Company Registration No 6900970

Transunion Petroleum Limited

Report and Financial Statements

for the year
1 January 2010 to 31 December 2010

CONTENTS

The Directors submit their report and audited financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company was incorporated on 11 May 2009 and is still based in London

The results for the year and the financial position of the company are shown in the attached financial statements

The company's objective is to discover and exploit gas reserves During 2010 the company took further steps towards this objective by putting in place the ability to deliver on a portfolio of exploration opportunities

No further applications have been made under the 2009 Joint Bidding Agreement with Nautical Petroleum plc ("Nautical") for making applications for exploration permits in Italy The company has 50% equity in any licences that may be awarded under the agreement

The company's wholly-owned subsidiary, Transunion Petroleum Italia S r l , which is registered in Rome, Italy and was formed to perform oil and gas activities on behalf of Transunion in Italy, is still trading

At the end of July 2009 the company submitted applications to the Italian authorities for 6 exploration permits with Nautical

In the Sicily Channel none of the applications were top-filed by other companies However in the Gulf of Taranto all 3 applications were top-filed 1 block was top-filed by Northern Petroleum, 1 block was top-filed by Shell and the last block was top-filed by both Northern and Shell The relevant Ministry judged the bids on the 2 blocks top-filed by Shell and then awarded those blocks to Shell rather than Transunion and Nautical in April 2010 The remaining Taranto block was still in competition with Northern both at the end of 2010 and remains so in September 2011

The political fallout in Italy was severe following BP's Macondo oil spill in the US Gulf of Mexico in spring and summer 2010 With little or no consultation with either the hydrocarbon industry or the Italian government department that supervises the hydrocarbon industry, the Italian Environment Ministry enacted a new law by decree that banned all oil field activities within 5 nautical miles of the baseline of the coast and all hydrocarbon (oil and gas) activities within 12 nautical miles of any national parks that are either offshore or touch the coastline onshore

The law was modified in July 2011 so that the restriction on oil field activities was moved to 5 nautical miles of the coastline (not the baseline), which now allows both oil and gas activities in the Gulf of Taranto block on which Transunion/Nautical are still in competition with Northern to win

The environmental law meant that no activities would be allowed in any part of the d360 application in the Sicily Channel and this block application was therefore rejected by the Ministry In addition the same law meant that a large part of the application d361 was also out of bounds and the Ministry gazetted a much reduced area to conform with the new environmental law As at August 2011 Transunion is waiting on clarifications from the Ministry before preparing and submitting the necessary environmental assessment report for application block d361

The d359 application block in the Sicily Channel was totally unaffected by the environmental law Therefore preparations were made in 2010 for the necessary environmental report in 2010 and this was submitted in February 2011 As at August 2011 there is every reason to believe that this report will be accepted by the authorities, which is one of the last steps before final award of the block

The company continued to look at further new business in Italy and further afield, both as applications for exploration permits with or without Nautical Petroleum, as well as asset purchases and other means of accessing opportunities In particular a Maltese initiative led to a visit to the authorities in Malta to review data On the basis of this and other work Transunion signed a Maltese Joint Bidding Agreement with Nautical in 2011 and discussions were had with the Maltese authorities about making an application for the area specified

On the 15 November 2010 a new Shareholders' Agreement was signed and this replaces the previous Agreement signed on the 26 November 2009

The management team consists of experienced industry professionals, who have a proven track record of discovering hydrocarbons around the globe and of managing successful exploration, development and production ventures

The Managing Director, Giovanni Catalano, resigned as Managing Director in August 2010 to take up a post as Chief Executive of Po Valley Energy Giovanni remains a shareholder of Transunion and provides ad-hoc advice, particularly on Italian matters Paul Howlett replaced him as Managing Director In November 2010 James Menzies and Nicholas Cooper purchased Transunion shares and were voted in as non-executive directors, with James Menzies as Chairman Throughout 2010 both were employed by Salamander Energy plc, a FTSE 250 company specialising in oil and gas production and exploration in south east Asia James is the CEO and Nicholas was the CFO, but in April 2011 Nicholas left Salamander to take up the post as Managing Director of Ophir Energy In summer 2011 Ophir succeeded in the largest ever IPO for an oil company on London's AIM market

