30 May 2017

Amedeo Resources plc
("Amedeo" or the "Company")
Audited Results for the Year Ended 31 December 2016
and Notice of AGM

Amedeo, the resource and resource infrastructure and asset investment company, is pleased to announce its consolidated audited results for the year ended 31 December 2016.

Highlights

- Order of Le Tourneau Super 116E Class design self-elevating mobile offshore jack up drilling rig ("Explorer 1"), completed pending final delivery checks
- Loss on ordinary activities before taxation decreased by 28% to US$1,887,000 (2015: loss of US$2,610,000)
- Post the year end, in January 2017, Amedeo acquired a 2.5% stake in Ganjine Kani Company ("GKC"), a copper mining company close to the city of Mashhad in Iran. As part of the transaction, Amedeo has a 5-year option to acquire a further 5.0% of GKC for US$2 million

ENDS

For further information please visit www.amedeoresources.com or contact:

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Notes

Amedeo Resources plc is an investment company whose policy is to invest principally, but not exclusively, in the resources and resources infrastructure and asset sectors. Amedeo has a deep and broad global network and wide contact base in these sectors, including in East and South East Asia and the Middle East which it leverages to source and make investments. These sectors exhibit high growth and are strategically important. Amedeo is a proactive investor which assists its investee companies to grow by providing investment, expertise and contacts.

CHAIRMAN'S STATEMENT

Introduction

During the year under review, Jiangsu Yangzijiang Offshore Engineering Co. Ltd ("YZJ Offshore") completed its first order, a Le Tourneau Super 116E Class design self-elevating mobile offshore jack up drilling rig ("Explorer 1"), pending final delivery checks. The rig has yet to be delivered as the purchaser of Explorer 1 is in the process of securing financing and employment for the rig. In the meantime, YZJ has continued to seek further orders, and with Explorer 1 completed to a high standard, is utilising it as a showpiece. The rig market has been soft and no new orders have been secured. Signs of improvement, however, are evident as YZJ Offshore has had credible enquiries including interest in Explorer 1. In the meantime, YZJ offshore has been utilising its facilities to provide berthing capacity and build modules for LNG vessels.

Iron ore prices remained depressed during 2016. As such, MGR Resources Pte ("MGR") cut back activities to a bare minimum. Due to the low level of activity, in February 2016, MGR paid back to Amedeo a loan of GBP1,200,000. Near the end of the year, however, MGR saw an uplift in activities with iron ore prices rising. As a result, post the year end, in January 2017, Amedeo made available to MGR a loan facility of US$800,000 to expand activities.

Also post the year end, in January 2017, Amedeo acquired a 2.5% stake in Ganjine Kani Company ("GKC") for US$500,000, a copper mining company. GKC is a producing miner which has, to date extracted around 1 million tonnes of ore. GKC has three mines. MGR intends to work with GKC to supply copper to East Asia.

Despite the ongoing difficult environment, Amedeo continues to pursue its long term strategy of building a vertically integrated investment business in the resource and energy and related infrastructure sectors, while on an operational level, cash resources are used conservatively.

YZJ Offshore

YZJ Offshore continued with the commissioning of its first order, Explorer 1. This process was completed in late December 2016, pending final checks which are customarily made by the purchaser immediately prior to delivery.

The purchaser of Explorer 1 is in the process of securing financing and employment for the rig, and is in discussions with third parties regarding both. The purchaser has requested that that delivery of the Explorer 1 be delayed until financing and an employment are secured.

While the rig market has been soft, Explorer 1 is a Le Tourneau Super 116 Enhanced Class design self-elevating mobile offshore jack up drilling rig. The Le Tourneau is the most established design in the offshore world, has a very popular footprint and therefore as well as being used for new wells it can be used for existing wells. Other rig designs do not have this significant advantage.

YZJ Offshore remains confident that Explorer 1 will be sold either to the original purchaser, or failing which, to another party. YZJ Offshore has already received serious indications of interest from third parties.

With respect to new orders, YZJ Offshore continues discussions with potential customers for further orders with the benefit that it now has a rig that is physically complete to showcase. This is important from both a marketing perspective and also from a reputational perspective. No new orders, however, have been forthcoming as currently the offshore vessel market remains difficult due to the volatility in the oil price from its high around US$115 per barrel in July 2014, to below c.US$30 per barrel, with only a recent partial recovery. At the time of writing, the oil price was around US$50 per barrel, an increase of over 70% from its lows.

While the current outlook in the offshore vessel sector remains challenging, there are signs of improvement. Amedeo believes that the medium to long term outlook is positive with activity set to increase. YZJ Offshore, having completed its first rig, has taken the first step to establishing a strong reputation. Such a reputation together with the resources of a large and well equipped yard and the expertise to build product carriers, specialised platforms, semi-submersibles, amongst other vessels, as well as rigs, positions it well to take advantage of the recovery in the offshore fabrication market.

YZJ Offshore has been fabricating blocks for container ships and gas carrier vessels. As such it generated revenues by employing its berthing capacity and modules for liquefied natural gas tanks. It is also exploring the building of other types of modules and other vessels.

