Company Registration No 6900970

Transunion Petroleum Limited

Report and Financial Statements

for the year
1 January 2011 to 31 December 2011

CONTENTS

TRANSUNION PETROLEUM LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors submit their report and audited financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company was incorporated on 11 May 2009 and since then has been based in London

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

The company's objective is to discover and exploit oil and gas reserves

During 2011 the company attempted a private offering to raise US$50m to fund the delivery of a portfolio of exploration drilling opportunities by 2015 The calibre of the new non-executive directors enabled Transunion to enter discussions with significant institutions regarding this financing, which took up much of the Management effort in 2011 The intent was to raise this sum from at least 3 new shareholders An agreement in principle for data for equity was made with a seismic company Serious interest was shown by some financial institutions However, the perception of the market was that it would be hard to deliver value in Italy in the time stated, that the licensing rounds in the eastern Mediterranean were competitive and had uncertain conditions, that investor interest would wane due to the Euro crisis and, most importantly, that the lack of any licence awards to date did not make this an attractive enough investment Financing efforts were suspended in autumn 2011

As before, no further applications were made under the 2009 Joint Bidding Agreement with Nautical Petroleum plc ("Nautical") for making applications for exploration permits in Italy The company had 50% equity in licences applied for under the agreement In March 2012 the Joint Bidding Agreement was terminated by mutual agreement

The company's wholly-owned subsidiary, Transunion Petroleum Italia S r l ("TUPI"), which is registered in Rome, Italy and was formed to perform oil and gas activities on behalf of Transunion in Italy, was still trading at end 2011 and in March 2012 was sold to Nautical

The sale of TUPI was driven by new Italian government guidelines that included a stipulation that all offshore operators must have a minimum market capitalisation of €15mm, or its equivalent As Transunion was unlikely to have raised that cash at the time any blocks were awarded and because it was impossible to transfer operatorship before award the decision was made to sell TUPI A select group of companies were approached and in December 2011 it was agreed to accept an offer from Nautical The consideration was a cash payment, which included a sum to pay off the outstanding inter-company loans from TUPI to Transunion Petroleum Limited and a gross over-riding royalty on any future production from any production concessions that may arise from the applications detailed below

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 3 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 2011 and remains so in August 2012

The political fallout in Italy was severe from 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 has since been modified but bans all oil field activities within 12 nautical miles of the coastline or from the boundary of any national parks offshore

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 March 2012 Transunion was 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 the necessary environmental report was submitted in February 2011 and accepted by the relevant authorities At the time of the sale of TUPI final award of the block was expected within a few months

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 Initiatives included looking at opportunities in Italy, Malta, Tunisia, Cyprus, Lebanon, Spain and Croatia, but none of these opportunities have yet been signed

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

Paul Howlett remains as Managing Director and he is matched in the executive management team by John Meredith In November 2010 James Menzies and Nicholas Cooper purchased Transunion shares and were voted in as non-executive directors, with James Menzies as Chairman Mr Menzies is the CEO of Salamander Energy plc, a FTSE 250 company specialising in oil and gas production and exploration in south-east Asia Mr Cooper was the CFO of Salamander, but in April 2011 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 The remaining shareholder is Giovanni Catalano, who was previously Managing Director of Transunion, but is now the Managing Director of Po Valley Energy Limited

FUTURE DEVELOPMENTS

The company will continue examining methods of financing the building of a portfolio of exploration opportunities in 2012, or alternatively may offer Transunion Petroleum Limited for sale

RESULTS AND DIVIDENDS

The financial statements are presented under IFRS The group recorded a loss of €23,223 (2010 €35,084) for the year

The Directors do not recommend the payment of a dividend

SHARE CAPITAL

At 31 December 2011 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 year

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 2011 were 20 days (2010 19)

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 18 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 2011

DIRECTORS

The Directors who served during the year were as follows

	Date of Appointment
Paul Howlett	11 May 2009
John Meredith	11 May 2009
James Menzies	15 November 2010
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

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

The Directors confirm that they have complied with these requirements and, having a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the financial statements

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
3 August 2012

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 2011 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

22nd August 2012

TRANSUNION PETROLEUM LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 Group €	2010 Group €
CONTINUING OPERATIONS			
Revenue	4	-	28,607
Cost of sales			
Exploration costs and pre-licence costs		-	-
Gross profit		-	28,607
Administrative expenses		(14,433)	(63,692)
Operating loss	5	(14,433)	(35,085)
Finance income	8	-	1
Loss on ordinary activities before taxation		(14,433)	(35,084)
Taxation	9	-	-
Loss for the year from continuing operations after taxation		(14,433)	(35,084)
Loss for the year from discontinued operations	10	(8,790)	-
LOSS FOR THE YEAR		(23,223)	(35,084)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to equity holders of the parent		(23,223)	(35,084)
Loss per ordinary share			
Basic and diluted loss per share (continuing operations)	11	(€19 24)	(€116 17)
Basic and diluted loss per share (discontinued operations)		(€11 72)	

