

Isle of Man Company Number 010493V

	Note	**2018 $'000s**	2017 $'000s
Assets			
Non-current assets			
Available for sale financial assets	10	**207**	**-**
Total non-current assets		**207**	**-**
Current assets			
Other receivables	11	861	158
Cash and cash equivalents		38	8
Total current assets		**899**	**166**
Total assets		**1,106**	**166**
Liabilities			
Current liabilities			
Trade and other payables	12	(1,045)	(1,546)
Borrowings	15	-	(649)
Total liabilities		**(1,045)**	**(2,195)**
Net Assets/(liabilities)		61	(2,029)
Equity attributable to the owners of the parent			
Share premium	14	13,377	10,084
Accumulated deficit		(13,316)	(12,113)
Total shareholder funds/(deficit)		**61**	**(2,029)**

The Financial Statements were approved and authorised for issue by the Board of Directors on 2 July 2018 and were signed on its behalf by

Simon Gorringe
Director

The accounting policies and notes on pages 16 to 32 form part of these Financial Statements.

ANDALAS ENERGY AND POWER PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 APRIL 2018

	Share premium $'000s	Accumulated deficit $'000s	Total equity $'000s
Balance at 30 April 2017	**6,124**	**(7,624)**	**(1,500)**
Loss for the year	-	(4,601)	(4,601)
Total comprehensive income	**-**	**(4,601)**	**(4,601)**
Transactions with equity shareholders of the parent			
Proceeds from shares issued	2,513	-	2,513
Share based payments and other share issues	1,749	-	1,749
Settlement of loan note	856	-	856
Cost of share issues	(1,158)	-	(1,158)
Share warrants issued	-	112	112
Balance at 30 April 2017	**10,084**	**(12,113)**	**(2,029)**
Loss for the year	-	(1,334)	(1,334)
Total comprehensive income	**-**	**(1,334)**	**(1,334)**
Transactions with equity shareholders of the parent			
Proceeds from shares issued	3,632	-	3,632
Share warrants issued	(89)	131	42
Consideration shares	35	-	35
Cost of share issues	(285)	-	(285)
Balance at 30 April 2018	**13,377**	**(13,316)**	**61**

The accounting policies and notes on pages 16 to 32 form part of these Financial Statements.

ANDALAS ENERGY AND POWER PLC
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 APRIL 2018

	Note	2018 $'000s	2017 $'000s
Cash flows from operating activities:			
Net loss for the year		**(1,334)**	(4,601)
Adjustments for:			
Share-based payment		**-**	647
Finance cost	3	**173**	284
IPO costs		**-**	446
Change in working capital items:			
Decrease/(Increase) in other receivables	11	**124**	220
Increase in trade and other payables	12	**(741)**	294
Net cash used in operations		**(1,778)**	(2,710)
Cash flows from financing activities			
Proceeds from issue of share capital	14	**2,805**	2,513
Share issue costs	14	**(217)**	(495)
Proceeds from borrowings	15	**-**	502
Cost of borrowings	15	**-**	(37)
Repayment of borrowings	15	**(781)**	-
Finance costs		**-**	(7)
Net cash generated by financing activities		**1,807**	2,476
Net decrease in cash and cash equivalents		**29**	(234)
Cash and cash equivalents, at beginning of the year		**8**	290
Effect of foreign exchange rate changes		**1**	(48)
Cash and cash equivalents, at end of the year		**38**	8

Major Non Cash Transactions

Details of major non-cash transactions are described in note 13 share based payments, in note 14 share capital and note 15 borrowings.

The accounting policies and notes on pages 16 to 32 form part of these Financial Statements.

1 General information

The principal activity of Andalas Energy and Power PLC ('the Company') during the year was as an energy business focussed on the Republic of Indonesia. As at the year end, the Company was domiciled in the Isle of Man and listed on the AIM market of the London Stock Exchange.

1.1 New standards, interpretations and amendments not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, were in issue but not yet effective, and have not been early adopted by the Group:

- IFRS 15, Revenue from contracts with customers
- IFRS 16, Leases
- IFRS 9, Financial instruments
- Amendments to IAS 12, recognition of deferred tax assets for unrealised losses*
- Amendments to IFRS 2, classification and measurement of share-based payment transactions

* not yet endorsed by the EU

Whilst the Directors do not anticipate the adoption of these standards and interpretation in future reporting periods will have a material impact on the Group's financial statements.

