Astar Minerals plc is pleased to announce its final audited results for the year ended 31 December 2013. The audited accounts will be sent to shareholders on Monday 30 June 2014 and will be available on the Company's website: www.astarminerals.com. The Company's Annual General Meeting will be held at Adams & Remers LLP, Dukes Court, 32 Duke Street, St James's, London, SW1Y 6DF at 10.30 a.m. on 24 July 2014. The Company also announces that it has changed its Registered Office to 18 St. Swithin's Lane, London EC4N 8AD.

Chairman's Statement

I am very pleased to be making my first Chairman's statement, having joined the Board in March this year.

2013 was a year of significant change for the Company. During this period, the Company had sought to increase its scale of activities in the US and Canada by entering into a management contract to operate a number of additional quarries and sites. However, it was not possible to implement this strategy and so the Board decided that it was no longer viable to continue with its existing aggregates operations and therefore this business was sold. In April 2013, new funds were raised and the Company changed its strategy to become an investment company focused on the natural resources sector.

In March 2014, Stefan Oliver and I joined the Board as CEO and non-executive Chairman respectively, as part of a £1.05 million fund raising for the Company. Whilst still focused on investment in the natural resources sector, we believed that the Company should look more closely at the oil and gas sector in Mexico.

In 2012, Mexico produced approximately 3 million barrels of oil per day, making it the world's ninth largest oil producer. According to the BP Statistical Review of World Energy 2013, Mexico is estimated to have the 18th largest oil reserves in the world with some 11.4 billion barrels. The Energy Information Administration ("EIA") estimates that Mexico has the world's eighth largest tight oil resources, being oil that is trapped in impermeable formations such as shale or sedimentary rocks that require artificial fractures to allow the hydrocarbons to flow, at 13 billion barrels. As an example, the prolific Eagle Ford Shale formation across the border in Texas, which produces natural gas, condensate, oil and natural gas liquids at margins more favourable than other shale plays in the US, extends into Mexico where it is largely under-exploited due to insufficient capital and lack of access to technology and expertise. Similarly, there has been very little activity in Mexico's portion of the Gulf of Mexico compared to the US due to lack of technical capacity to effectively explore or produce from deep water areas.

As a result of recent regulatory reforms to attract greater foreign investment and expertise, Mexico's energy sector is being reopened for the first time since 1938 allowing for the exploitation and development of its hydrocarbon reserves. Following discussions with relevant members of the Government of Mexico and business leaders, we believe that, as well as the need to attract capital into Mexico to develop its resources, appropriate technical capability and expertise are also required. Attractive opportunities therefore exist with companies and individuals with knowledge of the Mexican energy sector and with the skills and equipment required.

In May 2014, we executed a joint venture with Nogal Holdings LLC ("Nogal Holdings"), which also covered Nogal Energy Partners LLC ("Nogal Energy Partners"), a related company by virtue of its common directors and shareholders, to assist with the new strategy of gaining exposure to the deregulating Mexican oil and gas sector. Both companies are run by the same principals who are highly experienced oil and gas personnel, the CEO having previously spent 20 years working for Lewis Energy Group, most recently as COO for Latin America. In this role he was involved in all areas of oil field operations, including designing and supervising drilling and completion of the first Eagle Ford well in Mexico jointly with Pemex.

The two companies have a number of affiliate and subsidiary companies focused on the oil and gas industry, the personnel of which varies depending on the activity but all have in common the principals of Nogal Holdings. The subsidiaries of Nogal Energy Partners includes Nogal Energy LLC, whose trading subsidiary is TripleT Coil Tubing LLC ("Triple T"). Triple T has executed multiple master service agreements with a number of significant oil and gas operators to whom it has delivered oil services. These include BHP Billiton, Lewis Energy, Apache Corporation, Halcon Resources Corporation, Sanchez Oil and Gas, Venado Oil & Gas, Hilcorp Energy and Hopewell Operating.

As a result of our relationship with Nogal Holdings and its principals, Astar executed a head of terms with Geo Estratos S.A de C.V ("Geo Estratos") to enter into a joint venture. Geo Estratos is a technically driven Mexican oil and gas services business that covers a broad spectrum of oil services activities such as geophysics, geology, drilling, construction and environmental. They have been providing services to Pemex (and its subsidiaries) since 1995 and have worked for companies including CFE (National State Electricity Company of Mexico), Petrofac Mexico, Weatherford and Dupont.

The intention to joint venture with Geo Estratos forms part of the Board's plan to access E&P opportunities and align the Company with partners with the experience and connections to develop relationships and opportunities in Mexico.