Amedeo has an indirect 19.0% stake in YZJ Offshore which it holds through its 47.5% stake in the joint venture company, YZJ Offshore Engineering Pte Ltd ("YZJ JV")

MGR Resources

With iron ore prices depressed, MGR cut back activities to a bare minimum. Due to the low level of activity, in February 2016, it paid back to Amedeo a loan of GBP1,200,000.

Near the end of the year, however, MGR saw an uplift in activities with iron ore prices rising since their lows (around US$38 per tonne) at the end of 2015 and now around US$70 per tonne. This rise has led to increasing opportunities in the iron ore market which MGR intends to take advantage of. As a result, post the year end, in January 2017, Amedeo made available to MGR a loan facility of US$800,000. The facility bears interest at 10% per annum and is intended to be used for working capital.

In addition, post year end Amedeo acquired a 2.5% stake in a producing copper miner (see below). This investment should assist MGR in broadening its activities to copper by providing MGR with a captive supply of copper.

Amedeo has a 49.0% stake in MGR.

Ganjine Kani Company

Post the year end, also in January 2017, Amedeo acquired a 2.5% stake for US$500,000 in GKC, a copper mining company close to the city of Mashhad in Iran. As part of the transaction, Amedeo has a 5-year option to acquire a further 5.0% of GKC for US$2 million.

GKC is a producing miner. GKC also has the required infrastructure to produce copper concentrate from ore. To date, around 1 million tonnes of ore has been extracted by GKC which contains, on average, 0.9% copper. GKC has three mines in total.

Iranian studies estimate that the producing mine alone may have at least 6.5 million tonnes of copper ore with a 0.9% average copper content. The extent of the ore and its copper content has yet to be confirmed to international standards. In addition, it is suspected that the copper mineralisation has good potential for associated gold mineralisation.

MGR, intends to work with GKC to widen the commodities MGR trades and brokers and, at the same time, the acquisition gives MGR a preferential supply of copper.

Financial Review

Revenue for the year ended 31 December 2016 was US$108,000 (2015: US$128,000), a decrease of US$20,000 or 15.6% on the prior year. Revenue is invoiced in GBP and total revenue in GBP in 2016 remains the same as 2015. The decrease in revenue in US$ relates entirely to the depreciation in the GBP versus the US$. Amedeo provides various business development and marketing services to MGR.

Amedeo's share of loss in associates was US$881,000 (2015: US$2,014,000). This was made up of a loss of US$856,000 (2015: US$2,059,000) at YZJ JV and a loss of US$25,000 (2015: US$45,000 profit) at MGR. These losses write down the carrying value of the investments and have no impact on cash.

Foreign exchange losses amount to US$390,000 (2015: US$115,000). These were predominately due to translating GBP denominated loans into US$. These also have no impact on cash.

Finance income decreased to US$44,000 (2015: US$300,000) due to the repayment of US$1,664,000 of loans from MGR.

Overall loss on ordinary activities before taxation significantly decreased to US$1,887,000 (2015: loss of US$2,610,000) or by 28%. Basic and fully diluted loss per share for the year was US¢5.78 (2015: US¢7.99).

Excluding non-cash items, defined as; share-based payment charge, share of loss of associates and foreign exchange loss, loss on ordinary activities before taxation for the year ended 31 December 2016 was US$478,000 (2015: loss of US$220,000). The increase in loss excluding non-cash items was due to a decrease in finance income of US$256,000 to US$44,000 (2015: US$300,000).

Foreign exchange translation loss of US$946,000 (2015: US$978,000 loss) arose, which relate to Amedeo's indirect investment in YZJ Offshore, as YZJ Offshore's presentational currency is RMB. This translation has no impact on cash.

Overall, total comprehensive loss for the year significantly decreased to US$2,833,000 (2015: loss of US$3,588,000), a 21.2% decrease on prior year.

As at the year end, the carrying amount on the balance sheet of investments in associates fell to US$14,393,000 (2015: US$16,213,000), primarily as a result of the share of loss from Amedeo's stake in YZJ JV. Current assets fell to US$4,133,000 (2015: US$5,044,000). Cash as at 31 December 2016 was US$2,510,000 (2015: US$2,340,000).

Subsequent to the year end, Amedeo made a loan facility of US$800,000 to MGR. Consequently, at the date of these financial statements, the Group had approximately US$1,142,000 of cash and cash equivalent balances.

Trade payables at the year-end decreased to US$104,000 (2015: US$147,000) due to timing differences on when invoices were paid around the year end.

Overall, at the year end, net and total assets were US$18,415,000 (2015: US$21,110,000) and US$18,519,000 (2015: US$21,257,000), respectively.

Subsequent Events

Post the year end, in January 2017, Amedeo acquired a 2.5% stake in GKC for US$500,000, a copper mining company close to the city of Mashhad in Iran. As part of the transaction, Amedeo has a 5-year option to acquire a further 5.0% of GKC for US$2 million.