The only standard that is anticipated to be significant or relevant to the Group is IFRS 9 "Financial Instruments". The new standard will replace existing accounting standard, IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 will require all equity investments to be measured at fair value. The default approach is for all changes in fair value to be recognised in profit or loss (FVPL). However, for equity investments that are not held for trading, the Group can make an irrevocable election at initial recognition to classify the instruments at FVOCI, with all subsequent changes in fair value being recognised in other comprehensive income (OCI). This election is available for each separate investment. The Group currently has no investments classified as held for trading and will account for future subsequent changes in fair value through other comprehensive income.

IFRS 15 'Revenue from Contracts with Customers' is intended to introduce a single framework for revenue recognition and clarify principles of revenue recognition. This standard modifies the determination of when to recognise revenue and how much revenue to recognise. The new standard becomes mandatory for financial years beginning on or after 1 January 2018. The adoption of this standard is not expected to have a material impact in the future periods until the Group commences generating revenues from its exploration projects.

The future adoption of IFRS 16 "Leases", expected from 1 January 2019, provides for a new model of lessee accounting in which all leases, other than short-term and small-ticket-items leases, will be accounted for by the recognition on the balance sheet of a right-to-use asset and an associated lease liability, with the subsequent amortisation of the right-to-use asset over the lease term. However, as the Group has no leases other than short-term, the expected impact of the adoption of IFRS 16 is immaterial.

1.2 New standards, interpretations and amendments effective in year

There were no new standards adopted by the Group during the year. As the Group does not have any revenue at present or any material leases the Directors do not consider there will be any impact of IFRS 15 and IFRS 16 respectively. The Group will continue to assess the impact of IFRS 9 on its financial assets and financial liabilities however, note the Directors do not consider there will be a material impact of the new standard.

2 Summary of significant accounting policies

2.1. Basis of Preparation

The Consolidated Financial Statements have been prepared under the historical cost convention, as modified for financial assets and financial liabilities at fair value through profit or loss and in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, as adopted by the EU. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The consolidated financial statements are presented in thousands of US Dollars ($’000).

2.2. Basis of Consolidation

The consolidated Financial Statements consolidate the Financial Statements of Andalas Energy and Power PLC (the “Company” or “Andalas”) and its subsidiary undertakings made up to 30 April 2018.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the Statement of Comprehensive Income. Any investment retained is recognised at fair value at the date when control is lost.

The parent of the Group has shareholdings in the following entities;

Name	Interest 2018	Interest 2017	Country of incorporation	Nature of business
Corvette Energy Services (Singapore) Pte. Ltd	100%	100%	Singapore	Trading subsidiary
Corvette Energy Services Limited	100%	100%	UK	Dormant
Peelwood Pty Ltd	20%	20%	Australia	Mineral Exploration
Eagle Gas Limited	14.75%	-	UK	Gas Exploration

2.3. Interest Expense

Interest expense on borrowings is recognised within "finance costs" in the Statement of Comprehensive Income using the effective interest rate method.

2.4. Intangible assets

Pre-licence costs incurred prior the acquisition of a licence or asset are expensed as incurred.

2.5. Investments

Investments are classified as either held for trading or available-for-sale. There are currently no investments classified as held for trading. Available-for-sale investments are held at fair value if this can be reliably measured. If the equity instruments are not quoted in an active market and their fair value cannot be reliably measured, the available-for-sale investment is carried at cost, less accumulated impairment. Unless the valuation falls below its original cost, gains and losses arising from changes in fair value of available-for-sale assets are recognised directly in equity. On disposal the cumulative net gain or loss is transferred to the statement of comprehensive income. Valuations below cost are recognised as impairment losses in the income statement. Investments are entities over which the Group does not have significant influence or control, generally accompanied by a shareholding giving rise to voting rights of 20% or less. Investments in these companies are carried at cost less accumulated impairment losses in the Group's Statement of Financial Position. On disposal of these investments the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss. Contingent consideration is recorded at fair value, when on balance of probabilities, the conditions triggering the payment of the consideration are expected to be met. The assessment is made on the original date of the transaction.

2.6. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments and make strategic decisions, has been identified as the Directors of the Group.

2.7. Going Concern

The financial statements have been prepared on a going concern basis. The Company raises money to support its corporate overheard, its operations and capital projects as and when required. The Group requires additional funding to meet its daily working capital needs, to settle its outstanding liabilities and in order to fund the development of its projects. As additional funding is required in order to settle outstanding liabilities, to meet on going working capital needs and to raise finance to fund project development there can be no assurance that the Group's projects will be developed in accordance with current plans or completed on time or to budget. Therefore future work on the development of the Group's projects and financial returns arising therefrom may be adversely affected by factors outside the control of the Group which are inherently linked to the availability of funding for the Group.

