ANDALAS ENERGY AND POWER PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

ANDALAS ENERGY AND POWER PLC
CORPORATE INFORMATION

Directors	David Whitby Paul Warwick Daniel Jorgensen Simon Gorringe Ross Warner Graham Smith Dr Robert Arnott
Company Number	010493V
Registered Office	IOMA House Hope Street Douglas Isle of Man IM1 1AP
Independent Auditors	BDO LLP 55 Baker Street London W1U 7EU
Solicitors	Watson Farley & Williams Asia Practice LLP 6 Battery Road #28-00 Singapore 049909
Nominated Advisor and Joint Broker	Cantor Fitzgerald Europe One Churchill Place London E14 5RB
Joint Brokers	Peterhouse Corporate Finance Limited 3rd Floor, New Liverpool House 15 Eldon Street London EC2M 7LD Cornhill Capital Limited 4th Floor 18 St Swithins Lane London EC4N 8AD

ANDALAS ENERGY AND POWER PLC
CHAIRMAN'S REPORT

Andalas Energy & Power Plc is an AIM traded energy company. The Company has a clearly defined strategy to commercialise existing Indonesian gas discoveries by developing independent power projects ('IPP's).

On 1 September 2016, the Company executed a cooperation agreement with Pertamina Persero ('Pertamina'), Indonesia's national oil company and member of the Global Fortune 500 list of most valuable companies. Under the terms of the agreement, Andalas and Pertamina will utilise Pertamina's unrivalled position and in-depth knowledge of Indonesia's oil and gas sector to identify at least five undeveloped gas fields in the Sumatran provinces of Riau, Jambi and South Sumatra that may be suitable for an IPP gas to power development. Both parties will then work together to prepare IPP development and commercialisation plans for each identified field. It is envisaged that this work will culminate in both parties signing exclusive joint development agreements to design, construct, fund and operate these IPPs.

The Company has an industry leading board and management team who have a very good track record, knowledge of and contacts in Indonesia. Members of the board and the team have long-term, direct experience in Indonesia and have played a key role in the development of its gas and energy industry. By investing in its people Andalas has created a team capable of delivering its projects and significant intellectual property that is capable of delivering long term shareholder value.

Prior to their involvement with the Company, Andalas personnel have been involved in major gas field and infrastructure developments within Indonesia over the past 25 years, including adding incremental production of over 1 Bcf per day of gas (166,667 BOE per day) and overseeing a total investment of more than US$4 billion in the country which led to major infrastructure developments including the construction of 1,663 km of major gas transmission pipelines. Key achievements of various team members include:

- executing Indonesia's first major non-LNG gas development following the commencement of first gas sales from the Corridor Block, South Sumatra totalling 450 MMscfd via a new facility and pipeline;
- negotiating gas sales to Singapore, Batam, and West Java, delivering some 750 MMscfd of gas;
- representing Pertamina in unitisation negotiations for the Suban gas field, returning US$200+M pa to Pertamina over a 14 year period; and
- delivering the first ever export pipeline from South Sumatra to Batam and Singapore via the establishment in February 2002 of PT Transportasi Gas Indonesia (TGI or Transgasindo).

The Indonesian energy sector represents a rich opportunity. Indonesia is a member of OPEC and the world's 11th largest gas producer. It is also the seventh largest producer of LNG, exporting the majority of its liquefied gas to the likes of Japan, Korea and, more recently, China. However, there is an energy crisis within Indonesia with industry and large swathes of the population having to live their daily lives without access to electricity. As recently as 2013, the national electrification rate in Indonesia was 81%, which equated to over 60 million people without power nationwide. Such low electrification rates and frequent power outages are widely believed to be hindering the country's economic growth. As part of his 2014 election platform, President Joko Widodo promised to increase electrification through the addition of 35,000 MW in electricity power generation capacity by 2019 – a 60% increase in total domestic power generation at that time.

The island of Sumatra is the 'engine room' of the country's oil and gas industry. Over 70 oil and gas companies are exploring, developing and operating permits with some 5.1 trillion cubic feet of discovered gas resources across 204 undeveloped gas fields - 59 of these fields are owned by Pertamina. Despite an abundance of unexploited energy resources, the regions of Jambi, Riau and South Sumatra have some of the lowest electrification rates across the Indonesian archipelago. It has been estimated that there are 5.8 million people without power in these three provinces, out of a combined population of over 20 million people.

It is Andalas' belief that developing these gas fields to supply IPP's is a very sound value proposition that will make a significant contribution towards addressing the country's power crisis at a local level. The recent signing of our agreement with Pertamina is a key component in the Board's strategy.