Also post the year end and also in January 2017, Amedeo made available to MGR a loan facility of US$800,000. The facility bears interest at 10% per annum and is intended to be used for working capital.

Outlook

With the current soft state of the rig market, winning new orders at YZJ Offshore has been difficult. Amedeo does not expect this situation to continue in the medium term, and indeed there are already signs of recovery. When a recovery does come, YZJ Offshore, having proved itself with Explorer 1 and with its capability to produce advanced, specialised and localised rigs as well as a range of modules for other vessels, is well placed to take advantage of it. Iron ore prices are now rising, and MGR expects to increase and broaden its activities, particularly with Amedeo's investment in to GKC.

Amedeo remains focused on its long term strategy of building a vertically integrated investment business in the resource and energy and related infrastructure sectors.

The Board looks forward confidently to the future.

Annual general meeting

An annual general meeting of the Company ("AGM") to be held at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT at 2.00pm on 26 June 2017.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	Note	Year ended 31 Dec 2016	Year ended 31 Dec 2015
		$'000	$'000
Revenue		108	128
Administrative expenses	3	(630)	(651)
Share based payments		(138)	(261)
Share of loss of associates	4	(881)	(2,014)
Foreign exchange losses	5	(390)	(115)
Loss from operations		**(1,931)**	**(2,913)**
Profit on sale of quoted shares		-	3
Finance income	6	44	300
Loss on ordinary activities before taxation		**(1,887)**	**(2,610)**
Taxation	7	-	-
Loss for the year		**(1,887)**	**(2,610)**
Basic and diluted loss per share	8	(5.78)¢	(7.99)¢

Other Comprehensive Income

Foreign exchange translation difference		(946)	(978)

Total Comprehensive Expense for the year	**(2,833)**	**(3,588)**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2016

Group

	Share capital $'000	**Share premium account $'000**	**Share-based payment reserve $'000**	**Foreign currency translation reserve $'000**	**Accumulated losses $'000**	**Total equity attributable to equity holders of parent $'000**
At 1 January 2015	5,804	29,103	304	1,459	(12,233)	24,437
Loss for the year	-	-	-	-	(2,610)	(2,610)
Share-based payments	-	-	261	-	-	261
Foreign exchange	-	-	-	(978)	-	(978)
At 31 December 2015	5,804	29,103	565	481	(14,843)	21,110
Loss for the year	-	-	-	-	(1,887)	(1,887)
Share-based payments	-	-	138	-	-	138
Foreign exchange	-	-	-	(946)	-	(946)
At 31 December 2016	5,804	29,103	703	(465)	(16,730)	18,415

Company

	Share capital $'000	**Share premium account $'000**	**Share-based payment reserve $'000**	**Foreign currency translation reserves $'000**	**Accumulated losses $'000**	**Total equity attributable to equity holders of parent $'000**
At 1 January 2015	5,804	29,103	304	922	(10,005)	26,128
Loss for the year	-	-	-	-	(450)	(450)
Share-based	-	-	261	-	-	261

payments						
At 31 December 2015	5,804	29,103	565	922	(10,455)	25,939
Loss for the year	-	-	-	-	(757)	(757)
Share-based payments	-	-	138	-	-	138
At 31 December 2016	5,804	29,103	703	922	(11,212)	25,320

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2016

			Group		Company
Assets	**Note**	**Dec 2016**	**Dec 2015**	**Dec 2016**	**Dec 2015**
Non-current assets		**$'000**	**$'000**	**$'000**	**$'000**
Investment in subsidiaries	9	-	-	8	8
Investment in associates	10	14,386	16,213	-	-
		14,386	16,213	8	8
Current assets					
Loans receivable	11	1,400	2,177	23,532	24,809
Other receivables	12	223	527	164	468
Cash and cash equivalents		2,510	2,340	1,707	759
		4,133	5,044	25,403	26,036
Total assets		**18,519**	**21,257**	**25,411**	**26,044**
Liabilities					
Current liabilities					
Trade and other payables	13	(104)	(147)	(91)	(105)
Total liabilities		(104)	(147)	(91)	(105)
Net assets		**18,415**	**21,110**	**25,320**	**25,939**

Equity

	Note				
Called up share capital	14	5,804	5,804	5,804	5,804
Share premium account		29,103	29,103	29,103	29,103
Share-based payment reserve	15	703	565	703	565
Foreign currency translation reserve		(465)	481	922	922
Accumulated losses		(16,730)	(14,843)	(11,212)	(10,455)
Total equity		**18,415**	**21,110**	**25,320**	**25,939**

The Company has elected to take exemption under section 408 of the Companies Act 2006 from presenting the Company statement of comprehensive income. The loss for the Company for the year ended 31 December 2016 was US$760,000 (2015: loss of US$450,000).