The Directors remain confident that the potential income stream from the development of its projects, the continued deferral of remuneration by the Directors and senior consultants, together with the Directors historic ability to raise additional funds and the availability, subject to mutual agreement, of the Volantis loan note facility, will enable the Group to settle its outstanding liabilities, finance its future working capital and fund the development cost requirements of its projects beyond the period of twelve months from the date of approval of this report. However, there are no confirmed funding arrangements in place at present; as such there can be no guarantee that the required funds to settle current liabilities, meet future working capital requirements and fund future development costs will be available to the Group within the necessary timeframe. Consequently a material uncertainty exists that may cast significant doubt on the Group's ability to fund this cash shortfall and therefore be able to meet its commitments and discharge its liabilities in the normal course of business for a period not less than twelve months from the date of approval of these financial statements. The financial statements do not include the adjustments that would result if the Group were unable to continue in operation.

2.8. Financial assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position. Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated. Financial assets include available for sale investments (note 2.5)

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor; and
- a breach of contract, such as a default or delinquency in interest or principal repayments.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income ("SOCI")

2.9. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash.

2.10. Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group classifies financial liabilities into one of three categories. The accounting policy for each category is as follows:

2.10.1 Borrowings

Borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

2.10.2 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

2.10.3 Convertible loan notes

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debt option reserve" within shareholders' equity, net of income tax effects.

2.11. Equity

Equity comprises the following:
- “Share premium” represents the premium paid on Ordinary Shares issued of no par value.
- “Accumulated deficit” represents retained losses.

Equity instruments issued to a creditor to extinguish all or part of a financial liability are recognised at their fair value.

2.12. Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

2.13. Foreign Currency Translation

- **Functional and presentational currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The Financial Statements are presented in US Dollars ($). The parent company’s functional currency is US Dollars (US$) and the subsidiary entities functional currency is US Dollars (US$).

- **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period-end of monetary assets and liabilities denominated in foreign currencies, are recognised in the Consolidated SOCI.

2.14. Share Based Payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant with the charge being spread over the vesting period or over the period the goods and services are received. Where share based payments are contingent on a future event the share based payment charge is not recognised until the event is considered probable. The equity-settled share-based payments are expensed to the consolidated statement of comprehensive income. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received when the goods are received or the service is delivered, except where it is in respect to costs associated with the issue of securities, in which case it is charged to share premium.

2.15. Taxation

Tax expense represents the sum of the current tax payable and deferred tax. The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Tax is charged or credited in the consolidated statement of comprehensive income, except when it relates to items charged or credited directly to equity or in other comprehensive income, in which case the tax is also dealt with in equity or other comprehensive income respectively. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates and laws substantively enacted by the reporting date. Deferred tax assets and liabilities are offset when there exists a legal and enforceable right to offset and they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.16. Critical Accounting Estimates and Judgements

Use of Estimates and Judgements

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Share based payments (note 13)
The Group has made awards of options and warrants over its un-issued capital. The valuation of these options and warrants involves making a number of estimates relating to price volatility, future dividend yields, expected life and forfeiture rates.

b) Going concern (note 2.7)
The Group made a loss in the year and has a net liability position at the year end. The board has prepared a budget and considered its ability to continue as a going concern, together with the Directors historic ability to raise additional funds will enable the Group to finance its future working capital and development cost requirements beyond the period of twelve months from the date of this report.

c) Available for sale investments (note 10)
The Group acquired an interest in an available for sale investment in the period. The Directors consider the fair value of the investment at the balance sheet date. The board reviews the carrying value for indications of fair value or indication of changes in value.

3. Finance income and Finance costs

	Year ended 30 April 2018	Year ended 30 April 2017
Finance expense	**$'000**	**$'000**
Bank charges and finance expense on borrowings	173	173
Foreign exchange loss	-	111
	173	**284**

4. Administration expenses

Administration fees and expenses consist of the following:	**2018**	2017
	$'000	$'000
Audit fees	38	34
Professional fees	284	360
Administration costs	51	68
Directors' fees (Note 7)	506	928
Total corporate overhead	**879**	**1,390**
Office costs	26	80
Professional fees	-	51
Consulting expenses	40	1,439
Travel and accommodation	216	447
Share based payment expense (Note 13 and 14)	-	464
Asset evaluation and energy business expense	**282**	**2,481**
Readmission costs	-	446
Total	**1,161**	**4,317**

Share based payment expense includes $Nil (2017: $112,457) relating to options granted to advisors as described in note 13 and $Nil (2017: $351,040) relating to the issue of shares in settlement of Corsair carried interest as described in note 14.

