

Amedeo Resources PLC

("Amedeo" or the "Company")

Interim Results for the six months ended 30 June 2016

Introduction

Progress at Jiangsu Yangzijiang Offshore Engineering Co. Ltd's ("YZJ Offshore") marine vessel yard on its first order, a Le Tourneau Super 116E Class design self-elevating mobile offshore jack up drilling rig ("Explorer 1"), continues and Explorer 1 is expected to be ready for delivery by the end of 2016.

With iron ore prices depressed, MGR Resources PTE Ltd ("MGR") cut back activities to a bare minimum. With surplus working capital, it repaid its GBP1,200,000 loan from Amedeo.

Total comprehensive loss for the period was US\$632,000 (2015: US\$749,000). Cash at the end of the period was US\$3,998,000 (2015: US\$3,281,000).

Despite these difficulties, Amedeo continues to pursue its long term strategy of building a vertically integrated business in the resource and energy and related infrastructure sectors.

YZJ Offshore

YZJ Offshore marine vessel yard continued with the commissioning of its first order, Explorer 1. With this being the yard's first rig, the commissioning process is continuing post the period in to the second half of 2016. The yard expects Explorer 1 to be ready for delivery by the end of 2016.

The market for marine vessels remains depressed and no new orders have been won for rigs or other marine vessels. This state of affairs is expected to improve in the medium term, and YZJ Offshore, having completed its first rig expects to be well placed to take advantage of the situation when it improves.

While commissioning Explorer 1, YZJ Offshore generated revenues by employing its berthing capacity. These revenues were sufficient to have covered YZJ Offshore's costs and generate a small profit of which US\$13,000 is attributable to Amedeo

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

With iron ore prices depressed, MGR cut back activities to a bare minimum, and as such made a loss of US\$15,000 (2015: US\$64,000). Due to the low level of activity, in February 2016, it paid back to Amedeo a loan of GBP1,200,000. MGR continues to monitor the iron ore and commodity market in order to seek profitable brokering activities.

Amedeo has a 49.0% stake in MGR.

Financial Review

Revenue comprises various business services, invoiced in GBP, that Amedeo provides to MGR. During the six months, revenue decreased slightly to US\$56,000 (2015: US\$65,000), due to a fall in GBP against the US\$.

Administrative costs were US\$299,000 (2015: US\$248,000). The increase was primarily due to the under accrual of audit fees in the prior period. Allowing for this, administrative costs were in line with the prior period.

Amedeo's share of losses in associates was US\$2,000 (prior period: US\$582,000). This was made up of a profit of US\$13,000 (2015: loss of US\$518,000) at YZJ JV and a loss of US\$15,000 (2015: US\$64,000) at MGR.

Foreign exchange losses amount to US\$267,000 (2015: Gains US\$4,000). These were predominately due to translating GBP denominated loans into US\$ and translating GBP bank balances at the period end exchange rate. This is a non-cash item.

Finance income decreased to US\$10,000 (2015: US\$165,000) due to MGR repaying a loan of GBP1,200,000 to Amedeo.

Overall loss on ordinary activities before taxation was reduced to US\$613,000 (2015: US\$683,000). Basic and fully diluted loss per share for the period was US\$1.83 (2015: US\$2.09).

Foreign exchange translation differences due to Amedeo's indirect investment in YZJ Offshore were less than US\$1,000 (2015: US\$66,000). Overall total comprehensive loss for the period was US\$613,000 (2015: US\$749,000).

At the period end, the carrying value on the balance sheet of investments in associates fell to US\$16,210,000 (2015: US\$18,557,000), primarily as a result of the share of loss in the second half of 2015 from Amedeo's stake in YZJ JV.

Current assets fell to US\$4,586,000 (2015: US\$5,468,000). Cash as at 30 June 2016 was US\$3,998,000 (2015: US\$3,281,000) primarily as a result of the repayment of the GBP loan of £1,200,000 by MGR.

Trade and other payables decreased to US\$188,000 (2015: US\$247,000) mainly due to accrued expenses which were settled after the end of the prior period.

Overall, at the period end, net and total assets were US\$20,607,000 (2015: US\$23,778,000) and US\$20,796,000 (2015: US\$24,025,000), respectively.

Outlook

Despite the current difficulties in both the marine vessels market and the iron ore and commodity markets, Amedeo is well resourced and remains focused on long term strategy of building a vertically integrated business in the resource and energy and related infrastructure sectors.

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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 are strategically important. Amedeo is a proactive investor which assists its investee companies to grow by providing investment, expertise and contacts.

AMEDEO RESOURCES PLC

Consolidated unaudited statement of comprehensive income

for the six months ended 30 June 2016 (unaudited)

	Note	Unaudited 6 months ended 30.6.16 US\$'000	Unaudited 6 months ended 30.6.15 US\$'000	Audited 12 months ended 31.12.15 US\$'000
Revenue		56	65	128
Cost of Sales		-	-	-
Gross profit		56	65	128
Administrative expenses		(299)	(248)	(651)
Share based payments		(130)	(90)	(261)
Share of profit/(loss) of associates	2	(2)	(582)	(2,014)
Foreign exchange gains (losses)		(267)	4	(115)
Loss from operations		(642)	(851)	(2,913)
Profit on sale of quoted shares		-	3	3
Finance Income		10	165	300
Loss on ordinary activities before taxation	3	(632)	(683)	(2,610)
Taxation		-	-	-
Loss for the period		(632)	(683)	(2,610)
Other Comprehensive Income				
Foreign exchange translation difference		-	(66)	(978)
Total Comprehensive loss for the period		(632)	(749)	(3,588)
Basic and fully diluted (Loss) per share (US\$ cents)	3	(1.94c)	(2.09c)	(7.99c)