For Andalas this represents a low risk/low cost route to material cash flow generation in a short to medium time frame. Importantly, the IPP strategy involves monetising existing discovered gas thereby reducing project cycle times through a reduction of geological risk; the deployment of established technologies to reduce execution risk; and the minimisation of market risk by only selecting gas projects that are close to market and infrastructure and can produce high quality gas on plateau for 10-15 years. Furthermore, the Indonesian market currently has a robust pricing regime with estimated gas sales priced at US$6/MMBtu (compared to US 2015 average of approximately US$3/MMBtu) and base load power selling for up to US$8.62 cents/kWh (compared to US 2015 average of approximately US$3.6 cents/kWh). Andalas has performed a desktop study that highlights the potential returns of a generic 25MW IPP at these pricing levels; assuming gross capex of $24million and 70% non-dilutive project finance the project becomes cash flow generative by the end of year two and generates gross free cash flow, based on project level direct costs only, of circa $4.2million for up to 15 years. Cash flows from any future project are expected to assist in securing non-dilutive financing for the project and later in funding the roll-out of additional IPP projects, both as part of the Pertamina agreement and on a standalone basis. The strategy being pursued by the Company is both repeatable and scalable.

On 8 March 2016, Andalas signed a farm-in agreement with the operator of the Tuba Obi East ('TOE') Technical Assistance Contract – our first stand-alone opportunity. A Gaffney Cline & Associates review commissioned by Andalas estimates 43.7 Bcf of prospective recoverable gas is contained in the Air Benekat Formation ('ABF') at TOE. From a strategic perspective a resource of this size at TOE would represent sufficient gas to support a 25MW IPP for a 15 year period. The field is also strategically located immediately adjacent to a number of Pertamina owned, undeveloped gas discoveries as well as being within economic reach of power infrastructure and demand. Since signing the agreement Andalas has completed the work necessary to prepare for the execution of a low cost gas production test of the existing TOE-1 well. It is anticipated that the workover test result is expected to allow Andalas to upgrade the resource from prospective to contingent resources. The updated gas reserves assessment will be used in the gas processing and power plant front-end engineering and design ('FEED') studies, as well as gas and power sales negotiations, which once completed would allow the reserves to be further upgraded from contingent resources to proven reserves.

The TOE-1 well test will be our first material activity on the ground but our relationship with Pertamina creates further opportunities for Andalas to develop a series of integrated gas to power projects beyond TOE that are capable of transforming Andalas into a substantial energy business over the next few years.

The Company continues to assess oil opportunities. It will consider assets capable of complementing our gas-to-power strategy, which can be acquired at attractive levels, demonstrate strong cash returns and have upside that makes them accretive to shareholders.

Financial Review

During the period under review the Group made a loss of $4,673,000 (2015: $122,000). Included in the loss for the period was a non-cash charge of $347,000 (30 April 2015: $Nil) in respect of the cost of the share consideration and options granted to Corsair Petroleum (Singapore) Pte Ltd ("Corsair") pursuant to the agreement between Corsair and Andalas to pursue oil and gas opportunities in Indonesia announced 5 June 2015.

Financial Report (continued)

During the period the Group incurred expenditure evaluating a number of assets in Indonesia, which culminated in the farm-in agreement on TOE, and in developing its integrated gas to power business that has resulted in an increase in the costs of the business in the year. The work in connection with the evaluation of such projects totalled $2,044,000 during the year whilst the work in connection with the developing the integrated gas to power business resulted in costs of $1,151,000. This work has ongoing value to the Group. However, in accordance with the Group's IFRS accounting policies these costs are required to be expensed as this work was completed before the Group was awarded any licences.

As a non-core asset to the Group the Directors have decided to impair the Group's investment in Peelwood which has resulted in a $179,000 loss (2015: $219,000 gain) being recorded within the income statement.

During the period the Company raised £100,000 ($152,000) of equity through the issue of 50,000,000 shares on 6 May 2015, £1,500,000 ($2,335,000) of equity through the issue of 375,000,000 shares on 5 June 2015 and on 31 March 2016 it raised a further £500,000 ($704,000) by the issue of a zero coupon convertible loan note with par value of £600,000 ($845,000).

As at the year end the Group held a cash balance of US$290,000 (US$354,000 at 30 April 2015). Since the readmission to AIM, which occurred on 13 May 2016, the Group has issued a total of 1,775,020,674 shares at a price of 0.2 pence in settlement of the convertible loan note (£600,000 ($856,000)), settlement of certain share issue costs and corporate finance fees and a further placing to raise cash of £1.7million ($2.48million). This share issue resulted in an increase in net equity of £3.55million ($5.1million).

Costs associated with the AIM readmission totalling $698,760 were prepaid on the statement of financial position (2015: $Nil). These costs are carried into the next reporting period because their accounting treatment is dictated by the result of shareholder approval, which was granted post year end on 13 May 2016.