Outlook

There are some very interesting opportunities in the Mexican oil and gas sector. The Company has started to put in place the means to access such opportunities through agreements with local partners. I firmly believe that shareholders can now look forward to an exciting future for the Company.

Andrew Frangos
Chairman
27 June 2014

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

Astar Minerals plc	+44 20 7710 9618
Stefan Olivier, CEO	
Cairn Financial Advisers LLP *(Nominated Adviser)*	+44 20 7148 7900
Jo Turner/Liam Murray	

Cornhill Capital Limited *(Joint Broker)* +44 20 7710 9612
Nick Bealer
St Brides Media & Finance Ltd *(Financial PR)* +44 20 7236 1177
Frank Buhagiar/Lottie Brocklehurst

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 December 2013

	Note	**2013** **£'000**	2012 £'000 (RESTATED)
Continuing operations			
Administrative expenses		**(92)**	(193)
Operating loss	**3**	**(92)**	(193)
Other gains and losses	**4**	**41**	(4,506)
Loss on ordinary activities before taxation		**(51)**	(4,699)
Taxation	**6**	**-**	-
Loss for the year from continuing activities		**(51)**	(4,699)
Loss for the year and total comprehensive loss		**(51)**	(4,699)
Basic and diluted loss per share			
From continuing and total operations	**7**	**(0.03)p**	(5.86)p
		(0.03)p	(5.86)p

Note: *The financial statements for the year ended 31 December 2012 were prepared on a consolidated basis, so the comparatives have been restated to reflect the results of the Company only.*

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 December 2013h4>

	Notes	**2013** **£'000**	2012 £'000
NON-CURRENT ASSETS			
Investment in subsidiaries	**8**	**-**	**172**
		-	**172**
CURRENT ASSETS			
Trade and other receivables	**9**	**3**	**-**
Cash and cash equivalents	**10**	**104**	**-**
		107	**-**
CURRENT LIABILITIES			
Trade and other payables	**11**	**36**	**371**
		36	**371**
NET CURRENT ASSETS/(LIABILITIES)		**71**	**(371)**
NET ASSETS/(LIABILITIES)		**71**	**(199)**
EQUITY			
Ordinary share capital	12	**297**	**73**
Deferred share capital	12	**3,866**	**3,866**
Share premium	12	**12,852**	**12,755**

Reserve for options granted	**172**	**172**
Reserve for warrants granted	**-**	**254**
Retained deficit	**(17,116)**	**(17,319)**
Equity attributable to owners of the Company and total equity	**71**	**(199)**

The financial statements were approved by the Board and ready for issue on 27 June 2014.

Lynda Chase-Gardener
Director

	Ordinary share capital £'000	**Deferred share capital £'000**	**Share premium £'000**	**Reserve for options granted £'000**	**Reserve for warrants granted £'000**	**Retained deficit £'000**	**Total equity £'000**
At 1 January 2012	**3,905**	**-**	**11,949**	**172**	**254**	**(12,620)**	**3,660**
Loss for the year	-	-	-	-	-	(4,699)	**(4,699)**
Capital reorganisation	(3,866)	3,866-	-	-		-	-
Issue of new shares	34	-	806	-	-	-	**840**
At 31 December 2012	**73**	**3,866**	**12,755**	**172**	**254**	**(17,319)**	**(199)**
Loss for the year	-	-	-	-	-	(51)	**(51)**
Issue of new shares	224	-	112	-	-	-	**336**
Share issue costs	-	-	(15)	-	-	-	**(15)**
Lapsing of warrants	-	-	-	-	(254)	254	-
At 31 December 2013	**297**	**3,866**	**12,852**	**172**	**-**	**(17,116)**	**71**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2013

	2013 £'000	2012 £'000
OPERATING ACTIVITIES		
Loss before taxation	**(51)**	(4699)
Adjustments for:		
Impairment of advances and investment	-	3,692
Loss on disposal of investments	**172**	-
Credit arising from CVA	**(175)**	-
Amounts written off post CVA creditors	**(38)**	-
Operating cashflow before working capital changes	**(92)**	(1007)
Increase in receivables	**(3)**	-
Decrease in trade and other payables	**(122)**	(26)
Net cash outflow from operating activities	**(217)**	(1,033)
FINANCING ACTIVITIES		
Continuing operations:		
Issue of ordinary share capital	**336**	840
Share issue costs	**(15)**	-
Net cash inflow from financing activities from operations	**321**	840
Net (decrease)/increase in cash and cash equivalents	**104**	(193)
Cash and cash equivalents as at 1 January	-	193

Cash and cash equivalents as at 31 December	**104**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2013

1. General Information

The Company is a public limited company incorporated in the United Kingdom and its shares are listed on the AIM market of the London Stock Exchange.
The Company is an investment company, mainly investing in natural resources, minerals, metals, and oil and gas projects. The registered office of the Company is as detailed in the Company Information on page 2.