FUTURE DEVELOPMENTS

The calibre of the new non-executive directors has enabled Transunion to enter discussions with significant institutions regarding financing in 2010 and 2011 Much of the Management effort in 2010 was towards securing the financial stability of the company and although great strides have been made this is still a work in progress in September 2011 The degrading market conditions have made this a significant challenge, but it is expected that financing to secure the future of Transunion will be in place before the end of 2011 Should an attractive opportunity to float on a public market become available then that course of action may be pursued

It is expected that final award of the Italian exploration permit application d359 will be made to Transunion in 2011 and for d361 and the Gulf of Taranto block in 2012 Should Transunion and Nautical be successful in winning a licence application in Malta, then award of this acreage can be expected in early 2012

The company will continue building a portfolio of exploration opportunities in 2011 and 2012

RESULTS AND DIVIDENDS

The financial statements are presented under IFRS The group recorded a loss of €35,084 (2009 €21,348) for the year

The Directors do not recommend the payment of a dividend

SHARE CAPITAL

On 2 August 2010 250 new shares were issued at the nominal value of £1 each and at a premium of £19 each Therefore the price of the paid up shares was £20 each 125 shares were purchased by John Meredith and 125 by Paul Howlett Giovanni Catalano waived his right to partake in the rights issue

On the 12 November 2010 350 new shares were issued at the nominal value of £1 each and at a premium of £19 each Therefore the price of the paid up shares was £20 each 175 shares were purchased by James Menzies and 175 by Nicholas Cooper Giovanni Catalano, John Meredith and Paul Howlett waived their rights to partake in the rights issue

Therefore at 31 December 2010 the total number of shares in issue in the Company was 750 Ordinary £1 shares

CHARITABLE AND POLITICAL DONATIONS

No donations were made during the period

CREDITOR PAYMENT POLICY

The company's policy for all suppliers is to fix terms of payment when entering into a business transaction, ensure that the supplier is aware of those terms and to abide by the agreed terms of payment Trade creditor days based on creditors at 31 December 2010 were 19 days (2009 7)

RISK MANAGEMENT

The financial risk management objectives and policies of the company in relation to the use of financial instruments and the exposure of the company to its main risks, credit risk and liquidity risk, are set out in note 16 to the financial statements

KEY PERFORMANCE INDICATORS

The company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

EMPLOYEES

The company had no employees as at 31 December 2010

DIRECTORS

The Directors who served during the year were as follows	Date of Appointment	Date of Resignation
Mr Giovanni Catalano	17 August 2009	2 August 2010
Mr Paul Howlett	11 May 2009	
Mr John Meredith	11 May 2009	
Mr James Menzies	15 November 2010	
Mr Nicholas Cooper	15 November 2010	

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRS) as adopted by the European Union

The Directors are required to prepare financial statements for each financial year which present fairly the financial position of the company and the financial performance and cash flows of the company for that period In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance and
- state that the company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements
- consider whether the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each person who was a Director at the time this report was approved - so far as the Director was aware there was no relevant available audit information of which the company's auditors were unaware and that Director had taken all steps that the Director ought to have taken as a Director to make himself aware of any relevant information and to establish that the company's auditors were aware of that information

GOING CONCERN

After making enquiries the Directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future For this reason they continue to adopt the going concern basis in preparing the financial statements

AUDITORS

The Auditors, Bessler Hendrie, have indicated their willingness to continue in office

By order of the board

P Howlett

P Howlett
Director
27September 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSUNION PETROLEUM LIMITED

We have audited the financial statements on pages 6 to 18 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2010 and of the Group losses for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the provisions of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

NIGEL BOLT
Senior Statutory Auditor, for and on behalf of
BESSLER HENDRIE
Statutory Auditor
Chartered Accountants
Albury Mill
Mill Lane
Chilworth
Guildford
Surrey GU4 8RU

30 September 2011

TRANSUNION PETROLEUM LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

CONTINUING OPERATIONS	Notes	2010 Group €	2009 Group €
Revenue	4	28,607	126,199
Cost of sales			
Exploration costs and pre-licence costs		-	(135,390)
Gross profit/(loss)		28,607	(9,191)
Administrative expenses		(63,692)	(12,158)
Operating loss	5	(35,085)	(21,349)
Finance income	8	1	1
Loss on ordinary activities before taxation		(35,084)	(21,348)
Taxation on profit on ordinary activities	9	-	-
Loss for the year from continuing operations after taxation		(35,084)	(21,348)
Loss per ordinary share			
Basic and diluted loss per share	11	(€116 17)	(€142 32)

DISCONTINUED OPERATIONS
None of the Group's activities were discontinued during the year

