

24 September 2014

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

Interim Results for the six months ended 30 June 2014

Highlights

- YZJ Offshore New Yard operational
- Explorer 1 keel laid and build continuing to quality, on schedule and at New Yard
- Third parties are visiting, inspecting and satisfied with the New Yard and build quality
- MGR profitable, and with longer term and lower risk contracts
- Equity fundraising of US\$8,554,000
- Reporting is now in USD and on a calendar year basis

Glen Lau, CEO of Amedeo, commented:

"The New Yard is now operational and steady progress on Explorer 1 continues. Importantly the client is impressed with the build quality. Third parties are also visiting, inspecting and are satisfied with the New Yard and build quality, which compares favourably with other Chinese yards. Building reputation is key in developing a successful yard, and YZJ Offshore is making headway in establishing its reputation. MGR has continued to be profitable, despite difficult trading conditions. Importantly, it is moving from short-term contracts to longer-term, lower risk contracts. We look forward to continuing to build Amedeo."

****ENDS****

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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.

Introduction

Progress continues at both Jiangsu Yangzijiang Offshore Engineering Co. Ltd. (“YZJ Offshore”) and MGR Resources PTE Ltd. (“MGR”).

YZJ Offshore

YZJ Offshore’s marine vessel yard (the “New Yard”) is now operational. The build of its first order, a Le Tourneau Super 116E Class design self-elevating mobile offshore jack-up (“Explorer 1”) is continuing at the New Yard, with the keel having been laid in April. The build is progressing to quality and to schedule, with the customer being impressed with the build quality. Explorer 1 is expected to be delivered in the second half of next year. In addition, the New Yard is ready to absorb overspill from Yangzijiang Shipbuilding (Holdings) Pte Ltd’s yard, Amedeo’s joint venture partner.

As a new fabricator, YZJ Offshore needs to develop its reputation and brand. With the build of Explorer 1 now taking place at the New Yard, third parties are able to inspect the New Yard and build quality and are doing so. Indications are that they are satisfied with the New Yard and build quality, and indeed both compare favourably to other Chinese yards. Several discussions are taking place with respect to placing orders, some of which are advanced. The New Yard is capable of building a wide range of offshore vessels. YZJ Offshore’s management are confident that they will obtain further orders. Though there can be no certainty that such orders will be obtained.

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

MGR

In the period under review, MGR continued to build and improve the quality of its business, despite a difficult market. Demand for ferrous ore into China softened and the “Free On Board” price fell from approximately US\$115 per tonne to less than US\$65 per tonne. Consequently, brokering margins decreased. Nonetheless, against this difficult environment, MGR managed to remain profitable (after interest of US\$146,000 payable on the loans that Amedeo has made to it). In addition, MGR managed to move from short-term contracts with many customers to longer-term contracts with higher quality customers. Moreover, the new contracts are indexed to price, thereby reducing the risks that MGR bears. These contracts became effective post the period end.

With its operations in ferrous ore being established and profitable, MGR continues to seek new opportunities in other metals, including chromium, nickel and copper.

Fundraising

In March 2014, Amedeo raised US\$8,554,000 via an equity fundraising, which resulted in the issue of 521,764,569 ordinary shares at 1.0 pence per share. Following the fundraising, the Company’s enlarged issued ordinary share capital comprises 3,265,384,202 ordinary shares.

Of the funds raised, US\$5,059,000 was utilised to pay up fully Amedeo’s stake in YZJ JV and to increase Amedeo’s stake in YZJ JV from 46.5% to 47.5%, thereby raising Amedeo’s stake in YZJ Offshore from 18.6% to 19.0%.

In June 2014, US\$2,040,000 of the funds raised were utilised to make a working capital loan to MGR to enable it to continue its expansion. The loan has a five year maturity and carries a 15% coupon.

Financial Review

As stated in Amedeo's last full year results, Amedeo changed its accounting reference date to 31 December and its reporting currency to US\$. This is more normal in the sectors in which Amedeo invests. Further, the change to reporting in US\$ eliminates the currency gains/losses which resulted from reporting in £ Sterling (but were non-cash and had little bearing on the underlying business).

Revenue for the six months ended 30 June 2014 rose to US\$36,000 (prior period: US\$2,000). Amedeo provides various business development and marketing services to MGR. During the period under review, Amedeo entered into a business development and services retainer contract with MGR, which during the period, resulted in revenue of US\$36,000.