Approved by the Board and authorised for issue on 26 May 2017 and signed on behalf of the Board by

Glen Lau

Director

Registered Number 05216336

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2016

	Group		Company	
	Year ended 31 Dec 2016	**Year ended 31 Dec 2015**	**Year ended 31 Dec 2016**	**Year ended 31 Dec 2015**
	$'000	$'000	$'000	$'000
Loss for the year before tax	(1,887)	(2,610)	(757)	(450)
Adjustments for:				
Share-based payments	138	261	138	261
Share of loss of associates	881	2,014	-	-
Decrease/(increase) in receivables	304	17	304	(218)
(Decrease)/increase in payables	(43)	(197)	(14)	51
Loss on sale of quoted shares	-	(3)	-	(3)
Provision for unquoted preference shares	-	33	-	33
Finance income	(44)	(300)	2	(300)
Unrealised FX losses	113	86	113	86
Cash used in operating activities	**(538)**	**(699)**	**(214)**	**(540)**
Investing activities				
Receipt on sale of quoted shares	-	10	-	10
Loans made to associates	(1,000)	(400)	-	-
Loans made to subsidiaries	-	-	(500)	(28)
Loans repaid by associates	1,664	1,950	1,664	-

Net cash from (used in) investing activities	**664**	**1,560**	**1,164**	**(18)**
Financing activities				
Finance income/(cost)	44	300	(2)	300
Net cash used in financing activities	**44**	**300**	**(2)**	**300**
Net increase/(decrease) in cash and cash equivalents	**170**	**1,161**	**948**	**(258)**
Cash and equivalents at beginning of year	2,340	1,179	759	1,017
Cash and equivalents at end of year	**2,510**	**2,340**	**1,707**	**759**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year unless stated otherwise.

Basis of accounting

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by European Union, and in accordance with the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, with the exception of financial instruments, some of which are measured at fair value.

The accounting policies applied are the same as those applied in the financial statements for the year ended 31 December 2015. New standards introduced during the year had no material impact on the results or net assets of the company.

Standards and interpretations in issue but not yet effective

A number of new standards and amendments to existing standards have been published, but are not effective for the year ended 31 December 2016. The Directors do not anticipate that the adoption of these new and revised standards and interpretations will have a significant impact on the figures included in the Financial Statements in the year of initial application other than the following:

IFRS 9 Financial Instruments

The standard makes substantial changes to the classification and measurement of financial assets and financial liabilities. There will only be three categories of financial assets whereby financial assets are recognised at either fair value through profit and loss, fair value through other comprehensive income or measured at amortised cost. On adoption of the standard, the Group will have to re-determine the classification of its financial assets based on the business model for each category of financial asset. This is not considered likely to give rise to any significant adjustments other than reclassifications.

The principal change to the measurement of financial assets measured at amortised cost or fair value through other comprehensive income is that impairments will be recognised on an expected loss basis compared to the current incurred loss approach. As such, where there are expected to be credit losses these are recognised in profit or loss. For financial assets measured at amortised cost the carrying amount of the asset is reduced for the loss allowance.

For financial assets measured at fair value through other comprehensive income the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset.

Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit or loss, for example derivative financial instruments, with changes in the liabilities' credit risk recognised in other comprehensive income. The Group expects this to have some impact due to the value of financial instruments across its entities.

The standard is effective for periods beginning on or after 1 January 2018 and was endorsed by the EU on 22 November 2016.

IFRS 15- Revenue for contracts with customers

The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around five steps in recognising revenue:

1. Identify the contract with the customer;

2. Identify the performance obligations in the contract;

3. Determine the transaction price;

4. Allocate the transaction price; and

5. Recognise revenue when a performance obligation is satisfied.

On application of the standard the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.

The standard is effective for periods beginning on or after 1 January 2018 and was endorsed by the EU 22 September 2016.

IFRS16 - Leases The standard is effective for periods beginning on or after 1 January 2019, but can be applied before that date if the Company also applies IFRS 15 revenue from Contracts with Customers. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment, with a corresponding financial liability representing its obligation to make future lease payments. IFRS 16 replaces the typical straight-line operating lease expense for those leases applying IAS 17 with a depreciation charge for lease assets (included within operating costs) and an interest expense on lease liabilities (included within finance costs).

The standard is effective for periods beginning on or after 1 January 2019 but is yet to be endorsed by the EU.

Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiary undertakings, Amedeo Resources (Asia) PTE Ltd ("Amedeo Asia") as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

Revenue

The revenue received from the services provided to MGR is recognised in the accounting period in which the services are rendered.

Investments in subsidiaries

Investments in subsidiary undertaking is stated at cost less any provision for impairment.

Investment in associates

Where the Group, or its wholly owned subsidiary, has significant influence over an entity, normally having an interest being more than 20% and less than 50%, such as Amedeo Asia's holdings in YZJ JV and MGR, then that investment is classified as an associate and is equity accounted, see note10.

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Company's share of the other comprehensive income of the investee after the date of acquisition. The Company's share of the associate's profit or loss is recognised in its statement of comprehensive income. Distributions received from an associate reduce the carrying amount of the investment.

After application of the equity method, an impairment review is carried out to determine whether it is necessary to recognise any impairment loss with respect to its net investment in the associate.