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2010
The Group has no recognised income or expense other than that recognised in the Group's income statement

TRANSUNION PETROLEUM LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2010

	Notes	2010 Group €	2009 Group €
ASSETS			
Non-current assets			
Intangible Assets	12	7,221	7,221
Total non-current assets		7,221	7,221
Current assets			
Trade and other receivables	13	185,030	148,046
Cash and cash equivalents	14	30,732	97,074
Total current assets		215,762	245,120
Total assets		222,983	252,341
LIABILITIES			
Current liabilities			
Trade and other payables	15	(261,825)	(270,349)
Total current liabilities		(261,825)	(270,349)
Total liabilities		(261,825)	(270,349)
Net liabilities		(38,842)	(18,008)
Equity			
Share capital	17	880	167
Share premium	17	16,710	3,173
Retained earnings - deficit		(56,432)	(21,348)
Total equity		(38,842)	(18,008)

These financial statements were approved by the Board of Directors and authorised for issue on 27 September 2011
They were signed on its behalf by

P Howlett

P Howlett, Director

Company Registration No 6900970

TRANSUNION PETROLEUM LIMITED
COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2010

	Notes	2010 Company €	2009 Company €
ASSETS			
Non-current assets			
Investments	10	120,000	120,000
Total non-current assets		120,000	120,000
Current assets			
Trade and other receivables	13	74,789	40,077
Cash and cash equivalents	14	30,222	73,609
Total current assets		105,011	113,686
Total assets		225,011	233,686
LIABILITIES			
Current liabilities			
Trade and other payables	15	(233,473)	(241,828)
Current tax liabilities		-	-
Total current liabilities		(233,473)	(241,828)
Total liabilities		(233,473)	(241,828)
Net liabilities		(8,462)	(8,142)
Equity			
Share capital	17	880	167
Share premium	17	16,710	3,173
Retained earnings - deficit		(26,052)	(11,482)
Total equity		(8,462)	(8,142)

These financial statements were approved by the Board of Directors and authorised for issue on 27 September 2011
They were signed on its behalf by

P Howlett

P Howlett, Director

Company Registration No 6900970

TRANSUNION PETROLEUM LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

GROUP	Share capital €	Share premium €	Retained earnings €	Total equity €
Shares issued on incorporation	111	-	-	111
Issue of ordinary shares	56	3,173	-	3,229
Loss for the period and total recognised income and expense for the period	-	-	(21,348)	(21,348)
Balance as at 31 December 2009	167	3,173	(21,348)	(18,008)
Issue of ordinary shares	713	13,537	-	14,250
Loss for the year and total recognised income and expense for the year	-	-	(35,084)	(35,084)
Balance as at 31 December 2010	880	16,710	(56,432)	(38,842)

COMPANY	Share capital €	Share premium €	Retained earnings €	Total equity €
Shares issued on incorporation	111	-	-	111
Issue of ordinary shares	56	3,173	-	3,229
Loss for the period and total recognised income and expense for the period	-	-	(11,482)	(11,482)
Balance as at 31 December 2009	167	3,173	(11,482)	(8,142)
Issue of ordinary shares	713	13,537	-	14,250
Loss for the year and total recognised income and expense for the year	-	-	(14,570)	(14,570)
Balance as at 31 December 2010	880	16,710	(26,052)	(8,462)

TRANSUNION PETROLEUM LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

		2010 Group €	2009 Group €
Operating activities			
Loss from operations		(35,085)	(21,349)
Adjustments for			
Increase in trade and other receivables		(36,984)	(148,046)
(Decrease) / Increase in trade payables		(8,524)	270,349
Net cash flow from operating activities		**(80,593)**	**100,954**
Investing activities			
Interest received		1	1
Purchase of intangible assets		-	(7,221)
Net cash used in investing activities		**1**	**(7,220)**
Financing activities			
Proceeds from issue of ordinary shares		14,250	3,340
Net cash flow from financing activities		**14,250**	**3,340**
Net (decrease)/ increase in cash and cash equivalents		**(66,342)**	**97,074**
Cash and cash equivalents as at 1 January 2010		**97,074**	**-**
Cash and cash equivalents as at 31 December 2010	Note 14	**30,732**	**97,074**

TRANSUNION PETROLEUM LIMITED
COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