5. Segmental analysis

In the opinion of the Directors, the operations of the Group comprise one single operating segment comprising that of developer of gas to power projects in the Republic of Indonesia. The Group only has one reportable segment and the Directors consider that the primary financial statements presented substantially reflect all the activities of this single operating segment.

6. Loss per Share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2018	2017
	$'000s	$'000s
Loss attributable to owners of the Group	**(1,334)**	(4,601)
Weighted average number of ordinary shares in issue (thousands)	**4,752,183**	2,420,989
Loss per share (US cents)	**($0.03)**	($0.19)

In accordance with International Accounting Standard 33 'Earnings per share', no diluted earnings per share is presented as the Group is loss making. Details of potentially dilutive share instruments are detailed in notes 13, 14 and 15.

7. Staff Costs (including Directors)

The group employed an average of 6 individuals during the year, including the directors (2017: 6).

	2018	2017
	$'000	$'000
Directors' remuneration	**506**	890
Share based payments	**-**	38
	506	928

Key management of the Group are considered to be the Directors and the remuneration of those in office during the year was as follows:

	Short term employee benefits	**Social security payments**	**Pension contribution**	**Termination**	**Waiver of arrears**	**Total 2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
David Whitby [(2)]	240	-	**-**	120	(226)	**134**
Paul Warwick [(1)]	30	4	**-**	-	-	**34**
Daniel Jorgensen	140	25	40	-	(100)	**105**
Ross Warner	180	-	**-**	-	(100)	**80**
Simon Gorringe	180	-	**-**	-	(100)	**80**
Graham Smith	12	-	**-**	-	-	**12**
Robert Arnott	54	7	**-**	-	-	**61**
Total Key Management	**836**	**36**	**40**	**120**	**(526)**	**506**

[(1)] Only a Director until 31 October 2017.
[(2)] Only a Director until 29 April 2018.

On 29 April 2018 the Company entered into a termination agreement with David Whitby under which it was agreed that he step down as Chairman and Director of the Company with immediate effect. The Company agreed to settle claims to all outstanding remuneration and his contractual 6 months' notice for $52,500 (£38,000) as part of this David Whitby waived his contractual entitlements relating to unpaid remuneration and notice period for his service totalling $225,518 (£163,400).

7. Staff Costs (including Directors) (continued)

Also on 29 April 2018 each of Daniel Jorgensen, Ross Warner and Simon Gorringe agreed to each waive $100,000 of contractual unpaid remuneration for $nil consideration. Details of amounts due at 30 April 2018 and 30 April 2017 are detailed in note 18.

Prior year disclosure:

	Short term employee benefits $'000	Share based payments $'000	Total 2017 $'000
David Whitby [2]	240	-	**240**
Paul Warwick [1]	60	8	**68**
Daniel Jorgensen [1]	180	25	**205**
Ross Warner [2]	180	-	**180**
Simon Gorringe [2]	180	-	**180**
Graham Smith [1]	13	-	**13**
Robert Arnott [1]	37	5	**42**
Total Key Management	**890**	**38**	**928**

[1] Certain Directors elected to defer settlement of 100% of their 2017 salary during the year.
[2] Certain Directors elected to defer settlement of 25% of their 2017 salary during the year.

8. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Board of Directors seek to identify and evaluate financial risks.

Market risk

(a) Foreign currency exchange risk

Foreign exchange risk arises because the Group entities enter into transactions in currencies that are not the same as their functional currencies, resulting in gains and losses on retranslation into US Dollars. It is the Group's policy to ensure that individual Group entities enter into local transactions in their functional currency wherever possible and that only surplus funds over and above working capital requirements should be transferred to the treasury of the Parent Company. The Group and Company considers this policy minimises any unnecessary foreign exchange exposure. Despite this policy the Group cannot avoid being exposed to gains or losses resulting from foreign exchange movements. At the reporting date a 10% increase (decrease) in the strength of the US Dollar would result in a corresponding reduction of $30,000 (2017: $160,000) (increase of $30,000 (2017:$160,000) in the net liabilities of the Group.

(b) Cash flow interest rate risk

The Group's cash and cash equivalents are invested at short term market interest rates. As market rates are low the Group is not subject to significant cash flow interest rate risk and no sensitivity analysis is provided. The Group is also not subject to significant fair value interest rate risk. No interest rate sensitivity has been presented as it is considered not material.