Loans receivable

Loans receivable are valued at nominal amount less provisions against recoverability. The maximum exposure in respect of the loan portfolio at the year end is the amount receivable shown in note 11. No hedging transactions have been entered into with respect to the loan portfolio.

Impairment

At each financial year end date, the Group reviews the carrying amounts of its non-current assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of the individual asset, the Group estimates that recoverable amount of the cash-generating unit to which the asset belongs.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, in hand and demand deposit and other short term highly liquid investments of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instrument's legal form. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets

Apart from its unquoted investments and investments in associates, the Group has only financial assets classified as loans and receivables. The Group's loans and receivables comprise loans and other receivables and cash and cash equivalents in the statement of financial position.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Current and deferred tax

Taxation is applied on a current basis in accordance with IAS 12 "Income taxes". Deferred taxation is provided in full on temporary differences that result in an obligation at the reporting date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Temporary differences arise from differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which unused tax losses and credits can be utilised. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset when 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.

Foreign currencies

The financial information is presented in United States Dollars which is the functional currency of the Company.

Transactions in foreign currencies are translated at the rate prevailing at the date of transaction, with any differences recognised to the Income Statement. Monetary assets and liabilities denominated in foreign currencies in each company are translated at the rates of exchange prevailing at the accounting date.

On consolidation, revenues, costs and cash flows of undertakings abroad are included in the Group income statement at average rates of exchange for the year. The assets and liabilities denominated in foreign currencies are translated into United States Dollars using rates of exchange at the reporting date.

Exchange differences on the re-translation of opening net assets and results for the year of foreign subsidiary undertakings and associates are dealt with through other comprehensive income net of differences on loans denominated in foreign currency. Other gains and losses arising from foreign currency transactions, mainly loans including trading, are included in the consolidated income statement.

Share-based payments

All share-based payments are accounted for in accordance with IFRS 2 - "Share-based payments". The Company issues equity-settled share-based payments in the form of share warrants to certain Directors and key advisers. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Fair value is estimated using a Black Scholes probability valuation model. The expected life used in the model has been calculated by reducing the total contractual life to management's best estimate of the expected date of exercise.

Critical accounting 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) *Impairment of investment in associated company*:

The investment in the associated company is stated on an equity accounting basis supported by the audited financial statements of the associate. The Group is also required to determine whether any impairment loss should be recognised in accordance with IAS 28. The recoverable amount is determined based on the Group estimates as follows:

(i) its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate or joint venture and the proceeds from the ultimate disposal of the investment; or

(ii) the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

b)Recoverability of loans receivable:

Separately, the Group determines the recoverability of its loans to its associate, MGR. As the loans were used to make working capital available to MGR, consideration of the recoverability of the loans is related to consideration of the carrying value of the associate.

The parent Company determines the recoverability of its loans to its subsidiary, Amedeo Asia. These are intercompany loans which are repayable on demand. The directors consider there to be no issue with recoverability.

2. Segmental reporting

No segmental analysis is considered necessary as the Directors believe that the Group has only one segment in the year under review, being that of an investment company with a focus on investments in, but not exclusively, the resources and/or resources infrastructure sectors, with no specific national or regional focus.

3. Administrative expenses

Expenses included in administrative expenses are analysed below

	Year ended 31 Dec 2016 $'000	**Year ended 31 Dec 2015 $'000**
Administration, legal, professional and financial costs	394	391
Directors' fees (excluding share based payments)	141	143
Auditor fees	95	117
	630	651

The auditor's fees payable to the associates of the company's auditors in respect of audit of the subsidiary's financial statements were US$12,000 (2015: US$35,000).

4. Share of loss of associates

	Year ended 31 Dec 2016 $'000	**Year ended 31 Dec 2015 $'000**

YZJ Offshore Engineering Pte Ltd	(856)	(2,059)
MGR Resources Pte Ltd	(25)	45
	(881)	(2,014)

The Company's wholly-owned Singapore-registered subsidiary, Amedeo Asia, holds a 47.51% investment in YZJ JV, a Singapore registered company. The loss of US$856,000 represents Amedeo Asia's share of YZJ JV's loss for the year ended 31 December 2016 (2015: US$2,059,000) and Amedeo Asia's share of MGR's loss for the year ended 31 December 2016 of US$25,000 (2015:gain of US$45,000).

5. Foreign exchange losses

	Year ended 31 Dec 2016 $'000	**Year ended 31 Dec 2015 $'000**
Loss on translation of loans made to associates	113	86

In June 2014, the Company made a foreign currency denominated, interest free, unsecured loan to its wholly-owned subsidiary, Amedeo Asia, totalling GBP1.2 million (translated to US$2.044 million in June 2014), to enable Amedeo Asia to make a convertible loan to MGR ("Convertible Loan"). At February 2016, the loan of GBP1.2 million was retranslated to US$1.664 million, resulting in an unrealised loss on foreign exchange of US$0.113 million. See table below, which details this:

Loan from Amedeo Asia to MGR in 2014	
At 1 January 2016	$1.777m
Less: At 31 December 2015	($1.664)m
Unrealised loss on foreign exchange	**US $0.113m**

The Company does not hedge against movements in foreign exchange rates.