		2010 Company €	2009 Company €
Operating activities			
Loss from operations		(14,570)	(11,482)
Adjustments for			
Increase in trade and other receivables		(34,712)	(40,077)
(Decrease) / Increase in trade payables		(8,355)	241,828
Net cash flow from operating activities		**(57,637)**	**190,269**
Investing activities			
Investment in subsidiary		-	(120,000)
Net cash used in investing activities		**-**	**(120,000)**
Financing activities			
Proceeds from issue of ordinary shares		14,250	3,340
Net cash flow from financing activities		**14,250**	**3,340**
Net (decrease)/ increase in cash and cash equivalents		**(43,387)**	**73,609**
Cash and cash equivalents as at 1 January 2010		**73,609**	**-**
Cash and cash equivalents as at 31 December 2010	Note 14	**30,222**	**73,609**

1 General information

Transunion Petroleum Limited is a company incorporated and domiciled in England and Wales with registered number 6900970 The address of the registered office is 36 Arundel Road, Kingston, Surrey, England, KT1 3RZ

2. Accounting policies

The financial statements are based on the following accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS IFRS comprises the Standards issued by the International Accounting Standards Board (IASB) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that have been endorsed by the European Union (EU) The principal accounting policies adopted by the Company where applicable are set out below

As permitted by Section 408 of the Companies Act 2006, no income statement or associated notes are prepared for the Company as an entity

Adoption of new and revised standards

A number of new and revised IFRS and International Accounting Standards (IAS) have been adopted in the current year Their adoption has not had any significant impact on the amounts reported in these financial statements Where we consider that their adoption may impact the accounting for future transactions and arrangements, they are set out below

- IFRS 3 (revised 2008) Business Combinations
- IAS 27 (revised 2008) Consolidated and Separate Financial Statements
- IAS 28 (revised 2008) Investments in Associates

The above standards introduced a number of changes in the accounting for business combinations when acquiring a subsidiary or an associate IFRS 3 (2008) has also introduced additional disclosure requirements relating to acquisitions

A number of other new or revised standards are in issue but not yet effective However, none of these are expected to have any material impact on the Group when they are adopted in future periods

Basis of consolidation

The group financial statements incorporate the financial statements of Transunion Petroleum Limited (the "company") and its 100% subsidiary Transunion Petroleum Italia S r l

The financial statements of the subsidiary are prepared for the same reporting year as the Parent company All inter-company balances and transactions are eliminated in preparing the consolidated financial statements

Investment in subsidiary

Investment in subsidiary is stated at cost less any provision for impairment

Presentation currency

The financial statements are presented in Euros and figures are rounded to the nearest Euro The Company, in accordance with IAS 21, chooses to present the financial statements in Euros rather than in its functional currency of sterling as the majority of transactions are conducted in Euros through its Italian subsidiary Transunion Petroleum Italia S r l

Revenue and other operating income

Revenue represents agreed amounts to be recharged to third parties in reimbursement of direct costs expended making licence applications in Italy, net of VAT Revenues are recognised on an accruals basis matched to the relevant direct costs

Intangible assets

Intangible assets consist of start-up costs in Transunion Petroleum Italia S r l These Company formation costs are capitalised in accordance with Italian law No amortisation is recognised in respect of start up costs until the Company begins to receive trading income under Italian law

Foreign currencies

Transactions denominated in foreign currencies are translated into Euros at the rate of exchange ruling at the date of the transaction Monetary assets and liabilities in foreign currencies are translated into Euros at the rate of exchange ruling at the end of the financial year All exchange differences are dealt with in the income statement All Sterling balances have been translated into Euros at the year end rate of 1 167 Euros to the Pound

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the company and short-term bank deposits with an original maturity of three months or less

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the group becomes a party to the contractual provisions of the instrument

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method A provision is established when there is objective evidence that the group will not be able to collect all amounts due The amount of any provision is recognised in the income statement

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument 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 Equity issued for non monetary consideration is recorded at the fair value of the equity instruments issued

Interest bearing bank loans, overdrafts and other loans are recorded at fair value, net of direct issue costs, when the proceeds are received and subsequently at amortised cost Finance costs are accounted for on an accruals basis in the income statement using the effective interest method

Judgements and estimates

Amounts included in the financial statements involve the use of judgement and/or estimation These estimates and judgements are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements, and the key areas are summarised below

Going concern
The preparation of the financial statements requires an assessment on the validity of the going concern assumption After making enquiries the Directors are confident that the group has adequate resources to continue in operation for the foreseeable future For this reason they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements

The group is awaiting decisions by the relevant Italian authorities in connection with exploration permits applied for in 2009 It is hoped that an award will be made in the company's favour in late 2011

Any permits awarded will commit the company to exploration expenditure, but this can be scheduled over a three year time period and there is no obligation to spend anything before October 2012 In addition, it should be noted that Transunion's partner Nautical Petroleum has an obligation under the terms of the 2009 Joint Bidding Agreement to fully fund all Transunion's licence commitments to the Italian Government in the first 3 year phase of each licence awarded The Directors have fully developed plans to raise capital to finance exploration activities, involving both the Italian permit applications and other opportunities referred to in the Review of Business on page 2

The Directors recognise that the company will only be able to carry out this programme if it has sufficient resources to do so If the fund raising planned for late 2011 is unsuccessful, then some exploration work will need to be deferred until such time as additional funding is obtained, either through joint venture arrangements, farm outs, negotiation of a debt facility or issue of shares at a later date

3 Segmental information

During the year, all the group's activities were in one segment, the making of applications for oil and gas exploration licences in Italy Technical evaluation work has been performed by the company under the terms of a Joint Bidding Agreement The subsidiary has incurred the direct costs of making applications, which are to be recharged to a third party

4 Revenue

	2010 Group €	2009 Group €
Recharging of technical costs	28,607	126,199
	28,607	126,199

5 Operating loss

	2010 Group €	2009 Group €
The operating loss is stated after charging		
Auditors' remuneration (see note 6 below)	4,668	4,400
Directors' emoluments and other benefits	-	-

6. Operating loss

	2010 Group €	2009 Group €
Audit services		
Fees payable to the company's auditor for the audit of the company's annual financial statements	4,668	3,650
Other services		
Tax services	1,459	750
Total audit and other services	6,127	4,400

7. Employee information

	2010 Number	2009 Number
The average number of persons employed by the company in the year, including executive and non-executive Directors, was		
Management and administration	4	3
	€	€
The aggregate remuneration for the above persons comprised		
Wages, salaries and benefits	-	-
Social security costs	-	-
Pension costs	-	-
	-	-

Details of consultancy payments made in respect of directors services are set out in note 19 All amounts incurred by the company have been recharged to a third party under the terms of a Joint Bidding Agreement described in note 18

8 Finance income

	2010 Group €	2009 Group €
Interest receivable on short term deposits	1	1
	1	1

9 Taxation

The major components of the tax charge are as follows	2010 Group €	2009 Group €
a) Income statement		
Tax charge in the income statement	-	-
b) Factors affecting the current tax charge		
Loss before tax	35,084	21,348
Loss on ordinary activities multiplied by the standard rate of tax (28%)	9,823	5,977
Movement in unrecognised deferred tax assets	(9,823)	(5,977)
Tax charge in the income statement	-	-

The Group has an unrecognised deferred taxation asset of € 15,800 (2009 €5,977) at the year end

10 Investments

The company owns 100% of the share capital of Transunion Petroleum Italia S r l

11 Loss per share

	2010 €	2009 €
Net loss for the financial year	(35,084)	(21,348)
Basic weighted average ordinary shares in issue during the year	302	150
Basic loss per share	(€116 17)	(€142 32)

12 Intangible assets

	2010 Group €	2010 Company €
Cost		
As at 31 December 2009	7,221	-
Additions	-	-
As at 31 December 2010	7,221	-
Amortisation		
As at 31 December 2009	-	-
Charge for the year	-	-
As at 31 December 2010	-	-
Net book value		
As at 31 December 2010	7,221	-
As at 31 December 2009	7,221	-

13 Trade and other receivables

Amounts falling due within one year	2010 Group €	2010 Company €	2009 Group €	2009 Company €
Amount owed by Joint Bidding Agreement partner	183,491	-	126,199	-
Other receivables	1,250	74,500	21,770	40,000
Social security and other taxes	289	289	77	77
	185,030	74,789	148,046	40,077

An element of the Group's credit risk is attributable to its trade and other receivables Based on prior experience and an assessment of the current economic environment, the Directors did not consider any provision for irrecoverable amounts was required and consider that the carrying amount of these assets approximates to their fair value

14 Cash and cash equivalents

	2010 Group €	2010 Company €	2009 Group €	2009 Company €
Cash at bank	30,732	30,222	97,074	73,609
	30,732	30,222	97,074	73,609