8. Financial risk management (continued)

	2018	2017
	$'000	$'000
Cash & Cash Equivalents		
USD	**16**	**7**
GBP	**22**	**1**
Total Financial Assets	**38**	**8**
Borrowings		
GBP	**-**	**649**
	-	**649**
Trade & other payables		
USD	**780**	**683**
AUD	**28**	**86**
GBP	**210**	**758**
Other	**27**	**19**
	1,045	**1,546**
Total Financial Liabilities	**1,045**	**2,195**

(c) Credit risk

Credit risk arises on investments, cash balances and receivable balances. The amount of credit risk is equal to the amounts stated in the Statement of Financial Position for each of these assets. Cash balances and transactions are limited to high-credit-quality financial institutions. There are no impairment provisions as at 30 April 2018 (2017: nil).

Credit risk also arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Group will only keep its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'B'.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group has adopted a policy of maintaining surplus funds with approved financial institutions.

Management of liquidity risk is achieved by monitoring budgets and forecasts against actual cash flows. Where the Group entered into borrowings during the year management monitor the repayment and servicing of these arrangements against the contractual terms and reviewed cash flows to ensure that sufficient cash reserves were maintained. Further detail on liquidity risk is set out in note 2.7

Residual undiscounted contractual maturities of financial liabilities:	0-12 months	No stated maturity
	$'000	$'000
30 April 2018		
Trade and other payables	1,045	-
Total	**1,045**	**-**

8. Financial risk management (continued)

Residual undiscounted contractual maturities of financial liabilities:

	0-12 months $'000	No stated maturity $'000
Borrowings	726	-
Total	**726**	**-**

Capital Risk Management

The Directors determine the appropriate capital structure of the Group, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt), in order to finance the Group's business strategy.

The Group's policy in the long term is to seek to maintain the level of equity capital and reserves is to maintain an optimal financial position and gearing ratio which provides financial flexibility to continue as a going concern and to maximise shareholder value. The capital structure of the Group consists of shareholders' equity together with net debt (where relevant). The Group's funding requirements are currently met through equity. Further details are included in the Group's going concern disclosure in the Directors' report.

9. Taxation

The Company is resident for tax purposes in the Isle of Man and is subject to Isle of Man tax at the current rate of 0% (2017: 0%). The Company has a subsidiary in Singapore and also has an investment in Peelwood Pty Ltd (a company resident in Australia) and Eagle Gas Limited (a company resident in the UK) and will therefore be subject to tax on distributions and gains levied by those jurisdictions.

	2018 $'000	2017 $'000
Current tax charge	-	-
Deferred tax charge	-	-
Total taxation charge	-	-

Taxation reconciliation

The charge for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	2018 $'000	2017 $'000
Loss before income tax	**(1,334)**	(4,601)
Tax on loss at the weighted average Corporate tax rate of 0% (2017: 0%)	-	-
Total income tax expense	-	-

The deferred tax asset has not been recognised for in accordance with IAS 12. The Group does not have a material deferred tax liability at the year end.

10. Available for sale investments

	30 April 2018	30 April 2017
	US$'000	US$'000
Brought forward	**-**	-
Additions	**207**	-
Fair value at year end	**207**	-

On 29 April 2018 the Company entered into a subscription agreement with Eagle Gas Limited, a UK private company. Under this agreement the Company acquired a 14.75% interest in Eagle Gas Limited in exchange for cash of $172,500 (£125,000) in cash and the issue of 147,058,824 nil par value shares in the Company equating to $34,500 (£25,000). In addition the Company will pay contingent consideration of a further 147,058,824 ordinary shares in the Company upon Eagle Gas Limited continuing in the licence P2112 beyond 31 December 2018 or the acquisition of an additional interest agreed by the Company, which are outside of the control of the Company and therefore not yet recorded.

On 18 December 2013 the Company entered an Option Agreement with ASX-listed Company Balamara Resources to farm into its Peelwood concession located in NSW, Australia. Under the agreement the Company, could earn into 49% of Peelwood. This option was partly exercised on 28 January 2014 earning the Company 20% of the concession at a cost of AUD 200,000 or US$179,000. Further rights to exercise options have now lapsed. The investment is carried at no book value (2017: $Nil).

a) Fair value estimation

Financial instruments held by the Group carried at fair value comprise one unquoted investment, valued in accordance with the accounting policy set out in Note 2.9.

The Group measures fair value by using the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. Where investments have recently been made the cost of the transaction is deemed the best evidence of market value in the absence of any significant changes. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2; otherwise they are classified as level 3. All the Group's investments are included within level 3 and are designated financial assets at fair value through profit or loss:

Level 3 inputs

The following table gives information about how the fair values of Group's investments are determined (in particular, the valuation techniques and inputs used).