Administrative expenses were US\$453,000 (prior period: US\$320,000). The increase included a number of one-off items (fees related to the increase in capital for YZJ JV and items related to a now settled VAT dispute) amounting in total to US\$144,000. Excluding the one-off items, administrative expenses were US\$309,000 (prior period excluding one-off items: US\$292,000).

Amedeo's share of loss in associates was US\$624,000 (prior period: US\$206,000). This was made up of a loss of US\$674,000 (prior period: US\$206,000) at YZJ JV and a profit of US\$50,000 (prior period: nil) at MGR. The increased losses reflected increased activity at YZJ Offshore as the New Yard is now fully operational and Explorer 1 is being assembled at the New Yard. The losses/profits of the associates are non-cash items.

Foreign exchange gains amount to US\$80,000 (prior period: US\$706,000). These were due to the cumulative differences in translating historic profit and loss numbers from £ Sterling into US\$. This is a non-cash item.

Finance income rose to US\$146,000 (prior period: nil) due to the interest on loans to MGR.

Overall loss on ordinary activities before taxation was US\$815,000 (prior period: profit of US\$181,000). Basic and fully diluted loss per share for the period was US\$0.03 (prior period: profit US\$0.01).

Excluding non-cash items, loss on ordinary activities before taxation was reduced to US\$271,000 (prior period: loss of US\$319,000). Moreover, after removing one-off items, loss on ordinary activities before taxation was further reduced to US\$127,000 (prior period: loss of US\$291,000).

Foreign exchange translation differences of US\$10,000 arose (prior period: minus US\$2,176,000). These relate to the translation of historic balance sheet items from £ Sterling into US\$. This is a non-cash, one-off item.

Taking the balance sheet foreign exchange translation differences into account, overall, total comprehensive loss for the period was US\$805,000 (prior period loss of: US\$1,940,000).

As at the period end, the carrying value on the balance sheet of investments in associates rose to US\$19,656,000 (30 June 2013: US\$14,938,000), primarily as a result of the US\$5,059,000 investment to pay up fully Amedeo's stake in YZJ JV. Current assets rose to US\$5,923,000 (30 June 2013:

US\$2,623,000) primarily as a result of the US\$2,040,000 loan made to MGR. Cash as at 30 June 2014 was US\$1,707,000 (30 June 2013: US\$620,000).

Trade payables fell to US\$155,000 (30 June 2013: US\$352,000) as they were reduced to more normal levels.

Overall, at the period end, net and total assets were US\$25,424,000 (30 June 2013: US\$17,223,000) and US\$25,579,000 (30 June 2013: US\$17,575,000), respectively.

Outlook

Steady progress has been made in the six months to 30 June 2014. Explorer 1's build continues to quality and on schedule. Third parties are visiting the New Yard and inspecting the build quality of Explorer 1. Discussions are underway with several parties for further orders. The management of YZJ Offshore are confident of obtaining further orders. There can, however, be no certainty that such orders will be obtained. MGR has built and consolidated its business against a difficult background and continues to be profitable. It is actively exploring opportunities to continue to grow its business.

In addition, Amedeo continues to explore opportunities in the resource and resource infrastructure and asset sectors, in line with its long-term strategic goal of having several holdings in its chosen sectors.

AMEDEO RESOURCES PLC

Consolidated unaudited statement of comprehensive income for the six months ended 30 June 2014 (unaudited)

	Note	Unaudited 6 months ended 30.6.14 \$'000	Unaudited 6 months ended 30.6.13 \$'000	Unaudited 12 months ended 31.1.14 \$'000
Revenue		36	2	127
Cost of Sales		-	(1)	(1)
Gross profit		36	1	126
Administrative expenses		(453)	(320)	(699)
Share of loss of associates	2	(624)	(206)	(1,024)
Foreign exchange gains (losses)		80	706	(703)
(Loss)/profit from operations		(997)	181	(2,300)
Gain on purchase of associate		-	-	519
Dividend Income		-	-	107
Finance Income		146	-	154
(Loss)/profit on ordinary activities before taxation	3	(815)	181	(1,520)
Taxation		-	-	-
(Loss)/profit for the period		(815)	181	(1,520)
Other Comprehensive Income				
Foreign exchange translation difference		10	(2,176)	517
Total Comprehensive loss for the period		(805)	(1,940)	(1,003)
Basic and fully diluted (Loss)/profit per share (US\$ cents)	3	(0.03c)	0.01c	(0.06c)

AMEDEO RESOURCES PLC**Consolidated unaudited statement of financial position**

As at 30 June 2014 (unaudited)