DISCONTINUED OPERATIONS
The company's wholly-owned subsidiary, Transunion Petroleum Italia S r l ("TUPI"), has been classified as held for sale as it was sold to Nautical Petroleum plc in March 2012 This subsidiary meets the criteria for a disposal group and is disclosed as a discontinued operation

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2011
The Group has no recognised income or expense other than that recognised in the Group's income statement

TRANSUNION PETROLEUM LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Notes	2011 Group €	2010 Group €
ASSETS			
Non-current assets			
Intangible Assets	13	-	7,221
Total non-current assets		-	7,221
Current assets			
Trade and other receivables	14	1,573	185,030
Cash and cash equivalents	15	217,595	30,732
		219,168	215,762
Assets held for sale	16	76,737	-
Total current assets		295,905	215,762
Total assets		295,905	222,983
LIABILITIES			
Current liabilities			
Trade and other payables	17	(320,716)	(261,825)
Liabilities directly associated with asset classified as held for sale	16	(37,254)	-
Total current liabilities		(357,970)	(261,825)
Total liabilities		(357,970)	(261,825)
Net liabilities		(62,065)	(38,842)
Equity			
Share capital	19	880	880
Share premium		16,710	16,710
Retained earnings - deficit		(79,655)	(56,432)
Total equity		(62,065)	(38,842)

These financial statements were approved by the Board of Directors and authorised for issue on 3 August 2012
They were signed on its behalf by

P. Howlett

P Howlett, Director

Company Registration No 6900970

TRANSUNION PETROLEUM LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Notes	2011 Company €	2010 Company €
ASSETS			
Non-current assets			
Investments	12	120,000	120,000
Total non-current assets		120,000	120,000
Current assets			
Trade and other receivables	14	1,573	74,789
Cash and cash equivalents	15	217,595	30,222
Total current assets		219,168	105,011
Total assets		339,168	225,011
LIABILITIES			
Current liabilities			
Trade and other payables	17	(362,063)	(233,473)
Current tax liabilities		-	-
Total current liabilities		(362,063)	(233,473)
Total liabilities		(362,063)	(233,473)
Net liabilities		(22,895)	(8,462)
Equity			
Share capital	19	880	880
Share premium		16,710	16,710
Retained earnings - deficit		(40,485)	(26,052)
Total equity		(22,895)	(8,462)

These financial statements were approved by the Board of Directors and authorised for issue on 3 August 2012.
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 2011

GROUP	Share capital €	Share premium €	Retained earnings €	Total equity €
Shares issued on incorporation	111	-	-	111
Issue of ordinary shares	769	16,710	-	17,479
Total comprehensive income	-	-	(56,432)	(56,432)
Balance as at 31 December 2010	880	16,710	(56,432)	(38,842)
Issue of ordinary shares	-	-	-	-
Total comprehensive income	-	-	(23,223)	(23,223)
Balance as at 31 December 2011	**880**	**16,710**	**(79,655)**	**(62,065)**

COMPANY	Share capital €	Share premium €	Retained earnings €	Total equity €
Shares issued on incorporation	111	-	-	111
Issue of ordinary shares	769	16,710	-	17,479
Total comprehensive income	-	-	(26,052)	(26,052)
Balance as at 31 December 2010	880	16,710	(26,052)	(8,462)
Issue of ordinary shares	-	-	-	-
Total comprehensive income	-	-	(14,433)	(14,433)
Balance as at 31 December 2011	**880**	**16,710**	**(40,485)**	**(22,895)**

TRANSUNION PETROLEUM LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

		2011 Group €	2010 Group €
Operating activities			
Loss from operations (continuing operations)		(14,433)	(35,085)
Loss from operations (discontinued operations)		(8,793)	-
Adjustments for Decrease / (Increase) in trade and other receivables (continuing operations)		183,457	(36,984)
Decrease / (Increase) in trade and other receivables (discontinued operations)		(42,273)	-
(Decrease) / Increase in trade payables (continuing operations)		58,891	(8,524)
(Decrease) / Increase in trade payables (discontinued operations)		37,254	-
Net cash flow from operating activities		**214,103**	**(80,593)**
Investing activities			
Interest received from discontinued operations		3	1
Net cash used in investing activities		**3**	**1**
Financing activities			
Proceeds from issue of ordinary shares		-	14,250
Net cash flow from financing activities		**-**	**14,250**
Net increase/(decrease) in cash and cash equivalents		**214,106**	**(66,342)**
Cash and cash equivalents as at 1 January 2011		**30,732**	**97,074**
Cash and cash equivalents as at 31 December 2011	Note 15	**244,838**	**30,732**