Outlook

The Company started the year as an investment Company and has since undergone fundamental change both during the year and period post year end. Andalas has changed from an investment company into a respected Indonesian focused energy company. The Company recruited leading experts in Indonesian gas monetisation, which was followed by the securing of its farm-in to TOE and the validation in September of its gas to power proposition as evidenced by its cooperation with Pertamina, Indonesia's largest Company and the major oil and gas acreage holder in the country.

Andalas is entering an exciting period and I look forward to providing further updates on our progress in the months ahead. On behalf of the Board I would like to take this opportunity to thank our shareholders for their continued support for the Company, we recognise that transforming the company has not been straightforward but we have worked hard to position the Company to progress rapidly in the coming months and beyond.

Paul Warwick
Non-Executive Chairman
27 October 2016

ANDALAS ENERGY AND POWER PLC
DIRECTORS' REPORT
YEAR ENDED 30 April 2016

The Directors present their report and the audited financial statements for the year ended 30 April 2016.

Principal activities, business review and future developments

The principal activity of Andalas Energy and Power PLC during the year was as an investment Company undertaking asset evaluation with the intention to establish a gas to power business seeking readmission to AIM as Oil & Gas exploration and development in the Republic of Indonesia. Further details on the activities of the Group are provided in the Chairman's Statement. The Company was readmitted to AIM following shareholder approval on 13 May 2016.

Results and dividends

Loss on ordinary activities after taxation amounted to $4,673,000 (30 April 2015: $122,000). The Directors do not recommend the payment of a dividend (30 April 2015: $Nil).

Key Performance Indicators ('KPIs')

The Board monitors the activities and performance of the Group on a regular basis. During the year the principal focus of the Group was as an investment Company undertaking asset evaluation with the intention to establish a gas to power business seeking readmission to AIM as Oil & Gas exploration and development in the Republic of Indonesia. The KPIs being employed by the Group as at the date of this report were as follows:

- Cash management; and
- Investment screening

Risks and uncertainties

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

- Volatility of Oil & Gas commodity prices;
- Foreign Currency volatility; and
- Availability of finance

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 operations and capital projects as and when required. The Group requires additional funding to meet its working capital needs and in order to fund the development of its projects. As additional funding is required 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 these projects, the levels of production and financial returns arising therefrom may be adversely affected by factors outside the control of the Group which impact on the availability of funding for the Group.

Going concern (continued)

The Directors remain confident that the potential income stream from the development of its TOE asset, its co-operation agreement with Pertamina, 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. However, there are no confirmed funding arrangements in place at present; as such there can be no guarantee that the required funds to meet working capital and 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 this report. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue in operation.

Directors and directors' interests

The following Directors held office during the year:

David Whitby (appointed 5 June 2015)
Paul Warwick (appointed 8 December 2015)
Daniel Jorgensen (appointed 3 February 2016)
Cameron Pearce (appointed 9 December 2013; resigned 31 January 2016)
Jeremy King (appointed 9 December 2013; resigned 31 January 2016)
Ross Warner (appointed 27 April 2016)
Graham Smith (appointed 27 April 2016)

Directors' interests

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

	2016 Ordinary shares	2015 Ordinary shares	**2016 Options**	2015 Options
David Whitby (1)	7,812,500	-	24,900,828	-
Paul Warwick (1)	-	-	6,868,972	-
Daniel Jorgensen (1)	-	-	6,868,972	-
Ross Warner (1)	7,812,500	-	24,900,828	-
Graham Smith	-	-	-	-
Cameron Pearce (2)	-	30,246,748	-	21,140,000
Jeremy King (2)	-	5,371,089	-	6,910,000

(1) On 4 June 2015 the Company agreed to issue Corsair Petroleum (Singapore) Pte Ltd, a related party, with options over 34,344,865 shares. These options were allocated to a number of Directors, employees and consultants of the Company on 27 April 2016. At the year end the first tranche of the options had vested with the remaining 3 equal tranches being subject to conditions based on certain performance criteria being achieved.

(2) Jeremy King and Cameron Pearce were no longer Directors at 30 April 2016 and accordingly no shareholdings or option holdings are disclosed at that date.

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 (2015:$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:

David Whitby
Chief Executive Officer
27 October 2016

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 financial statements unless they are satisfied must 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.

David Whitby
Chief Executive Officer
27 October 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANDALAS ENERGY AND POWER PLC

We have audited the financial statements of Andalas Energy and Power plc for the year ended 30 April 2016 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 the related notes. 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.