10. Financial assets at fair value through profit or loss (continued)

Assets and liabilities	Nature of investment	Fair value as at 30 April 2018	Fair value as at 30 April 2017	Valuation techniques and key inputs	Significant unobservable input
Available for sale	14.75% of equity investment in Eagle Gas Ltd	USD 207,000	N/A	Recent purchase price and market knowledge	Expected realisable value from sale
Financial assets at fair value through profit or loss	20% of equity investment in Peelwood Pty Ltd	USD Nil	USD Nil	Purchase price and market knowledge	Expected realisable value from sale

11. Other receivables

	2018 $'000	2017 $'000
Other receivables and prepayments	**861**	158

On 29 April 2018 the Company completed a placing for $827,000 (£600,000) via the issue of 3,529,411,765 new ordinary shares at a price of 0.017pence per share. As at the 30 April 2018 the shares had been issued but the placing had not settled at year end but the issue of the shares completed post year end.

The fair values are as stated above equate to their carrying values as at the year end. The financial assets were not past due and were not impaired and were all denominated in US$.

12. Trade and other payables

	2018 $'000	2017 $'000
Trade payables	509	1,012
Accruals and other payables	536	534
	1,045	**1,546**

The amounts included in trade and other payables are payable on demand.

13. Share based payments

The following is a summary of the share options and warrants outstanding and exercisable as at 30 April 2018 and 30 April 2017 and the changes during each year:

	Number of options and warrants	Weighted average exercise price (Pence)
Outstanding and exercisable at 1 May 2016	102,595,329	0.762
Options granted as consideration	66,666,666	0.220
Lapsed options	(25,000,000)	(0.175)
Outstanding and exercisable at 30 April 2017	**144,261,995**	**0.612**
Warrants granted for services	626,244,344	0.056
Warrants granted with share issue	`638,569,604	0.050
Outstanding and exercisable at 30 April 2018	**1,409,075,943**	**0.110**

13. Share based payments (continued)

The above weighted average exercise prices have been expressed in pence and not cents due to the terms of the options and warrants. The following share options or warrants were outstanding and exercisable in respect of the ordinary shares:

Grant Date	Expiry Date	30 April 2017	Issued	Expired	30 April 2017	Issued	30 April 2018	Exercise Price
Warrant								
07.12. 13	07.12.18	10,839,750	-	-	10,839,750	-	10,839,750	2.00p
24.01.14	24.01.19	26,410,714	-	-	26,410,714	-	26,410,714	1.00p
13.05.16	13.05.21	-	42,000,000	-	42,000,000	-	42,000,000	0.20p
31.01.17	31.01.22	-	10,000,000	-	10,000,000	-	10,000,000	0.20p
31.01.17	31.01.22	-	8,000,000	-	8,000,000	-	8,000,000	0.25p
31.01.17	31.01.22	-	6,666,666	-	6,666,666	-	6,666,666	0.30p
22.05.17	22.05.22	-	-	-	-	15,000,000	15,000,000	0.10p
22.05.17	22.05.22	-	-	-	-	35,000,000	35,000,000	0.10p
31.07.17	31.07.22	-	-	-	-	150,000,000	150,000,000	0.10p
19.08.17	19.08.22	-	-	-	-	90,769,231	90,769,231	0.06p
01.09.17	01.09.22	-	-	-	-	70,769,231	70,769,231	0.06p
06.12.17	06.17.22	-	-	-	-	638,569,604	638,569,604	0.05p
29.04.18	29.04.21	-	-	-	-	264,705,882	264,705,882	
Options								
07.12.13	07.12.18	6,000,000	-	-	6,000,000	-	6,000,000	2.00p
04.02.15	04.02.17	25,000,000	-	(25,000,000)	-	-	-	0.175p
05.06.15	05.06.18	34,344,865	-	-	34,344,865	-	34,344,865	0.40p
		102,595,329	**66,666,666**	**(25,000,000)**	**144,261,995**	**1,264,813,948**	**1,409,075,943**	

The new options and warrants have been valued using the Black-Scholes valuation method and the assumptions used are detailed below. The expected future volatility has been determined by reference to the historical volatility:

Grant date	Share price at grant	Exercise price	Volatility	Option life	Dividend yield	Risk-free investment rate	Fair value per option
Current year							
22.05.17	0.1p	0.1p	40%	5 years	0%	3%	0.051 cents
31.07.17	0.073p	0.1p	40%	5 years	0%	3%	0.028 cents
19.08.17	0.065p	0.065p	40%	5 years	0%	3%	0.033 cents
01.09.17	0.065p	0.065p	40%	5 years	0%	3%	0.033 cents
06.12.17	0.05p	0.05p	40%	5 years	0%	3%	0.017 cents
29.04.18	0.017p	0.017p	40%	3 years	0%	3%	0.007 cents
Prior year							
13.05.16	0.2p	0.2p	124%	5 years	0%	3%	0.241 cents
31.01.17	0.14p	0.2p	40%	5 years	0%	3%	0.049 cents
31.01.17	0.14p	0.25p	40%	5 years	0%	3%	0.037 cents
31.01.17	0.14p	0.30p	40%	5 years	0%	3%	0.030 cents

The Group recognised $131,000 (30 April 2017: $112,457) relating to equity-settled share based payment transactions during the year arising from Option or Warrant grants, which was charged $89,000 in respect of services performed in connection with the issue of new shares charged to share premium and $42,000 charged to interest as it related to a loan extension fee paid.