2. Principal Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout all periods presented in the financial statements.
As in prior periods, the group financial statements have been prepared in accordance with international financial reporting standards (IFRS) as adopted by the European Union. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.
The financial statements are presented in pounds sterling (£) which is the functional currency of the company.
An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the group are presented below under ‘Statement of Compliance’

GOING CONCERN
As at 31 December 2013 the Company had net assets of £71,000 and Cash and cash equivalents of £104,000. In addition, since the year end the Company has raised £1.05 million in new equity.
The Directors have prepared cash flow forecasts through to 30 June 2015 which assume no significant investment activity is undertaken unless sufficient funding is in place. The expenses of the Company’s continuing operations are minimal and the cash flow forecasts demonstrate that the Company is able to meet these liabilities as they fall due. On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company’s financial statements

STATEMENT OF COMPLIANCE
The financial statements comply with International Financial Reporting Standards as adopted by the European Union. At the date of realisation of these financial statements, the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective (and in some cases had not been adopted by the EU):

	Effective for accounting periods

		beginning on or after:
IFRS 2,8,16,24,36	Amendments resulting from Annual Improvements 2010-2012 Cycle	1 July 2014
IFRS 3,13, IAS 40	Amendments resulting from Annual Improvements 2011-2013	1 July 2014
IFRS 7	Deferral of mandatory effective date of IFRS 7 and amendments to transition disclosures	1 January 2015
IFRS 9	Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	1 January 2015
IFRS 10	Consolidated Financial Statements – Amendments for investment enttites	1 January 2014
IFRS 11	Joint arrangements	1 January 2014
IFRS 12	Disclosure of Interest in Other Entities – Amendments for investment entities	1 January 2014
IAS 19	Employee Benefits – Amended to clarify the requirements that relate to how contribution from employees or third parties that are linked to service should be attributed to periods of service	1 July 2014
IAS 27	Amendments for investment entities	1 January 2014
IAS 28	Investment in associates	1 January 2014
IAS 32	Financial Instruments: Presentation – Amendments to application guidance on the offsetting of financial assets and financial liabilities	1 January 2014
IAS 36	Impairment of assets	1 January 2014
IAS 38	Amendments resulting from Annual Improvements 2010-2012 Cycle	1 July 2014
IAS 39	Financial Instruments: Recognition and Measurement – Amendments for novation of derivatives	1 January 2014
IFRIC 21	Levies	1 January 2014

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have little or no impact on the financial statements of the Company when the relevant Standards come into effect for periods commencing on or after 1 January 2014

KEY ESTIMATES AND ASSUMPTIONS

Estimates and assumptions used in preparing the financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources

TAXATION

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences.

This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity

FINANCIAL ASSETS

Financial assets are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company's financial assets are classified into the following specific categories: 'available for sale investments', and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial

AVAILABLE FOR SALE INVESTMENTS

Investments are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IAS 39. In respect of quoted investments, this is either the bid price at the period end date or the last traded price, depending on the convention of the exchange on which the investment is quoted, with no deduction for any estimated future selling cost. Unquoted investments are valued by the Directors using primary valuation techniques such as recent transactions, last price or net asset value.

Investments are recognised as available-for-sale financial assets. Gains and losses on measurement are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary items denominated in a foreign currency, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Investments are assessed for indicators of impairment at each balance sheet date. Investments are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the investment, the estimated future cash flows of the investment have been affected.

For quoted and unquoted investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value

EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The loan note reserve represents the value of the equity component of the nominal value of the loan notes issued.

The capital reserve represents amounts arising in connection with reverse acquisitions.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income together with the cumulative amount of share based expenses transferred to equity

FINANCIAL LIABILITIES

Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.

The Company's financial liabilities comprise trade and other payables.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments

SHARE BASED PAYMENTS

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where warrants or options are issued for services provided to the Company, the fair value of the service is charged to the statement of comprehensive income or against share premium where the warrants or options were issued in exchange for services in connection with share issues. Where the fair value of the services cannot be reliably measured, the service is valued using Black Scholes valuation methodology taking into consideration the market and non-market conditions described above.