This report is made solely to the company's members, as a body in accordance with our engagement letter dated 10 June 2016. Our audit work has been undertaken so that we might state to the company's directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the statement of directors' responsibilities, 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 financial statements in accordance with the applicable Isle of Man company law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit 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 company'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.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 30 April 2016 and of its loss for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Emphasis of matter – going concern

In forming our opinion of the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the Group's ability to continue as a going concern.

Within a period of less than twelve months from the reporting date the Company and Group will require further funding to meet their working capital requirements and in order to fund the development of the Group's projects. There are no confirmed funding arrangements in place at present and this condition, as explained in Note 2 to the financial statements, indicates the existence of a material uncertainty which may cast significant doubt about the Company and Group's ability to continue as going concerns. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

BDO LLP
Chartered Accountants
London
United Kingdom
27 October 2016

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 2016

	Note	2016 $'000s	2015 $'000s
Net (loss) /gain from financial assets at fair value through profit or loss	10	**(179)**	219
Asset evaluation and gas to power expenses	5	**(3,195)**	-
Other administrative expenses	5	**(970)**	(303)
Total administrative expenses	5	**(4,344)**	(84)
Operating loss		**(4,344)**	(84)
Finance income	3	**4**	1
Finance costs	3	**(333)**	(39)
Loss before tax		**(4,673)**	(122)
Tax expense	9	**-**	-
Loss after tax attributable to owners of the parent		**(4,673)**	(122)
Total comprehensive loss for the year attributable to owners of the parent		**(4,673)**	(122)
Basic and diluted loss per share attributable to owners of the parent during the year (expressed in US cents per share)	6	**(0.69)**	(0.10)

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 2016

Isle of Man Company Number 010493V

	Note	**2016 $'000s**	2015 $'000s
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	10	**-**	179
Total non-current assets		**-**	179
Current assets			
Other receivables	11	**885**	22
Cash and cash equivalents		**290**	354
Total current assets		**1,175**	376
Total assets		**1,175**	555
Liabilities			
Current liabilities			
Trade and other payables	12	**(1,799)**	(43)
Borrowings	15	**(876)**	-
Total liabilities		**(2,675)**	(43)
Net (liabilities)/assets		**(1,500)**	512
Equity attributable to the owners of the parent			
Share premium	14	**6,124**	3,616
Accumulated deficit		**(7,624)**	(3,104)
Total (deficit)/equity		**(1,500)**	512

The Financial Statements were approved and authorised for issue by the Board of Directors on 27 October 2016 and were signed on its behalf by

Daniel Jorgensen
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 2016

	Share premium $'000s	Accumulated deficit $'000s	Total equity $'000s
Balance at 1 May 2014	**3,855**	**(3,023)**	**832**
Loss for the year	-	(122)	(122)
Total comprehensive income	-	(122)	(122)
Transactions with equity shareholders of the parent			
Share cancellation	(239)	-	(239)
Share based payments	-	41	41
Balance at 30 April 2015	3,616	(3,104)	512
Loss for the year	-	(4,673)	(4,673)
Total comprehensive income	**-**	**(4,673)**	**(4,673)**
Transactions with equity shareholders of the parent			
Proceeds from shares issued	2,681	-	2,681
Cost of share issue	(173)	-	(173)
Share warrants issued	-	153	153
Balance at 30 April 2016	**6,124**	**(7,624)**	**(1,500)**

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 2016

	Note	2016 $'000s	2015 $'000s
Cash flows from operating activities:			
Net loss for the year		**(4,673)**	(122)
Adjustments for:			
Share-based payment	13	**527**	41
Finance cost	3	**333**	39
Finance income	3	**(4)**	(1)
Unrealised loss/ (gain) from financial assets at fair value through profit or loss		**179**	(219)
Change in working capital items:			
(Increase) / Decrease in other receivables	11	**(863)**	9
Increase in trade and other payables	12	**1,576**	(4)
Net cash used in operations		**(2,925)**	(257)
Cash flows from investing activities			
Proceeds from sale of investment	10	**-**	551
Finance income	3	**4**	1
Net cash from investing activities		**4**	552
Cash flows from financing activities			
Proceeds from issue of share capital	14	**2,487**	-
Share issue costs	14	**(173)**	-
Proceeds from borrowings	15	**704**	-
Cost of borrowings	15	**(87)**	-
Finance costs		**(10)**	-
Net cash generated by financing activities		**2,921**	-
Net increase/(Decrease) in cash and cash equivalents		**-**	295
Cash and cash equivalents, at beginning of the year		**354**	97
Effect of foreign exchange rate changes	3	**(64)**	(38)
Cash and cash equivalents, at end of the year		**290**	354