TRANSUNION PETROLEUM LIMITED
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

		2011 Company €	2010 Company €
Operating activities			
Loss from operations		(14,433)	(14,570)
Adjustments for			
Increase in trade and other receivables		73,216	(34,712)
(Decrease) / Increase in trade payables		128,590	(8,355)
Net cash flow from operating activities		**187,373**	**(57,637)**
Investing activities			
Investment in subsidiary		-	-
Net cash used in investing activities		**-**	**-**
Financing activities			
Proceeds from issue of ordinary shares		-	14,250
Net cash flow from financing activities		**-**	**14,250**
Net increase/(decrease) in cash and cash equivalents		**187 373**	**(43,387)**
Cash and cash equivalents as at 1 January 2011		**30,222**	**73,609**
Cash and cash equivalents as at 31 December 2011	Note 15	**217,595**	**30,222**

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

In the current financial year a number of new and revised IFRS and International Accounting Standards (IAS) have been adopted 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

- IAS 1 (revised 2010) Presentation of financial statement
- IAS 24 (revised 2009) Related Party Disclosures
- IAS 27 (revised 2010) Consolidated and Separate Financial Statements
- IFRS 3 (revised 2010) Business Combinations
- IFRS 7 (revised 2010) Financial Instruments Disclosures

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 Such assets are considered to have a finite life

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 1 195 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

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use This condition is regarded as met only when a sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification Disposal groups are groups of assets, and liabilities directly associated with those assets, that are to be disposed of together as a group in a single transaction Non-current assets (and disposal groups) classified as held for sale are initially measured at the lower of carrying value and fair value less costs to sell

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 company's wholly-owned subsidiary, Transunion Petroleum Italia S r l was sold to Nautical Petroleum plc in March 2012 The consideration included a gross over-riding royalty on any future production from any production concessions that may arise from the applications of TUPI The granting of a royalty has therefore removed any financial liabilities for Transunion on the applications and any permits that might arise from them

The company will continue examining methods of financing the building a portfolio of exploration opportunities in 2012 and currently has no obligation to spend any (significant) amounts of money in the next 12 months

3 Segmental information

During the year, the group's activities included the making of applications for oil and gas exploration licences in Italy and looking at opportunities in Malta, Tunisia, Cyprus, Lebanon, Spain and Croatia Technical evaluation work in relation to Italian licenses has been performed by the company under the terms of a Joint Bidding Agreement The subsidiary has incurred the direct costs of making applications in Italy, which are recharged to a third party

4 Revenue

	2011 Group €	2010 Group €
Recharging of technical costs	-	28,607

5 Operating loss

	2011 Group €	2010 Group €
The operating loss is stated after charging		
Auditors' remuneration (see note 6 below)	4,780	4,668
Foreign exchange losses / (gains)	56	(199)
Directors' emoluments and other benefits	-	-

6 Operating loss

	2011 Group €	2010 Group €
Audit services		
Fees payable to the company's auditor for the audit of the company's annual financial statements	4,780	4,668
Other services		
Tax services	1,195	1,459
Total audit and other services	5,975	6,127

7 Employee information

	2011 Number	2010 Number
The average number of persons employed by the company in the year, including executive and non-executive Directors, was		
Management and administration	4	4
	€	€
The aggregate remuneration for the above persons comprised		
Wages, salaries and benefits	-	-
Social security costs	-	-
Pension costs	-	-
	-	-

8 Finance income

	2011 Group €	2010 Group €
Interest receivable on short term deposits	-	1

9 Taxation

The major components of the tax charge are as follows

	2011 Group €	2010 Group €
a) Income statement		
Tax charge in the income statement	-	-
b) Factors affecting the current tax charge		
Loss before tax	23,223	35,084
Loss on ordinary activities multiplied by the standard rate of tax 26 5% (2010 28%)	6,154	9,823
Movement in unrecognised deferred tax assets	(6,154)	(9,823)
Tax charge in the income statement	-	-

The Group has an unrecognised deferred taxation asset of € 21,954 (2010 €15,800) at the year end