AMEDEO RESOURCES PLC

Consolidated unaudited statement of financial position

As at 30 June 2016 (unaudited)

	Unaudited As at 30.6.16 US\$'000	Unaudited As at 30.6.15 US\$'000	Audited As at 31.12.15 US\$'000
Assets:			
Non-current Assets			
Investment in associates	16,210	18,557	16,213
	<u>16,210</u>	<u>18,557</u>	<u>16,213</u>
Current Assets			
Loans Receivable	400	1,868	2,177
Investment in unquoted preference shares	-	33	-
Other receivables	188	286	527
Cash and cash equivalents	3,998	3,281	2,340
	<u>4,586</u>	<u>5,468</u>	<u>5,044</u>
Total Assets	<u>20,796</u>	<u>24,025</u>	<u>21,257</u>
Liabilities:			
Current Liabilities			
Trade and other payables	(189)	(247)	(147)
	<u>(189)</u>	<u>(247)</u>	<u>(147)</u>
Total Liabilities	(189)	(247)	(147)
Net Assets	<u>20,607</u>	<u>23,778</u>	<u>21,110</u>
Capital and Reserves			
Called up equity share capital	5,804	5,804	5,804
Share premium account	29,103	29,103	29,103

Warrant reserve	695	394	565
Foreign exchange reserve	481	1,393	481
Retained earnings	(15,476)	(12,916)	(14,843)
Total Equity	<u>20,607</u>	<u>23,778</u>	<u>21,110</u>

AMEDEO RESOURCES PLC

Consolidated unaudited cash flow statement

for the six months ended 30 June 2016 (unaudited)

	Unaudited 6 months ended 30.6.16 US\$'000	Unaudited 6 months ended 30.6.15 US\$'000	Audited 12 months ended 31.12.15 US\$'000
<i>Reconciliation of operating profit to net cash flow from operating activities</i>			
Loss for the period before tax	(632)	(683)	(2,610)
<i>Adjustments for:</i>			
Share based payments	130	90	261
Share of loss of associates	2	582	2,014
Loss on sale of quoted Shares	-	(3)	(3)
Provision for unquoted preference shares	-	-	33
Finance Income	(10)	(165)	(300)
Unrealised FX losses	-	-	86
	<u>(510)</u>	<u>(179)</u>	<u>(519)</u>
Changes in working capital:			
Decrease in receivables	339	265	17
Increase/(decrease) in payables	42	(97)	(197)
Net cash flows used from operating activities	<u>(129)</u>	<u>(11)</u>	<u>(699)</u>
<i>Investing activities</i>			
Receipt on sale of quoted Shares	-	3	10
Loans made to associate	-	-	(400)
Loans repaid by associate	1,777	1,945	1,950
Net cash from/(used in) investing activities	<u>1,777</u>	<u>2,113</u>	<u>1,560</u>
<i>Financing activities</i>			
Finance income	10	165	300
Net cash from financing activities	10	-	300
Net increase in cash and equivalents	1,658	2,102	1,161
Cash and equivalents at beginning of period	<u>2,340</u>	<u>1,179</u>	<u>1,179</u>
Cash and equivalents at end of period	<u>3,998</u>	<u>3,281</u>	<u>2,340</u>

NOTES TO THE INTERIM ACCOUNTS

1. Basis of preparation

The accounting policies adopted are consistent with those of the previous financial year ended 31 December 2015.

This interim consolidated financial information for the six months ended 30 June 2016 has been prepared in accordance with AIM rule 18, '*Half yearly reports and accounts*'. This interim consolidated financial information is not the group's statutory financial statements within the meaning of section 434 of the Companies Act 2006 (and information as required by section 435 of the Companies Act 2006) and should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis of matter without qualifying their report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The interim consolidated financial information for the six months ended 30 June 2016 is unaudited. In the opinion of the Directors, the interim consolidated financial information presents fairly the financial position, and results from operations and cash flows for the period. Comparative numbers for the six months ended 30 June 2015 are also unaudited.

This interim consolidated financial information is presented in US Dollars (\$), rounded to the nearest US\$'000 dollar.

2. Share of loss of associates

	6 months ended 30.6.16 US\$'000	6 months ended 30.6.15 US\$'000	12 months ended 31.12.15 US\$'000
Share of profit/(loss) of YZJ JV	13	(518)	(2,059)
Share of loss of MGR	(15)	(64)	45
	<u>(2)</u>	<u>(582)</u>	<u>(2,014)</u>

The Company holds a 47.5% stake in YZJ JV and a 49.0% stake in MGR. YZJ JV reported an unaudited profit for the 6 months to 30 June 2016 of US\$27,000 (2015: loss of US\$1,089,000) and US\$13,000 (2015: loss of US\$518,000) represents Amedeo's share of YZJ Offshore's profit.

MGR reported a loss of US\$31,000 for the period to 30 June 2016 (2015: US\$131,000), of which US\$15,000 (2015: US\$64,000) represents Amedeo's share of MGR's profit.

3. Loss per share

The basic and diluted loss per share for the period ended 30 June 2016 was 1.94c (2015: 2.09c). The calculation of loss per share is based on the loss of US\$632,000 for the period ended 30 June 2016 (2015: US\$683,000) and the weighted average number of shares in issue during the period for calculating the basic profit per share of 32,653,843 shares (2015: 32,653,843).

4. Preparation of interim report

This report was approved by the Directors on 22 September 2016.