6. Finance income

	Year ended 31 Dec 2016 $'000	**Year ended 31 Dec 2015 $'000**
Interest on loans made to associates	44	300

Interest on loans made to associates is made up of interest receivable from MGR. Finance income decreased to US$44,000 (2015: US$300,000) due to the repayment of US$1,664,000 of loans from MGR during the year.

7. Taxation

	Year ended 31 Dec 2016 $'000	Year ended 31 Dec 2015 $'000
UK Corporation tax		
Factors affecting tax charge in the year		
Loss on ordinary activities before tax	(1,880)	(2,610)
Loss on ordinary activities at the effective rate of corporation tax 20% (2015: 20%)	(376)	(522)
Unrelieved losses	376	522
	-	-

Deferred income tax assets are recognised for tax losses carried-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group does not recognise any deferred income tax assets relating to carried forward tax losses as there is insufficient evidence that any deferred tax asset recognised will be recovered.

At the reporting date, the Group's UK parent company had unused tax losses of approximately US$8,900,000 available for offset against future profits. US$1,513,000 represents unrecognized deferred tax assets thereon at 17%. The deferred tax asset has not been recognized due to uncertainty over timing of utilization.

8. Loss per share

The basic and diluted loss per share for the year to 31 December 2016 was US$5.78¢ (2015: US$7.99¢). The calculation of loss per share is based on the loss of US$1,887,000 for the year ended 31 December 2016 (2015: US$2,610,000 loss) and the weighted average number of shares in issue during the year to 31 December 2016 of 32,653,843 (2015: 32,653,843).

No warrants were exercised in the year ended 31 December 2016. The outstanding warrants represent approximately 15% of the Company's current issued share capital and are considered by the Directors to be anti-dilutive, given that the various exercise prices of warrants are all in excess of the average share price for the year.

9. Investment in subsidiaries

	Company	
	31 Dec 2016	**31 Dec 2015**
Cost or valuation	$'000	$'000
At 1 January	8	8

At 31 December	8	8

The investment in subsidiaries shown above is the investment in Amedeo Asia.

The Company's subsidiaries were as follows:

Name	**Country of incorporation**	**Proportion of owner**
		Dec 2016
Amedeo Resources (Asia) Pte Limited ("Amedeo Asia")	Singapore	100%

10. Investments in associates

Amedeo's wholly owned subsidiary, Amedeo Asia has a holding in YZJ JV, which is incorporated in Singapore, of 47.51%. YZJ JV has a 40% stake in YZJ Offshore, which is incorporated in Singapore. YZJ JV equity accounts for its 40% interest in YZJ Offshore, and Amedeo Asia equity accounts for its 47.51% stake in YZJ JV. Amedeo provided an interest free unsecured loan to Amedeo Asia to acquire the 47.51% stake in YZJ JV.

Amedeo Asia also has a 49% stake in MGR, which is incorporated in Singapore. Amedeo Asia equity accounts for its 49% stake in MGR. The Group received no dividend from either associate in either period.

	YZJ JV		**MGR**		**Total**	
	31 Dec 16	**31 Dec15**	**31 Dec 16**	**31 Dec 15**	**31 Dec 16**	**31 Dec 15**
Amounts relating to associates	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Current assets	908	973	4,716	10,407	5,624	11,380
Non-current assets	28,547	32,282	-	-	28,547	32,282
Current liabilities	(3)	(9)	(3,713)	(7,568)	(3,716)	(7,577)
Non-current liabilities	-	-	-	(1,949)	-	(1,949)
Net assets	29,452	33,246	1,003	890	30,455	34,136
Group's share of net assets of associates	**13,990**	**15,777**	**491**	**436**	**14,481**	**16,213**
Total revenue	3	3	249	9,261	252	9,264
(Loss)/Profit	(1,802)	(4,334)	(51)	92	(1,853)	(4,242)

Group's share of (loss)/profit of associates	**(856)**	**(2,059)**	**(25)**	**45**	**(881)**	**(2,014)**

Group's share of net assets of associates	**$'000**
Opening at 1 January 2016	16,213
Group's share of loss of associates	(881)
Foreign exchange translation difference	(946)
Closing at 31 December 2016	**14,386**

11. Loans receivable

	Group		**Company**	
	31 Dec 2016	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
	$'000	**$'000**	**$'000**	**$'000**
Balance brought forward	2,177	3,813	24,809	24,867
Loans advanced	1,000	400	500	28
Loans repaid	(1,664)	(1,950)	(1,664)	-
Foreign exchange loss	(113)	(86)	(113)	(86)
Balance carried forward	1,400	2,177	23,532	24,809

During the year, the Group made a USD loan to an associate, MGR, of US$1,000,000 (2015: US$400,000), and received repayment of a GBP loan of GB£1,200,000 from MGR, which translated to US$1,664,000 at the date of repayment. This loan is expected to be repaid within a year with no interest charged.

