

28 September 2015

**Amedeo Resources plc
("Amedeo" or the "Company")**

Interim Results for the six months ended 30 June 2015

Highlights

- First order of a Le Tourneau Super 116E Class design self-elevating mobile offshore jack up drilling rig ("Explorer 1"), continues to quality and is on schedule to be completed by the end of this year
- Cash administrative costs reduced to US\$248,000 from US\$453,000
- Cash net loss reduced to US\$15,000 from US\$271,000
- US\$3,281,000 cash on balance sheet as at 30 June 2015

****ENDS****

Enquiries:

Glen Lau
Chief Executive Officer
Amedeo Resources Plc
Tel office: +44 20 7583 8304

Zafar Karim
Executive Director
Amedeo Resources Plc
Tel office: +44 20 7583 8304

Paul Shackleton
Nominated Adviser & Broker
WH Ireland
Tel office: +44 207 220 1666

Zoe Alexander
Joint Broker
Beaufort Securities Limited
Tel office: +44 20 7382 8300

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.

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 to quality and schedule with the rig due for completion by the end of this year. With the fall in the oil price, the rig market remains difficult and while discussions with several potential purchasers are on-going, no new orders have been obtained. While this is disappointing, YZJ offshore has the capability to build many different vessels and blocks. In addition, we do not expect the weakness in the rig market to continue in the medium term.

With the iron ore price depressed, MGR Resources PTE Ltd ("MGR") has had a difficult first half and cut back on its activities. It is exploring opportunities in a range of commodities, both soft and hard.

Despite the above difficulties, Amedeo continues to pursue its long term strategy of building a vertically integrated business in the resource and energy and related infrastructure sectors. Ongoing cash costs are down to less than US\$250,000 per half year and with the repayment by MGR of a loan, cash is up to over US\$3,000,000.

YZJ Offshore

YZJ Offshore's first order, Explorer 1, is on schedule and to quality for completion by the end of this year. Following completion, commissioning will commence, a process which takes several months, and then the rig will be delivered. Reputation is key in obtaining further orders and as a new yard, YZJ Offshore needs to develop a reputation as a reliable and quality rig builder. With the build of Explorer 1, it is achieving this. However, with the decline in the oil price since the middle of last year, conditions in the rig market remain difficult, and thus far no new orders have been secured. As mentioned in our annual report, however, we do not expect these conditions to continue in the medium term.

Importantly, YZJ Offshore has the ability to build advanced and specialised (by locality) rigs for shallow and mid waters and to build various other vessels including semi submersibles and accommodation units. The New Yard is also able to fabricate blocks for container ships and gas carrier vessels, and as such the New Yard is absorbing container block overspill from Yangzijiang Shipbuilding (Holdings) Pte Ltd's principal yards. Along with completing the order for Explorer 1, these activities keep the New Yard busy.

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 the reduced demand for iron ore and depressed iron ore prices, MGR scaled back its iron ore operations, and focused on monitoring that market and exploring opportunities for broking other, including soft, commodities, along the East and South East Asia, South Asia, Middle East and Africa corridors. Actual broking activities were minimal, and in January 2015, MGR paid US\$1,950,100 to Amedeo as repayment of its convertible loan that was granted in April 2013. MGR still has a loan of US\$1,868,000 outstanding to Amedeo.

Amedeo has a 49.0% stake in MGR.

Financial Review

Revenue for the six months rose to US\$65,000 (prior period: US\$36,000). Amedeo provides to MGR various business development and marketing services. In the prior period, MGR was charged for these services for only half of the period.

Administrative costs were significantly reduced to US\$338,000 (prior period: US\$453,000). Moreover, excluding the non-cash share based payments of US\$90,000 (prior period: US\$Nil), cash administrative costs were US\$248,000 (prior period: US\$453,000). This substantial reduction was due to the absence of one off cost of US\$101,000 relating to the investment in YZJ JV and also due to the elimination of non-recoverable VAT.

Amedeo's share of loss in associates was US\$582,000 (prior period: US\$624,000). This was made up of a loss of US\$518,000 (prior period: US\$674,000) at YZJ JV and a loss of US\$64,000 (prior period: profit of US\$ 50,000) at MGR. The reduction in the losses reflected increased activity at YZJ Offshore in the period since the new yard was completed. The loss at MGR is discussed above. The losses of the associate companies are non-cash items.