Where the share options are cancelled before they vest, the remaining unvested fair value is immediately charged to the statement of comprehensive income

FOREIGN CURRENCIES

The Directors consider Sterling to be the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Sterling, which is the Company's functional and presentation

currency.
Foreign currency transactions are translated into Sterling using the exchange rates prevailing at the date of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement. Non-monetary items that are measured at historical costs in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined

SEGMENTAL REPORTING
A segment is a distinguishable component of the Company's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.
As the chief operating decision maker reviews financial information for and makes decisions about the Company's investment activities as a whole, the directors have identified a single operating segment, that of holding and trading in investments in natural resources, minerals, metals, and oil and gas projects. The directors consider that it would not be appropriate to disclose any geographical analysis of the Company's investments.
No segmental analysis was provided in the financial statements given there was no revenue generated in the period for the continuing activities

3. Operating Loss

	2013	2012
	£'000	£'000
Loss from continuing operations is arrived at after charging:		
Directors' remuneration	**24**	**142**
Employee salaries and other benefits	**1**	**21**
Auditors' remuneration:		
fees payable to the principal auditor for the audit of the Company's annual financial statements	**12**	**10**
fees payables to the Company's auditor and its associates for other services – tax services	**2**	-

4. Other Gains and Losses

	2013	2012
	£	£
Credit arising from CVA	**175**	-
Post CVA creditors written down	**38**	-
Loss on disposal of investment in subsidiaries	**(172)**	-
Impairment of investment in subsidiaries	-	**(4,603)**
	41	**(4,603)**

5. Employee Remuneration

	2013	2012
	£'000	£'000
Wages and salaries (including directors)	**24**	142
Social security costs	**1**	-
	25	142

Details of Directors' employee benefits expense are included in the Report on Remuneration on page 8
Only the directors are deemed to be key management. The average number of employees in the Company was 2 (2012: 2).

6. Income Tax Expense

	2013	2012
	£'000	£'000
Current tax – continuing operations	-	-

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average rate applicable to profits of the Consolidated entities as follows:

	2013	2012
	£'000	£'000
Loss before tax from continuing operations	(51)	(193)
Loss before tax multiplied by rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(12)	(47)
Expenses not deductible for tax purposes	2	8
Unrelieved tax losses carried forward	10	39
Total tax	-	-

Unrelieved tax losses of £11,550,000 (2012: £11,500,000) remain available to offset against future taxable profits. No deferred tax asset has been recognised in respect of the losses as recoverability is uncertain

7. Earnings Per Share

The basic and diluted earnings per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year

	2013	2012
	£'000	£'000
Loss attributable to owners of the Company		
- Continuing operations	**(51)**	(3,884)
	(51)	(3,884)
	2013	2012
Weighted average number of shares for calculating basic and fully diluted earnings per share	**176,316,037**	66,117,412

	2013	2012
	pence	pence
Earnings per share:		
- Continuing operations (pence per share)	**(0.03)**	(5.86)
Loss per share from total operations	**(0.03)**	(5.86)

* The weighted average number of shares used for calculating the diluted loss per share for 2012 and 2013 was the same as that used for calculating the basic loss per share as the effect of exercise of the outstanding share options was anti-dilutive.

8. Investment in Subsidiaries

	2013	2012
	£'000	£'000
Cost and net book value		
At 1 January	**172**	**3,864**
Impairment	**-**	**(3,692)**
Disposals	**(172)**	-
	-	**172**

In 2012 the Company recorded a provision of £3,692,000 to reflect the Directors review of the recoverable amounts of its investments. In 2013 the Company disposed of all its subsidiaries

9. Trade and Other Receivables

	2013	2012
	£'000	£'000
Prepayments and accrued income	**3**	-

The fair value of trade and other receivables is considered by the Directors not to be materially different to carrying amounts. At the balance sheet date in 2013 and 2012 there were no trade receivables past due

10. Cash and Cash Equivalent

	2013	2012
	£	£
Cash and cash equivalents	**104**	-

The fair value of cash and cash equivalents is considered by the Directors not to be materially different to carrying amounts

11. Trade and Other Payables

	2013	2012
	£	£
Trade payables	**13**	**121**
Tax and social security	**1**	**-**
Other payables	**6**	**250**

Accruals and deferred income	**16**	-
	36	**371**

The fair value of trade and other payables is considered by the Directors not to be materially different to carrying amounts.