The Directors consider that the carrying amount of loans receivable approximates to their fair value.

12. Other receivables

	Group		**Company**	
	31 Dec 2016	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
	$'000	**$'000**	**$'000**	**$'000**
Prepayments and sundry debtors	223	527	164	468

The Directors consider that the carrying amount of other receivables approximates to their fair value.

13. Trade and other payables

Current liabilities	Group		Company	
	31 Dec 2016	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables and accruals	104	147	91	105
	104	147	91	105

14. Called up share capital

	31 Dec 2016	**31 Dec 2015**
Allotted, called up and fully paid		
Ordinary shares		
Total Ordinary shares	32,653,843	32,653,843
	$'000	**$'000**
Ordinary Shares of 10p each	5,179	5,179
44,190,545 Deferred Shares of 0.9p each	625	625
Total Share Capital	5,804	5,804

During the year ended 31 December 2015, the Company undertook a share capital reorganisation so that every 100 Existing Ordinary Shares of 0.1p be consolidated into 1 ordinary share of 10p. This reduced number of ordinary shares in issue from 3,265,384,300 to 32,653,843.

The 44,190,545 deferred shares of 0.9p each ("Deferred Shares") do not entitle the holder thereof to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return on capital on a winding up unless the assets of the Company are in excess of GBP1,000,000,000,000. The Company retains the right to purchase the Deferred Shares from any Shareholder for a consideration of one penny in aggregate for all that shareholder's Deferred Shares. As such, the Deferred Shares effectively have no value. Share certificates have not and will not be issued in respect of the Deferred Shares.

15. Warrants

During the year ended 31 December 2016, no warrants were granted (2015: 3,107,211 warrants were granted). This leaves 5,022,657 warrants outstanding at 31 December 2016. All the warrants can be exercised between the date of grant and the end of the exercise period shown below.

Date of grant	End of Exercise period	Number of Warrants granted	Exercise price	Number exercised in the year	Number exercised to date	Number of Warrants at 31 Dec 2016
4 April 2012	4 April 2022	160,000	75 pence	-	-	160,000
31 August 2012	31 August 2017	710,000	50 pence	-	50,000	660,000
23 June 2013	23 June 2023	1,095,446	50 pence	-	-	1,095,446
1 February 2015	1 February 2025	500,000	100 pence	-	-	500,000
12 March 2015	12 March 2025	2,607,211	100 pence	-	-	2,607,211
		5,072,657		-	50,000	5,022,657

The weighted average exercise price for the warrants at the beginning of the period was 81 pence.

The weighted average exercise price for the warrants at the end of the period was 81 pence.

The weighted average remaining contractual life of outstanding warrants as at the end of the period was 5.74 years.

The charge in the current year of US$138,000 relates to the 3,107,211warrants issued in the year ended 31 December 2015.

The following table sets out the warrants held by Directors, or entities connected with the Directors, who served during the year and up to the date of this report:

Warrant holder	Number of warrants	Date of grant	End of exercise period	Exercise price	Number exercised
Fulton Capital Management Ltd(1)	250,000	31 August 2012	31 August 2017	50 pence	-
Lau Lian Seng Glen	2,607,211	12 March 2015	12 March 2025	100 pence	-
Zafarullah Karim	333,157	1 February 2015	1 February 2025	100 pence	-
Zafarullah Karim	1,095,446	23 June 2013	23 June 2023	50 pence	-

Notes

(1) Fulton Capital Management Limited is a company owned and controlled by Mr Lau, the Company's chief executive officer

The share based payment charge in the year under review of US$138,000 relates to the 3,107,211 warrants issued in 2015 (2015: US$261,000). The Black Scholes pricing model was used to calculate the share based payment charge.

16. Asset value per share

The net asset value per share at 31 December 2016 was US$0.56 (31 December 2015: US$0.65). Net asset value is based on the net assets as at 31 December 2016 of US$18.4 million (31 December 2015: US$21.1 million) and on the number of ordinary shares in issue at 31 December 2016 being 32,653,843 ordinary shares (31 December 2015: 32,653,843).

17. Staff numbers and costs

The average monthly number of employees of the Group, including Directors, during the year was 4 (2015: 4). The Directors are considered the key management of the Group. The aggregate remuneration of the Directors is set out in the remuneration report. All employees are Directors of the Company, therefore no remuneration was paid to staff of the Company (2015: US$: Nil).

18. Related party transactions

In April 2014, Amedeo signed a management services agreement with MGR to provide marketing assistance and services to MGR. During the year, MGR paid US$108,000 to Amedeo in respect of these services (2015: US$128,000).

During the year, Amedeo made a loan of US$1,000,000 to MGR and MGR repaid a loan of US$1,664,000 to Amedeo. The Group earned US$44,000 in interest on their loans to MGR for the year to 31 December 2016 (2015: US$300,000). Also, subsequent to year end, MGR took out a loan facility of US$800,000 from Amedeo, in January 2017.