Foreign exchange gains amounted to US\$4,000 (prior period: US\$80,000). These were predominately due to translating GBP denominated loans into US\$. This is a non-cash item. A quoted legacy investment was sold for US\$3,000. Finance income rose to US\$165,000 (prior period: USD 146,000) due to the interest on loans to MGR.

Overall loss on ordinary activities before taxation was reduced to US\$683,000 (prior period: US\$815,000). Basic and fully diluted loss per share for the period was US\$2.09c (prior period: US\$2.65). Excluding non-cash items, Amedeo was close to break-even with a loss on ordinary activities before taxation of US\$15,000 (prior period: US\$271,000).

Foreign exchange translation differences of US\$66,000 arose due to Amedeo's indirect investment in YZJ Offshore (prior period: gain US\$10,000). Taking the balance sheet foreign exchange translation differences into account, overall, total comprehensive loss for the period was US\$749,000 (prior period: US\$805,000).

As at the period end, the carrying value on the balance sheet of investments in associates fell to US\$18,557,000 (30 June 2014: US\$19,656,000) due to the losses incurred at the associates companies.

Current assets fell to US\$5,468,000 (30 June 2014: US\$5,923,000), predominately due to a decrease in net cash/loan receivable to US\$5,149,000 (30 June 2014: US\$5,698,000). Cash as at 30 June 2015 rose to US\$3,281,000 (30 June 2014: US\$1,707,000) primarily as a result of the repayment of a convertible loan of US\$1,950,100 from MGR.

Trade and other payables rose to US\$247,000 (30 June 2014: US\$155,000) mainly due to accrued expenses which were settled after the period end.

Overall, at the period end, net and total assets were US\$23,778,000 (30 June 2014: US\$25,424,000) and US\$24,025,000 (30 June 2014: US\$25,579,000), respectively.

Outlook

With the current difficulties with the rig market, winning new orders at YZJ Offshore has been difficult. We do not expect this situation to continue in the medium term, and when the 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 other vessels, is well placed to take advantage of it. Depressed iron ore prices have not helped MGR. It is, however, exploring other opportunities.

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

AMEDEO RESOURCES PLC

Consolidated unaudited statement of comprehensive income for the six months ended 30 June 2015 (unaudited)

	Note	Unaudited 6 months ended 30.6.15 \$'000	Unaudited 6 months ended 30.6.14 \$'000	Audited 11 months ended 31.12.14 \$'000
Revenue		65	36	91
Cost of Sales		-	-	-
Gross profit		<u>65</u>	<u>36</u>	<u>91</u>
Administrative expenses		(338)	(453)	(827)
Share of loss of associates	2	(582)	(624)	(922)
Foreign exchange gains (losses)		4	80	(197)
Loss from operations		<u>(851)</u>	<u>(961)</u>	<u>(1,855)</u>
Profit on sale of quoted shares		3	-	-
Finance Income		165	146	444
Loss on ordinary activities before taxation	3	<u>(683)</u>	<u>(815)</u>	<u>(1,411)</u>
Taxation		-	-	-
Loss for the period		<u>(683)</u>	<u>(815)</u>	<u>(1,411)</u>
Other Comprehensive Income				
Foreign exchange translation difference		(66)	10	(64)
Total Comprehensive loss for the period		<u>(749)</u>	<u>(805)</u>	<u>(1,475)</u>
Basic and fully diluted (Loss) per share (US\$ cents)	3	<u>(2.09c)</u>	<u>(2.65c)</u>	<u>(4.40c)</u>

AMEDEO RESOURCES PLC

Consolidated unaudited statement of financial position

As at 30 June 2015 (unaudited)