12. Called-up Share Capital

	Number of ordinary shares	**Value £'000**	**Number of deferred shares**	**Value £'000**	**Share Premium £'000**
Issued and fully paid					
At 1 January 2012 (ordinary share of 1p)	3,904,536,792	3,905	-	-	11,949
Share reorganisation (ordinary shares of 0.1p)	39,045,248	39	3,865,491,544	3,866	11,949
Shares issued in year	33,610,000	34	-	-	806
At 31 December 2012	72,655,248	73	3,865,491,544	3,866	12,755
Shares issued in year (see note below)	224,000,000	224	-	-	112
At 31 December 2013	**296,655,248**	**297**	**3,865,491,544**	**3,866**	**12,867**

On 25 April 2013, 224,000,000 ordinary shares of 0.1p were issued at 0.15p each as a result of a placing, raising £336,000 before expenses#

13. Share Options and Warrants

At 31 December 2013 the following share options and warrants have been granted and are outstanding in respect of the ordinary shares:
No options were granted in the year or in the previous year
The movements on share options and their weighted average exercise price are as follows:

	2013		2012	
	Number	**Weighted average exercise price (pence)**	Number	Weighted average exercise price (pence)
Outstanding at 1 January and 31 December	**912,500**	**48.00**	912,500	48.00

The weighted average exercise price of share options outstanding as at 31 December 2013 was £0.48 and they had an average remaining contractual life of 1.9 years (at 31 December 2012, average exercise price was £0.48 and average contractual remaining life was 2.9 years).

Warrants:	**2013**		2012	
	Number	**Weighted average exercise price (pence)**	Number	Weighted average exercise price (pence)

Warrants:	**2013**		2012	
	Number	**Weighted average exercise price (pence)**	Number	Weighted average exercise price (pence)
Outstanding at 1 January 2013	**17,712,222**	**5.81**	1,446,039	15.28
Granted	-	-	16,805,000	5.00
Lapsed	-	-	(538,817)	15.28
Outstanding at 31 December 2013	**17,712,222**	**5.81**	17,712,222	5.81

14. Risk Management Objectives and Policies

CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company's growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated by the board of directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

Management review the Company's exposure to currency risk, interest rate risk, liquidity risk on a regular basis and consider that through this review they manage the exposure of the Company on a near term needs basis

There is no material difference between the book value and fair value of the Company's cash

INTEREST RATE RISK

The Company and Company manage the interest rate risk associated with the Company cash assets by ensuring that interest rates are as favourable as possible, whilst managing the access the Company requires to the funds for working capital purposes.

Interest rates are based on respective CDN LIBOR and other bank prime interest rates.

The Company's cash and cash equivalents are subject to interest rate exposure due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk.

CREDIT RISK

The Company's financial instruments, which are exposed to credit risk, are considered to be mainly cash and cash equivalents. The credit risk for cash and cash equivalents is not considered material since the counterparties are reputable banks.

The Company's exposure to credit risk is limited to the carrying amount of the financial assets recognised at the balance sheet date, as summarised below

	2013	2012
	£'000	£'000
Cash and cash equivalents	**104**	-
	104	-

LIQUIDITY RISK

Liquidity risk is managed by means of ensuring sufficient cash and cash equivalents are held to meet the Company's payment obligations arising from administrative expenses. The cash and cash equivalents are invested such that the maximum available interest rate is achieved with minimal risk

15. Contingent Liabilities

There were no material commitments or contingent liabilities as at 31 December 2013 (2012: nil)

16. Related Party Transactions

The remuneration of the Directors, who are key management personnel of the Company, is set out in the report on directors remuneration

17. Post Balance Sheet Events

On 31 March 2014 the Company announced that, following approval by the shareholders, the existing issued ordinary share capital of 296,655,248 ordinary shares of 0.1p would be consolidated on the basis of 10 Existing Ordinary Shares for one new ordinary share of 1p. The total number of New Ordinary Shares following the consolidation would be 29,665,524.

On 31 March 2014 the Company announced that it had completed a placing of 105,000,000 shares to raise £1.05 million.

On 22 April 2014, the Company announced that it had invested approximately £650,000 in a number of quoted companies, all of which have operations in the natural resources sector, in line with its investing policy.

On 24 April 2014 the Company announced that had implemented its investing policy.

On 27 May 2014 the Company announced that it had signed a joint venture agreement with Nogal Holdings and Nogal Energy Partners, to gain exposure to the deregulating Mexican oil and gas sector

On 19 June 2014 the Company announced that it had signed heads of terms to form a 51%/49% joint venture with Geo Estratos, an established oil services business in Mexico. The joint venture will evaluate, explore, develop and produce hydrocarbons in Mexico.