19. Financial instruments and risk management

<u>Investments</u>

All of the Group's actual and intended investments present a risk of loss of capital. Such investments are subject to investment specific, industry specific, sector specific, market specific and macro-economic risks including, but not limited to, international economic conditions, international financial policies and performance, governmental events and changes in laws. Moreover, the Group may only have a limited ability to vary its investments in response to changing conditions.

The success of the Group is dependent upon the identification, making, management and realisation of suitable investments. There can be no guarantee that such investments can or will be made or that such investments will be successful. Poor performance by an investment could severely affect the net asset value per share of the Group.

The Group may have minority interests in companies, partnerships and ventures. As such it may be unable to exercise control over the operations of such investments or exercise control over any exit, or timing of any exit, by other investors in such investments. In addition, the managements of the investee companies targeted by the Directors may not always welcome proactive shareholder involvement.

The Group may dispose of investments in certain circumstances and may be required to give representations and warranties about those investments. In certain cases such representations and warranties may be challenged. This may lead to the Group having to pay damages to the extent that such representations and warranties turn out to be inaccurate or other terms of sale are breached.

There can be no certainty that the value of investments as reported from time to time will in fact be realised.

Investments in unquoted companies

It is intended that the Group's investment portfolio will comprise interests predominantly in unquoted, growth companies, which may be difficult to value and/or realise. Investments in unquoted growth companies may involve greater risks than is customarily associated with investments in larger, more established quoted companies. In particular, such companies may have limited product offerings, markets or resources and may be dependent on a small number of key individuals. As at 31 December 2016, the Group's holding of unquoted investments was valued at approximately US$14.4 million (31 December 2015: US$16.2 million).

Market risk

It is possible that certain investments will represent a significant proportion of the Group's total assets, such as Amedeo Asia's investment in YZJ JV. As a result, the impact on the performance and the potential returns to investors will be adversely affected to a greater degree if any one of those investments were to perform badly than would be the case if the portfolio of investments was more diversified. At 31 December 2016, the overall investment allocation was a portfolio of 2 investments both of which were in unquoted companies. As at 31 December 2016, the Company's investment in YZJ JV represented 97% of the value of the Group's investment portfolio and almost 76% of the Group's gross assets.

Interest rate risk

The majority of the Group's financial assets and liabilities are not interest bearing. As a result, the Group is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any cash and cash equivalents are held in short notice accounts. The table below summarises the Group's exposure to interest rate risks.

As at 31 December 2016	Non-interest bearing	Fixed interest	Total
Assets	$'000	$'000	$'000
Investments	14,393	-	14,393
Loans to MGR	-	1,400	1,400
Other receivables	223	-	223
Cash and cash equivalents	2,510	-	2,510
Total financial assets	17,126	1,400	18,526
Liabilities			
Trade and other payables	104	-	104
Total financial liabilities	104	-	104

As at 31 December 2015	Non-interest	Fixed

Assets	bearing $'000	interest $'000	Total $'000
Investments	16,213	-	16,213
Loan to MGR	-	2,177	2,177
Other receivables	527	-	527
Cash and cash equivalents	2,340	-	2,340
Total financial assets	19,080	2,177	21,257
Liabilities			
Trade and other payables	147	-	147
Total financial liabilities	147	-	147

Hedging and currency risk

As the current focus of the Company's investment has been outside of the UK, the majority of the Company's investments are denominated in US$. The Company's functional currency is also US$.

Liquidity risk

The Company's financial instruments include minority equity investments in unquoted Singapore-registered companies. The Company should be able to liquidate its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements.

The Company has a procedure to manage liquidity risk whereby the board meet regularly to review investment holdings and current and anticipated levels of financial liabilities. Where liquidity of the investments within the portfolio is believed to be at a level which may adversely affect the Company's ability to service its financial obligations, the board will consider taking action to improve cash flow, which may include utilising bank overdrafts or other credit arrangements.

The table below details the contractual, undiscounted cash flows of the Group's financial liabilities.

	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	No stated maturity $'000
31 December 2016				
Trade and other payables	104	-	-	-
Total	104	-	-	-
31 December 2015				
Trade and other payables	147	-	-	-
Total	147	-	-	-

Credit risk
Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Capital risk management

The Company is currently financed solely through equity and manages its capital to ensure that it has sufficient financial resources to implement its planned operations while maximising the return to stakeholders. Please see the Strategic Report on page 6 for details.

20. Subsequent events

In January 2017, Amedeo brought a 2.5% stake in Ganjine Kani Company for US$500,000, a copper mining company based in Iran.

Also in January 2017, the Group loaned MGR a further US$800,000 due to the positive outlook on the iron ore price.

There are no other significant subsequent events to report.

21. Ultimate controlling party

The ultimate controlling party is Qatar Investment Corporation, which holds 61.1% of the issued Ordinary Share capital of the Group. Qatar Investment Corporation is a wholly owned investment vehicle of Mr Ghanim Al Saad, Non-Executive Chairman of the Company.