13. Share based payments (continued)

There are 103,034,596 of unvested options at the year end, that are held by certain Directors and consultants, which vest in three equal tranches relating to acquiring an economic interest in a first concession in Indonesia, an interest in a second concession in Indonesia and gross production from its interest in Indonesian projects exceeding 400BOPED. As the triggers for the grant of the tranches have not occurred at the reporting date no share based payment charge arises. For the share options and warrants outstanding as at 30 April 2018, the weighted average remaining contractual life is 4.55 years (30 April 2017: 2.75 years).

Prior year

On 13 May 2016 the Company issued one warrant for every four shares in issue at 11 May 2016. Accordingly the Company issued 179,536,826 warrants on 13 May 2016 that were exercisable at 0.2pence per share on or before 31 May 2016. Prior to maturity 12,007,661 warrants were exercised and issued on 31 May 2016 as disclosed in note 14. The remainder lapsed unexpired.

Please refer to the Directors' Report for details of shares, options and warrants held by the Directors at 30 April 2018 and 2017. Details of warrants and options issued post year end are included in note 19.

14. Share capital

All shares are Nil Coupon fully paid and each ordinary share carries one vote. No warrants have been exercised at the reporting date.

Allotted, called-up and fully paid:	Number	Pence per share	Share premium $'000s
Balance at 30 April 2016	**718,147,302**		**6,124**
13/05/2016 – equity placing for cash	825,000,000	0.200	2,405
13/05/2016 – equity placing with directors	25,000,000	0.200	73
Cost of issue	-	-	(1,158)
13/05/2016 – loan note settlement*	300,000,000	0.200	856
13/05/2016 – share based payments*[(2)]	314,750,000	0.200	898
13/05/2016 – settlement of Director payables [(1)]	142,834,558	0.200	408
13/05/2016 – issue of shares in respect of Corsair settlement [(2)]	122,406,940	0.200	349
31/05/2016 – equity placing	12,007,661	0.200	34
07/07/2016 – share based payments*[(3)]	32,389,530	0.200	93
07/07/2016 – issue of Corsair settlement [(4)]	631,984	0.200	2
Balance at 30 April 2017	**2,493,167,975**		**10,084**
22/05/17 – Equity placing	600,000,000	0.100	776
Cost of issue	-	-	(48)
18/08/17 – Equity placing	1,615,384,615	0.065	1,362
Cost of issue	-	-	(178)
25/11/17 – Equity placing	1,277,139,208	0.03915	667
Cost of issue	-	-	(68)
30/04/18 – Equity placing*	3,529,411,765	0.017	827
Cost of issue	-	-	(80)
30/04/18 – Consideration shares*	147,058,824	0.017	35
Balance at 30 April 2018	**9,662,162,387**		**13,377**

* Non-cash item per the consolidated cash flow statement. The 30 April 2018 share issues were non-cash items because whilst the Company was legally required to issue the shares the transactions had not yet completed.

[(1)] Issue of shares in settlement of brought forward amounts payable to Directors.

[(2)] Issue of shares to advisors in relation to fees related to the equity placing and the readmission.

[(3)] Issue of shares in relation in relation to settlement of third party liabilities.

[(4)] Issue of shares in respect of the settlement of the Corsair carried interest as disclosed in the Companies admission document of 27 April 2016.