	Unaudited As at 30.6.14 \$'000	Unaudited As at 30.6.13 \$'000	Unaudited As at 31.1.14 \$'000
Assets:			
Non-current Assets			
Investment in associates	19,656	14,938	15,133
Current Assets			
Loans Receivable	3,991	1,950	1,950
Investments in quoted shares	6	6	6
Investment in unquoted preference shares	33	33	33
Other receivables	185	28	52
Cash and cash equivalents	1,707	620	582
	<u>5,923</u>	<u>2,637</u>	<u>2,623</u>
Total Assets	<u>25,579</u>	<u>17,575</u>	<u>17,756</u>
Liabilities:			
Current Liabilities			
Trade and other payables	(155)	(352)	(200)
Total Liabilities	<u>(155)</u>	<u>(352)</u>	<u>(200)</u>
Net Assets	<u>25,424</u>	<u>17,223</u>	<u>17,556</u>
Capital and Reserves			
Called up equity share capital	6,063	5,180	5,180
Share premium account	29,972	22,305	22,305
Share warrant reserve	298	244	289
Foreign exchange reserve	10	(2,176)	517
Retained earnings	(10,919)	(8,330)	(10,735)
Total Equity	<u>25,424</u>	<u>17,223</u>	<u>17,556</u>

Consolidated unaudited cash flow statement
for the six months ended 30 June 2014 (unaudited)

	Unaudited 6 months ended 30.6.14 \$'000	Unaudited 6 months ended 30.6.13 \$'000	Unaudited 12 months ended 31.1.14 \$'000
<i>Reconciliation of operating profit to net cash flow from operating activities</i>			
(Loss)/ profit for the period / year before tax	(815)	181	(1,520)
<i>Adjustments for:</i>			
Share based payments	-	16	39
Share of loss of associates	624	206	1,024
Gain on purchase of associate	-	-	(519)
Foreign exchange difference	109	(416)	681
Change in receivables	7	(7)	(42)
Change in payables	(133)	(239)	58
Interest income	-	-	(154)
Dividend income	-	-	(107)
Cash flows from operating activities	<u>(208)</u>	<u>(259)</u>	<u>(540)</u>
<i>Investing activities</i>			
Investment in associates	(5,059)	(50)	(50)
Loans made to associate	(2,040)	(1,950)	(1,950)
Dividends received from associate	-	-	209
Interest income received	-	-	154
Net cash used in investing activities	<u>(7,099)</u>	<u>(2,000)</u>	<u>(1,637)</u>
<i>Financing activities</i>			
Issue of share capital	8,554	-	-
Net cash used in financing activities	<u>8,554</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and equivalents	1,247	(2,259)	(2,177)
Cash and equivalents at beginning of period/year	<u>460</u>	<u>2,879</u>	<u>2,759</u>
Cash and equivalents at end of period/year	<u>1,707</u>	<u>620</u>	<u>582</u>

NOTES TO THE INTERIM ACCOUNTS

1. Basis of preparation

Apart from the change in presentation currency, the accounting policies adopted are consistent with those of the previous financial year.

This interim consolidated financial information for the six months ended 30 June 2014 has been prepared in accordance with AIM rule 18, 'Half-yearly reports'. 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 January 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 2014 is unaudited. Comparative numbers for the six months ended 30 June 2013 are unaudited. The full year Comparative numbers for the twelve months ended 31 January 2014, are unaudited in US Dollars (\$) having been re-translated from £ sterling, the currency used in the audited financial statements for that year.

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

2. Share of loss of associates

	6 months ended 30/6/14 \$'000	6 months ended 30/6/13 \$'000	12 months ended 31/1/14 \$'000
Share of loss of YZJ JV	(674)	(206)	(929)
Share of profit/(loss) of MGR	50	-	(95)
	<u>(624)</u>	<u>(206)</u>	<u>(1,024)</u>

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

MGR reported a profit of \$102,000 for the period to 30 June 2014, of which \$50,000 represented Amedeo's share of MGR's profit.

3. Loss per share

The basic and diluted loss per share for the period ended 30 June 2014 was 0.03c (prior period: profit 0.01c). The calculation of loss per share is based on the loss of \$815,000 for the period ended 30 June 2014 (prior period: profit \$181,000) and the weighted average number of shares in issue during the period for calculating the basic profit per share is 3,085,470,372 shares (prior period: 2,738,619,633).

4. Preparation of interim report

This report was approved by the Directors on 23 September 2014.