10 Discontinued operation

Amounts attributable to Transunion Petroleum Italia S r l in 2011 were as follows

	2011 €	2010 €
Revenue	67,244	-
Expenses	(76,037)	-
Finance income	3	-
Loss before taxation	(8,790)	-
Income tax expense	-	-
	(8,790)	-

At 31 December 2011 the company classified its wholly-owned subsidiary, Transunion Petroleum Italia S r l, as a disposal group
The sale of 100% of the share capital of Transunion Petroleum Italia S r l to Nautical Petroleum plc was completed in March 2012 for a consideration of €135,513 in cash and gross overriding royalty on any petroleum production in any acreage covered by the current or pending applications

The assets and liabilities of Transunion Petroleum S r l have been classified as held for sale and can be seen under note 16

11 Loss per share

	2011 €	2010 €
Net loss for the financial year (continuing operations)	(14,433)	(35,084)
Net loss for the financial year (discontinued operations)	(8,790)	-
Basic weighted average ordinary shares in issue during the year	750	302
Basic loss per share (continuing operations)	(€19 24)	(€116 17)
Basic loss per share (discontinued operations)	(€11 72)	-

12 Investments

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

13 Intangible assets

	2011 Group €	2011 Company €
Cost		
As at 31 December 2010	7,221	-
Additions	-	-
Reclassified as held for sale	(7,221)	
As at 31 December 2011	-	-
Amortisation		
As at 31 December 2010	-	-
Charge for the year	-	-
As at 31 December 2011	-	-
Net book value		
As at 31 December 2011	-	-
As at 31 December 2010	7,221	-

14 Trade and other receivables

Amounts falling due within one year	2011 Group €	2011 Company €	2010 Group €	2010 Company €
Amount owed by Joint Bidding Agreement partner	-	-	183,491	-
Other receivables	-	-	1,250	74,500
Social security and other taxes	1,573	1,573	289	289
	1,573	1,573	185,030	74,789

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

15 Cash and cash equivalents

	2011 Group €	2011 Company €	2010 Group €	2010 Company €
Cash at bank	217,595	217,595	30,732	30,222

16 Assets held for sale

	2011 €	2010 €
Intangible assets	7,221	-
Trade and other receivables	42,273	-
Cash and cash equivalents	27,243	-
Assets held for sale	76,737	-

	2011 €	2010 €
Trade and other payables	37,254	-
Liabilities directly associated with assets classified as held for sale	37,254	-

17 Trade and other payables

	2011 Group €	2011 Company €	2010 Group €	2010 Company €
Amounts falling due within one year				
Trade payables	-	-	8,751	641
Amount due to Joint Bidding Agreement partner	251,462	251,462	176,705	176,705
Amount due to subsidiary	-	41,346	-	-
Social security and other taxes	-	-	7,149	-
Accruals and deferred income	7,618	7,618	19,220	6,127
Other payables	61,636	61,636	50,000	50,000
	320,716	362,062	261,825	233,473

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

18 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 17, held at amortised cost which total €320,176 (company €362,062) (2010 €261,825 (company €233,473))

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 €217,595 (company €217,595) (2010 €30,732 (company €30,222)) Trade and other receivables, which are held at amortised cost, largely comprise amounts due from trading entities, carrying a low credit risk, and total €1,573 (company €1,573) (2010 €183,030 (company €74,789)) As at the year end, the total exposure to credit risk was €219,168 (company €213,762)

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 2011 amounted to £nil (2010 £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 €nil (2010 €52)

19 Share capital

	Authorised		Allotted, called up and fully paid	
	Number	**€**	**Number**	**€**
Ordinary share capital				
At 31 December 2010	750	880	750	880
- Issue of new £1 ordinary shares	-	-	-	-
At 31 December 2011	**750**	**880**	**750**	**880**

20 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 and further funds of €76,614 during the year Costs incurred by the company have been offset against this advance such that the unexpended balance at the year end amounted to €251,462 (2010 €176,705)

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 €32,847 (2010 €183,491)

21 Related party transactions

At 31 December 2011, €10,000 each was owed to J Menzies, N Cooper, €15,830 was owed to P Howlett and €15,806 to J Meredith who are all directors of the Company (2010 €10,000 each to J Meredith, P Howlett, J Menzies and N Cooper)

22 Post balance sheet event

On 26 March 2012 the company's wholly-owned subsidiary, Transunion Petroleum Italia S r l was sold to Nautical Petroleum plc for a consideration of €135,513 in cash and gross overriding royalty on any petroleum production in any acreage covered by the current or pending applications listed in the agreement