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 Oil & Gas business focussed on the Republic of Indonesia. CEB Resources changed its name to Andalas Energy and Power PLC on 3 December 2015. 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 14, Regulatory deferral accounts
- IFRS 9, Financial instruments
- Amendments to IAS 1, Disclosure initiative
- Amendment to IAS 19, Employee contributions
- Amendment to IFRS 11, Accounting for acquisitions of interests in joint operations
- Amendments to IAS 16 and IAS 38, Clarification of acceptable methods of depreciation and amortisation
- Amendments to IAS 16 and IAS 41, Bearer plants
- Amendment to IFRS 10, IFRS 12 and IAS 28, Investment entities, applying the consolidation exemption
- Amendments to IFRS 10 and IAS 28, Sale of contribution of assets between an investor and its associate or joint venture
- Amendments to IAS 12, recognition of deferred tax assets for unrealised losses
- Amendments to IFRS 12, classification and measurement of share-based payment transactions
- Amendments to IAS 27, Equity method in separate financial statements

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, they have yet to complete their full assessment in relation to the impact of IFRS 9, IFRS 15 and IFRS 16.

1.2 New standards, interpretations and amendments effective in year

There were no new standards adopted by the Group during the year.

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 (including derivative instruments) 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 2016.

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 group comprises of the following entities;

Name	Interest 2016	Interest 2015	Country of incorporation	Nature of business
Direct				
Andalas Energy and Power PLC	100%	100%	Isle of Man	Holding Company
Indirect				
Corvette Energy Services (Singapore) Pte. Ltd [(1)]	100%	-	Singapore	Trading subsidiary
Corvette Energy Services Limited [(1)]	100%	-	UK	Dormant
Peelwood Pty Ltd	20%	20%	Australia	Mineral Exploration

[(1)] Incorporated during the current financial year.

2.3. Interest Income

Interest income is recognised using the effective interest method.

2.4. Interest Expense

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

2.5. Investments

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 Groups 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.

2.6. Intangible assets

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

2.7. Going Concern

The financial statements have been prepared on a going concern basis. The Company raises money to support its operations and capital projects as and when required. The Group requires additional funding to meet its working capital needs and in order to fund the development of its projects. As additional funding is required 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 these projects, the levels of production and financial returns arising therefrom may be adversely affected by factors outside the control of the Group which impact on the availability of funding for the Group.

The Directors remain confident that the potential income stream from the development of its TOE asset, its co-operation agreement with Pertamina, 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. However, there are no confirmed funding arrangements in place at present; as such there can be no guarantee that the required funds to meet working capital and 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 this report. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue in operation.

2.8. 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.

2.9. Financial assets

The Group has classified all of its financial assets as loans and receivables. The classification 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.

2.9 Financial assets (Continued)

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.

2.10. 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.

2.11. 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.

2.12. 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.

2.13. 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.

2.14. Equity

Equity comprises the following:

- "Share premium" represents the premium paid on Ordinary Shares issued of no par value.
- "Accumulated deficit" represents retained losses.

2.15. 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.

2.16. 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 Statement of Comprehensive Income.

2.17. 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. 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 the share premium account.

2.18. 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.

2.18. Taxation (continued)

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.

2.19. Critical Accounting Estimates and Judgements

Use of Estimates and Judgements

The Group makes certain estimates and assumptions 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 assumptions. The estimates and assumptions 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 unissued 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.

3. Finance income and Finance costs

Finance income	**Year ended 30 April 2016 $'000**	Year ended 30 April 2015 $'000
Income on cash and cash equivalents	**4**	1
	4	1

3. Finance income and Finance costs (continued)

	Year ended 30 April 2016	Year ended 30 April 2015
Finance expense	**$'000**	$'000
Bank charges and finance expense on borrowings	**236**	-
Foreign exchange loss on cash and cash equivalents	**97**	39
	333	39

4. Segmental analysis

In the opinion of the Directors, the operations of the Group comprise one single operating segment comprising that of an investment Company undertaking asset evaluation with the intention to establish a gas to power business seeking readmission to AIM as Oil & Gas exploration and development 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.

5. Administration expenses

Administration fees and expenses consist of the following:

	2016	2015
	$'000	$'000
Audit fees	20	16
Professional fees	328	106
Administration costs	31	31
Share based payment expense (Note 7)	180	41
Sundry expenses	41	26
Directors' fees (Note 7)	370	83
Total corporate overhead	**970**	
Sundry expenses	44	-
Professional fees	68	-
Consulting expenses	2,062	-
Travel and accommodation	674	-
Share based payment expense (Note 7, 13 and 14)	347	-
Asset evaluation and gas to power business expenses	**3,195**	-
Impairment - Peelwood	**179**	-
Total	**4,344**	303

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.