	Unaudited As at 30.6.15 \$'000	Unaudited As at 30.6.14 \$'000	Audited As at 31.12.14 \$'000
Assets:			
Non-current Assets			
Investment in associates	18,557	19,656	19,205
	<u>18,557</u>	<u>19,656</u>	<u>19,205</u>
Current Assets			
Loans Receivable	1,868	3,991	3,813
Investments in quoted shares	-	7	7
Investment in unquoted preference shares	33	33	33
Other receivables	286	185	544
Cash and cash equivalents	3,281	1,707	1,179
	<u>5,468</u>	<u>5,923</u>	<u>5,576</u>
Total Assets	<u>24,025</u>	<u>25,579</u>	<u>24,781</u>
Liabilities:			
Current Liabilities			
Trade and other payables	(247)	(155)	(344)
	<u>(247)</u>	<u>(155)</u>	<u>(344)</u>
Total Liabilities	<u>(247)</u>	<u>(155)</u>	<u>(344)</u>
Net Assets	<u>23,778</u>	<u>25,424</u>	<u>24,437</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	394	298	304
Foreign exchange reserve	1,393	1,138	1,459
Retained earnings	(12,916)	(10,919)	(12,233)
	<u>23,778</u>	<u>25,424</u>	<u>24,437</u>
Total Equity	<u>23,778</u>	<u>25,424</u>	<u>24,437</u>

Consolidated unaudited cash flow statement
for the six months ended 30 June 2015 (unaudited)

	Unaudited 6 months ended 30.6.15 \$'000	Unaudited 6 months ended 30.6.14 \$'000	Audited 11 months ended 31.12.14 \$'000
<i>Reconciliation of operating profit to net cash flow from operating activities</i>			
Loss for the period before tax	(683)	(815)	(1,411)
<i>Adjustments for:</i>			
Share based payments	90	-	15
Share of loss of associates	582	624	922
Forex difference	-	109	-
Change in receivables	265	7	(492)
Change in payables	(97)	(133)	144
Profit on sale of quoted Shares	(3)	-	-
Finance Income	(165)	(146)	(444)
Cash flows used in operating activities	<u>(11)</u>	<u>(354)</u>	<u>(1,266)</u>
<i>Investing activities</i>			
Profit on sale of quoted Shares	3	-	-
Finance Income	165	146	444
Investment in associates	-	(5,059)	(5,059)
Loans made to associate	-	(2,040)	(1,863)
Loans repaid by associate	1,945	-	-
Net cash from/(used in) investing activities	<u>2,113</u>	<u>(6,953)</u>	<u>(6,478)</u>
<i>Financing activities</i>			
Issue of share capital	-	8,554	8,341
Net cash from financing activities	<u>-</u>	<u>8,554</u>	<u>8,341</u>
Net increase in cash and equivalents	2,102	1,247	597
Cash and equivalents at beginning of period	<u>1,179</u>	<u>460</u>	<u>582</u>
Cash and equivalents at end of period	<u>3,281</u>	<u>1,707</u>	<u>1,179</u>

NOTES TO THE INTERIM ACCOUNTS

1. Basis of preparation

The accounting policies adopted are consistent with those of the previous 11 month financial period ended 31 December 2014.

This interim consolidated financial information for the six months ended 30 June 2015 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 11 month period ended 31 December 2014, 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 2015 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 2014 are also unaudited.

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

2. Share of loss of associates

	6 months ended 30.6.15 \$'000	6 months ended 30.6.14 \$'000	11 months ended 31.12.14 \$'000
Share of loss of YZJ JV	(518)	(674)	(943)
Share of (loss)/profit of MGR	(64)	50	21
	<u>(582)</u>	<u>(624)</u>	<u>(922)</u>

The Company holds a 47.5% stake in YZJ JV and a 49.0% stake in MGR. YZJ JV reported an unaudited loss for the 6 months to 30 June 2015 of US\$1,089,000 (30 June 2014 - US\$1,418,000) and US\$518,000 (30 June 2014 – US\$674,000) represents Amedeo's share of YZJ Offshore's loss.

MGR reported a loss of US\$131,000 for the period to 30 June 2015 (30 June 2014 – profit of US\$102,000), of which US\$ 64,000 (30 June 2014 – profit of US\$50,000) represents Amedeo's share of MGR's loss.

3. Loss per share

The basic and diluted loss per share for the period ended 30 June 2015 was 2.09c (prior period: restated loss 2.65c). The calculation of loss per share is based on the loss of US\$683,000 for the period ended 30 June 2015 (prior period: loss of US\$815,000) and the weighted average number of shares in issue during the period for calculating the basic profit per share of 32,653,843 shares (restated prior period: 30,737,739). The prior period numbers have been restated to reflect a consolidation of the number of shares in issue to 10 pence each, which was approved at the AGM on 30 June 2015 and was effective from 5.30pm on that date.

4. Preparation of interim report

This report was approved by the Directors on 25 September 2015.