14. Share capital (continued)

On 4 June 2015, the Company entered into an agreement ("the agreement") with Corsair Petroleum (Singapore) Pte Ltd, ("Corsair"), which was a company in which each of David Whitby, Ross Warner and Simon Gorringe had a 25 per cent. beneficial interest. Following the agreement, David Whitby, previously unconnected to the Company joined the board as Chief executive officer. This arrangement established that Corsair would introduce oil and gas concessions in Indonesia to the Company and also set out the means by which Corsair was to be remunerated for this, which was as follows:

- 31,250,000 Ordinary Shares to be issued on closing of the Assignment Agreement and 34,344,865 Corsair Options which vest on closing of the Assignment Agreement (issued on 06/05/2015)
- up to an additional 93,750,000 Corsair Contingent Consideration Shares in three equal tranches (of 31,250,000 Ordinary Shares) on the occurrence of each of the following three milestones: (i) the acquisition by the Company of one concession in Indonesia; (ii) the acquisition by the Company of a second concession in Indonesia; and (iii) gross production from projects in which the Company has an economic interest exceeding 400 bopd for a period of 30 days (together "the Milestones"); and
- up to an additional 103,034,596 Corsair Options which vest in three equal tranches of 34,344,865 upon the occurrence of each of the milestones.
- The Agreement also contains provisions whereby Corsair will have a carried interest in oil and gas concessions introduced by it and a share of future revenues from these concessions. ("carried right")

On 27 April 2018 it was agreed with Corsair that the carried right arrangement was to be replaced by equity and subsequently on 13 May 2016 and 7 July 2016 the Company issued 123,038,924 (split 122,406,940 and 631,984). Further details of these transactions can be found in the Company's admission document dated 27 April 2016.

At the period end the Company continues to have the obligation under the original Corsair assignment agreement to issue a further 93,750,000 shares subject to the Milestones described above being achieved but as at the reporting date the Company had not recorded these as a liability as at the reporting date because the milestones had not yet been achieved. Other than the Corsair consideration options (note 13) and the Corsair consideration shares there were no other obligations to Corsair at 30 April 2018.

15. Borrowings

	Loan note		**Convertible Loan**	
	2018	**2017**	**2018**	**2017**
	$'000s	**$'000s**	**$'000s**	**$'000s**
Brought forward	**649**	**-**	**-**	**876**
Converted into equity	**-**	**-**	**-**	**(856)**
Drawdown	**-**	**502**	**-**	**-**
Costs of issue	**-**	**(37)**	**-**	**-**
Imputed interest charge	**128**	**166**	**-**	**-**
Foreign currency effect	**4**	**18**	**-**	**(20)**
Settled for cash	**(781)**	**-**	**-**	**-**
Carried forward	**-**	**649**	**-**	**-**

The principal terms and the debt repayment schedule of the Group's unsecured loans and borrowings during the prior year were as follows:

	Currency	Interest rate	Effective interest rate	Date of maturity
Loan note	GBP	Nil coupon	89.06%	28.07.2017
Convertible loan notes	GBP	Nil coupon	n/a	No fixed maturity

15. Borrowings (Continued)

On 26 November 2017, 1798 Volantis Fund Ltd ("Volantis"), agreed to provide the Company with up to £2,000,000 face value (issue price £1,800,000) of follow-on finance via the issue of a convertible loan note facility:

- The first £500,000 draw down is subject to mutual agreement and will be no earlier than 1 March 2018, or such other date as agreed in writing.
- Three further drawdowns of £500,000 are also subject to mutual agreement and can be drawn down quarterly thereafter, or such other date as agreed in writing.

No draw down under the convertible loan note had occurred at year end and no draw down had occurred post year end.

16. Capital Commitments

There were no capital commitments authorised by the Directors or contracted other than those provided for in these financial statements as at 30 April 2018 (30 April 2017: None).

17. Ultimate Controlling party

As at the reporting date, the Directors have not identified an ultimate controlling party.

18. Related party transactions

Details of Directors remuneration are disclosed in Note 7 Directors Remuneration. For details of any related party transactions entered into after the year-end please refer to Note 19 Subsequent Events.

As at 30 April 2018 the following balances were included in trade payables and were outstanding in respect of Directors remuneration or remuneration incurred prior to their appointment as a Director at the year end.

	30 April 2018 $'000	**30 April 2017 $'000**
David Whitby [1]	n/a	60
Paul Warwick [2]	n/a	60
Daniel Jorgensen [3]	87	180
Ross Warner [3]	-	45
Simon Gorringe [3]	-	45
Graham Smith [4]	9	4
Robert Arnott	71	37
Total Key Management	**167**	**431**

(1) Resigned as a Director prior to 30 April 2018. A payment of $52,500 in full settlement of historical amounts payable was made post year end.
(2) Not a Director at year end.
(3) Amounts stated are net of $100,000 waiver of contracted but unpaid fees to each of Ross Warner, Simon Gorringe and Daniel Jorgensen.
(4) The amounts payable to Graham Smith relate to his services as a Director and are payable to FIM Capital Limited a company of which Graham Smith is a Director.

The balances due were accrued in accordance with their contracts and will be settled in the future for either equity or cash at such time as the Company has the financial resources available to settle them.

19. Events after the reporting date

There were no material events after the reporting date.