	2016	2015
	$'000s	$'000s
Loss attributable to owners of the Group	**(4,673)**	(122)
Weighted average number of ordinary shares in issue (thousands)	**678,188**	248,480
Loss per share (US cents)	**($0.69)**	($0.1)

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. Details of shares issued post year end are disclosed in note 19.

7. Staff Costs (including Directors)

The group employed an average of 3 individuals during the year, including the directors (2015: 2).

	2016 $'000	2015 $'000
Directors' remuneration	**370**	83
Share based payments	**180**	-
	550	83

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 $'000	**Share based payments $'000**	**Total 2016 $'000**	**Short term employee benefits $'000**	**Share based payments $'000**	**Total 2015 $'000**
David Whitby	263	74	**337**	-	-	-
Cameron Pearce	89	-	**89**	73	-	73
Jeremy King	18	-	**18**	10	-	10
Paul Warwick	-	24	**24**	-	-	-
Daniel Jorgensen	-	82	**82**	-	-	-
Ross Warner	-	-	-	-	-	-
Graham Smith	-	-	-	-	-	-
Total Key Management	**370**	**180**	**550**	83	-	83

As at the 30 April 2016 the Company had agreed, that subject to shareholder approval, it would issue shares equivalent to the share based payments disclosed above, at a price of 0.2pence per share. On 13 May 2016 the resolutions were passed and the shares were issued as disclosed in note 19.

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 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 in the strength of the US Dollar would result in a corresponding reduction of $160,000 in the net liabilities of the Group.

8. Financial Risk Management (continued)

	2016	2015
	$'000	$'000
Investments at fair value through profit or loss		
AUD	**-**	179
	-	179
Trade & other receivables		
USD	**-**	-
GBP	**-**	22
	-	22
Cash & Cash Equivalents		
USD	**99**	8
GBP	**191**	26
EUR	**-**	5
AUD	**-**	315
	290	354
Total Financial Assets	**290**	535
Borrowings		
GBP	**876**	-
	876	-
Trade & other payables		
USD	**881**	-
AUD	**-**	4
GBP	**918**	39
	1,799	43
Total Financial Liabilities	**2,675**	43

(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 in respect of the outstanding convertible loan note as it is considered not material.

8. Financial risk management (continued)

(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 2016 (2015: 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 2.9

Residual undiscounted contractual maturities of financial liabilities:

	0-3 months $'000	No stated maturity $'000
30 April 2016		
Trade and other payables	**1,799**	**-**
Borrowings	**-**	**876**
Total	**1,799**	**876**
30 April 2015		
Trade and other payables	43	-
Total	43	-

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 as to the level of equity capital and reserves is to ensure that it maintains a strong 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 met through a combination of debt, equity and operational cash flow. As at 30 April 2016 the Group was in a net liability position that was resolved post year end through the settlement of the outstanding loan note and the issue of further equity as described in note 19.

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%. The Company has a subsidiary in Singapore and also has an investment in Peelwood Pty Ltd (a company resident in Australia) and will be subject to tax on distributions and gains levied by those jurisdictions.

	2016	2015
	$'000	$'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:

	2016	2015
	$'000	$'000
Loss before income tax	**(4,673)**	(122)
Tax on loss at the weighted average Corporate tax rate of 0% (2015: 0%)	-	-
Total income tax expense	-	-

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

10. Financial assets at fair value through profit or loss

	30 April 2016 US$'000	30 April 2015 US$'000
Fair value at beginning of year	**179**	751
Investments received as consideration	**-**	1,099
Sale of investments	**-**	(1,890)
Realised price movement on fair value of investments	**-**	219
Impairment	**(179)**	-
Fair value at year end	-	179

The comparative disclosure represents the disposal by the Group of its interest in the Mariola Thermal coal project in Southern Poland. Movements in the year related to the consideration for the disposal which was partially settled in Balamara Resources' shares. These shares, along with the interest in Mariola were disposed of during the comparative year resulting in a gain of $219,000 recorded in the income statement.

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

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 was provided for in full during the year.

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).

Assets and liabilities	Nature of investment	Fair value as at 30 April 2016	Fair value as at 30 April 2015	Valuation techniques and key inputs	Significant unobservable input
Financial assets at fair value through profit or loss	20% of equity investment in Peelwood Pty Ltd	USD Nil	USD 179,000	Purchase price and market knowledge	Expected realisable value from sale

The Directors have considered the carrying value of the Peelwood interest and have decided to provide against it in full being their estimated realisable value from sale.

11. Other receivables

	2016 $'000	2015 $'000
Other receivables and prepayments	**885**	22

The fair values are as stated above, which 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$. Included in other receivables and prepayments is an amount of $698,760 (2015: $Nil) in connection with prepaid expenses relating to the publication of the AIM re-admission document.