15 Trade and other payables

	2010 Group €	2010 Company €	2009 Group €	2009 Company €
Amounts falling due within one year				
Trade payables	8,751	641	14,131	-
Amount owed to Joint Bidding Agreement partner	176,705	176,705	207,428	207,428
Social security and other taxes	7,149	-	-	-
Accruals and deferred income	19,220	6,127	18,790	4,440
Other payables	50,000	50,000	30,000	30,000
	261,825	233,473	270,349	241,828

The Directors consider that the carrying amount of trade and other payables approximates to their fair value

16 Financial assets and liabilities

The activities of the Group are funded out of working capital and do not include the use of derivatives The Group's objective is to minimise financial risk and the policies to achieve this are to fund operations from equity capital and not to make use of complex financial instruments

The Group has financial instruments in the form of short term debtors and creditors which arise in the normal course of business and are not discounted, offered as security or pledged in any way, together with cash at bank The main risks arising from the company's financial instruments are liquidity risk, credit risk, interest rate risk and foreign currency risk

Operations during the year were financed through cash resources derived from shareholder subscriptions, together with amounts advanced by the Joint Bidding Agreement partner

The financial assets of the Group comprise cash at bank which is denominated in sterling and euro These accounts attract interest at rates that vary with bank interest rates

Liquidity risk
Group policy is to actively maintain short-term deposits that are designed to ensure it can meet its financial liabilities as they fall due The Group's financial liabilities comprise of trade and other payables as set out in note 15, held at amortised cost which total €261,825 (company €233,473) (2009 €270,349 (company €241,828))

Credit risk
The credit risk on liquid funds is limited because the Group policy is to only deal with counter parties with high credit ratings At the year end the Group had cash and cash equivalents of €30,732 (company €30,222) (2009 €97,074 (company €73,609)) Trade and other receivables, which are held at amortised cost, largely comprise amounts due from trading entities, carrying a low credit risk, and total €183,030 (company €74,789) (2009 €148,046 (company €40,077)) As at the year end, the total exposure to credit risk was €213,762 (company €105,011)

Interest rate risk
Interest bearing assets include only cash balances which earn interest at variable rates The financial assets of the Group are cash at bank most of which are euro denominated These accounts attract interest at rates that vary with bank interest rates

Foreign currency risk
The Group aims to match its liabilities with assets held denominated in the same currency The value of net financial liabilities denominated in currency other than Euros at 31 December 2010 amounted to £539 A 10% change in the year end Sterling exchange rate would result in a before tax financial effect of an increase or decrease of €52

17 Share capital

	Authorised		Allotted, called up and fully paid	
Ordinary share capital	**Number**	**€**	**Number**	**€**
At 31 December 2009	150	167	150	167
- Issue of new £1 ordinary shares	600	713	600	713
At 31 December 2010	**750**	**880**	**750**	**880**

600 Ordinary shares of £1 each were allotted and fully paid at a premium of £19 per share during the year

18 Joint bidding agreement

On 22 June 2009 the Company entered into a joint bidding agreement with Nautical Petroleum plc The purpose of the agreement is to make applications for oil and gas exploration licences in Italy

The agreement states that Nautical Petroleum plc will pay up to €24,000 in third party costs in respect of each licence applied for They will also pay £10,000 to the company in respect of directors services for each licence applied for Nautical will pay the running costs on each application until such time as the application has been awarded or rejected after which costs will be on a 50 50 participation basis Nautical also agree to pay certain running costs in relation to the application process

Nautical provided an advance of €329,673 at the outset of the agreement Costs incurred by the company have been offset against this advance such that the unexpended balance at the year end amounted to €176,705 (2009 €207,428)

Amounts invoiced to Nautical in respect of technical costs incurred by the subsidiary, Transunion Petroleum Italia S r l, have been included separately in the balance sheet and the amount owed by Nautical at the year end is €183,491 (2009 €126,199)

19 Related party transactions

J Meredith, a Director of the Company, provided consultancy services through John Meredith Geophysical Services Limited during the year amounting to nil (2009 €38,645)

P Howlett, a Director of the Company, provided consultancy services through Energy Explorers Limited during the year amounting to nil (2009 €38,645)

G Catalano, a Director of the Company until 2 August 2010, provided consultancy services during the year amounting to €30,000 (2009 €35,000)

At 31 December 2010, €10,000 each was owed to J Meredith, P Howlett, J Menzies N Cooper and G Catalano (2009 €10,000 each to J Meredith P Howlett and G Catalano)