12. Trade and other payables

	2016 $'000	2015 $'000
Trade payables	**1,202**	43
Accruals and other payables	**597**	-
Trade payables and accruals	**1,799**	43

13. Share based payments

The following is a summary of the share options and warrants outstanding and exercisable as at 30 April 2016 and 30 April 2015 and the changes during each year:

	Number of options and warrants	Weighted average exercise price (Pence)
Outstanding and exercisable at 1 May 2014	**43,250,464**	**1.389**
Options granted to Directors	**20,000,000**	**0.175**
Options granted to consultants	**5,000,000**	**0.175**
Outstanding and exercisable at 30 April 2015	**68,250,464**	**0.945**
Options granted as consideration	**34,344,865**	**0.400**
Outstanding and exercisable at 30 April 2016	**102,595,329**	**0.762**

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	1 May 2014	Issued	30 April 2015	Issued	30 April 2016	Exercise Price
Warrants							
07.12.2013	07.12.2018	10,839,750	-	10,839,750	-	10,839,750	2.00p
24.01.2014	24.01.2019	26,410,714	-	26,410,714	-	26,410,714	1.00p
Options							
07.12.2013	07.12.2018	6,000,000	-	6,000,000	-	6,000,000	2.00p
04.02.2015	04.02.2017	-	25,000,000	25,000,000	-	25,000,000	0.175p
05.06.2015	05.06.2018	-	-	-	34,344,865	34,344,865	0.40p
		43,250,464	25,000,000	68,250,464	34,344,865	102,595,329	

13. Share based payments (continued)

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							
05.06.15	0.4p	0.4p	124%	3 years	0%	3%	0.448 cents
Prior year							
04.02.15	0.175p	0.175p	119%	2 years	0%	2.5%	0.162 cents

The Group recognised $153,000 (30 April 2015: $40,509) relating to equity-settled share based payment transactions during the year arising from Option or Warrant grants, of which $153,000 (30 April 2015: $Nil) was expensed as a pre-licence acquisition cost in connection with the Corsair assignment agreement and with $Nil being expensed in relation to Directors and consultants services (30 April 2015: $40,509). 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, an interest in a second concession and gross production from its interest in 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. A charge (30 April 2015: $Nil) may be recognised in the subsequent financial year, in relation to the above issue of options of achievement of the trigger events. Note 14 includes details of additional share consideration paid in the year.

For the share options and warrants outstanding as at 30 April 2016, the weighted average remaining contractual life is 2.02 years (30 April 2015: 2.98 years).

Please refer to the Directors' Report for details of shares, options and warrants held by the Directors at 30 April 2015 and 2016. 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 2014	252,714,627		3,855
14/07/2014 – Share Cancellation*	(20,000,000)	0.715	(239)
14/04/2015 – YAGM settlement*	29,182,675	0.167	-
Balance at 30 April 2015	**261,897,302**		**3,616**
06/05/2015 – equity placing for cash	50,000,000	0.200	152
Cost of issue	-	-	(9)
05/06/2015 – equity placing for cash	375,000,000	0.400	2,335
Cost of issue	-	-	(164)
11/06/2015 – consideration shares*	31,250,000	0.400	194
Balance at 30 April 2016	**718,147,302**		**6,124**

* Non-cash item per the consolidated cash flow statement

14. Share capital (continued)

On 5 June 2015 the Company issued 31,250,000 shares as consideration to Corsair Petroleum (Singapore) Pte Ltd ("Corsair") for the assignment to Andalas of an interest in certain opportunities in Indonesia. The consideration was valued at 0.4pence per share, being the share price on completion of the transaction, and the amount expensed totalled $194,125. The Company has the obligation to issue a further 93,750,000 shares subject to further milestones being achieved but as at the reporting date the Company had not recorded these as a liability due to the uncertainty over valuing the consideration and the timing of any milestone being reached.

Prior year share capital disclosure:
On 17 February 2014 the Company issued 20,000,000 ordinary shares at a price of 0.715 pence per share as part-consideration for the purchase of 10% equity in Carbon Investment. On 14 July 2014 the Company sold its investment in Carbon Investments to Balamara. The 20,000,000 ordinary shares previously issued were cancelled and returned to the Company. The cost of USD 239,000 of these shares was removed from equity and included as a realised gain on the sale of investments.

The Company and YAGM entered into an Equity Swap Agreement on 13 March 2014 over 27,586,207 Company shares held by YAGM. The cumulative liability of £47,000 generated under the Swap Agreement up to 31 March 2015, representing a return of funds to YAGM based on the share price performance of the Company, was settled on 14 April 2015 by the issue 29,182,675 new ordinary shares in the Company a price of 0.1607 pence per share. As at 30 April 2015 YAGM held 36,079,225 ordinary shares in the Company, representing 13.78% of the issued shares. The Final settlement date of the Swap Agreement was 30 June 2015, however on 19 May 2015 it was confirmed by YAGM that the final settlement date would be changed to 30 April 2015 and the liability of £25,517 for the month of April 2015 would be waived. Subsequent to the year end YAGM have sold all their shares in the Company.

15. Borrowings

	Convertible Loan 2016 $'000s	Convertible Loan 2015 $'000s
Brought forward	-	-
Drawdown	704	-
Costs of issue	(87)	-
Imputed interest charge	229	-
Foreign currency	30	-
Carried forward	**876**	**-**

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

	Currency	Interest rate	Effective interest rate	Year of maturity
Loan notes	GBP/US$	Nil coupon	n/a	No fixed maturity

The loan notes contain a force conversion feature whereby on readmission to AIM the entirety of the outstanding loan notes would convert into shares to the value of the loan notes carried value. The settlement shares satisfying the loan notes would be valued at fair value, being the placing price of the shares being issued on readmission to AIM. In the event that the loan notes had not converted on readmission to AIM they would have been repayable on demand for cash at their carrying value. See note 19 for details of the shares that were issued in satisfaction of the loan note 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 2016 (30 April 2015: None).

17. Ultimate Controlling party

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

18. Related party transactions

On 5 June 2015, Andalas and Corsair Petroleum (Singapore) Ptd Ltd ("Corsair") entered into an agreement ("Assignment") pursuant to which Andalas agreed, amongst other things, to undertake and fund due diligence in respect of certain oil and gas concessions in Indonesia with a view to making an investment. Initially, for administrative convenience, Andalas and Corsair agreed to structure the funding of the due diligence expenditures as loans ("Loans") to Corsair and, accordingly, advances pursuant to that arrangement were made on 8 May (US$25,000), 10 June (US$250,000) and 15 July 2015 (US$225,000).

On 19 August 2015, Andalas incorporated a subsidiary, Corvette Energy (Singapore) Pte Ltd ("Corvette"). On 31 January 2016, Andalas, Corsair and Corvette entered into a novation agreement pursuant to which the Loans were extinguished (for $Nil consideration) and the benefit of the loaned moneys was transferred to Corvette with effect from 30 October 2015.

During the year under review the Group incurred due diligence expenditure following the agreement with Corsair. The Group engaged with a number of individual consultants to pursue the strategy of identifying projects in Indonesia that could lead to an AIM reverse acquisition of the Group. The total value of consultants that were introduced by Corsair to the Group was $1,837,000 consisting of 14 full or part time consultants (not including Directors).

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.

19. Events after the reporting date

On 27 April 2016 the Company entered into agreements, subject to shareholder approval to issue 1,307,584,558 Placing Shares at the Issue Price of 0.2 pence per share to raise total gross proceeds of £2.6 million ("Placing shares").

On 4 June 2015 the Company entered into an Assignment Agreement with Corsair whereby Corsair had been granted a carried interest in oil and gas concessions introduced by it and a share of future revenues from these concessions. It was agreed that in order to avoid any future conflict of interest, the carried interest be substituted, subject to the passing of the resolutions at a shareholder meeting, for the issue of Ordinary Shares in the Company, which would, in aggregate, represent 5 per cent. of the Enlarged Share Capital following readmission ("assignment shares"). Following shareholder approval on 13 May 2016 the Company approved the issue of 122,406,940 assignment shares to be issued.

On 13 May 2016, shareholders approved all resolutions and the Company was readmitted to trading as Oil & Gas Company, meeting all conditions precedent for the aforementioned transactions, resulting in the issue of the placing shares and the approval of the assignment shares.

Furthermore on 13 May 2016, following shareholder approval the Company's £600,000 Loan notes, per note 15, were converted into 300,000,000 new Ordinary Shares at the Issue Price of 0.2 pence per share. In connection with this transaction Cornhill Capital were issued 42,000,000 warrants exercisable at a price of 0.2pence per share.

19. Events after the reporting date (continued)

At 2 June 2016 the Company had received notification from certain warrant holders to subscribe for 12,007,661 new ordinary shares in the Company at a price of 0.2 pence per bonus Warrant Share. In aggregate, the exercise of the bonus warrants amounts to a cash value of £24,015. Furthermore on 5 June 2016 the Company issued 631,982 shares under the Corsair settlement agreement, these shares represent the additional settlement consideration in respect of the aforementioned 12,007,661 bonus warrant shares.

On 5 July 2016 the Company agreed to issue a total of 32,389,531 new ordinary shares for a total of £64,779 in settlement of certain payables to third party consultants.