Contents

Chairman's Statement

Testing gas at Kiliwani North-1 well, Tanzania

Dear Shareholder,

In a year marked by volatility in the markets and lower commodity prices, Aminex completed a six-well drilling programme in three countries and achieved three successful well results.

In Tanzania in particular, our Nyuni joint venture, of which we are the operator with a 40% interest and the largest participant, successfully drilled and tested the Kiliwani North-1 well, flowing gas at 40 million cubic feet/day under production test conditions. We have been exploring at Nyuni for several years now and the Kiliwani North discovery vindicates our reasons for being there in the first place and for persevering after earlier setbacks, including the Kiliwani-1 well which was spudded in 2007 and abandoned in early 2008 after failing to encounter commercial hydrocarbons. Nyuni-1, suspended in 2004, is now a possible candidate for re-entry.

Despite mounting industry activity on the East African coastal margin, Aminex, at the time of writing, remains the most active driller and arguably the most successful pure explorer in this particular area in recent times. No other frontier exploration well in the last twenty five years on the coastal margin has been as successful as Kiliwani North-1. We are now appraising this discovery and expect to shoot further seismic in mid-2009 to define the areal extent of the field. Given the proximity of the Songas pipeline, this will ultimately be the most likely sales route for Kiliwani North gas.

Late in 2009 we anticipate spudding the first well on our Ruvuma Basin PSA in southern Tanzania where we are in 50-50 partnership with Tullow Oil, to which operatorship has been transferred for the drilling phase. Even though oil prices have fallen, contractor prices remain very high in East Africa and we are actively seeking a farm-in partner.

In May we were granted a PSA over the West Songo-Songo area in 50-50 partnership with Key Petroleum Ltd. (operator) where evaluation work is in progress.

In the USA we drilled a step-out well in the South Weslaco Field, Hidalgo County, Texas early in the year which is now delivering gas to market, and subsequently we drilled Sunny Ernst-2, a deep exploration well, at Alta Loma, Galveston County, Texas in the third quarter. Sunny Ernst-2 was the most successful well we have ever drilled in the USA, testing gas at 6 million cubic feet per day and oil at 300 barrels per day from only one of four formations logged. Net revenues from Sunny Ernst-2 should be sufficient on their own to cover our carefully controlled corporate costs in 2009 provided we experience no further dramatic fall-off in commodity prices nor a material decline in production. Aminex is the largest participant in Sunny Ernst-2 with a 37.5% working interest. The Alta Loma lease is operated by El Paso Corporation.

In Egypt during 2008 we participated in two deep exploration wells on the West esh el Mellahah-2 permit (WEEM-2) in the onshore Gulf of Suez region east of the Red Sea Hills. Neither well encountered commercial hydrocarbons but further drilling is planned for summer 2009. Aminex is free-carried for a 10% interest in this permit through to commercial production. So far, therefore, drilling has been carried out on WEEM-2 at no financial cost to Aminex.

We sold our 50% interest in Amicoh Resources Ltd., which holds a licence for the Manja exploration concession in Madagascar, to our fellow shareholder in summer 2008, primarily due to a failure to agree on a forward plan. This resulted in a write-down of $3.38 million but in view of rising exploration costs, falling markets and, more recently, a state of near civil war in that country we believe our exit was well-timed. During a period when new capital is scarce, the Madagascar interest would have been a severe ongoing drain on our resources.

In Kenya, we are due to acquire new offshore seismic in summer 2009 on coastal blocks L17 and L18 where we operate with a 25% interest.

In the Democratic People's Republic of Korea progress is likely to be limited until the political situation becomes more stable.

Changing times call for a new and flexible approach. While the greatest potential for the Company's growth is currently in East Africa, we are reacting to difficult markets by focusing on our US production to see the Company through tough times. A combination of production income and no corporate debt puts Aminex in a good position in the current environment. Recognising that capital markets are not at the moment readily available to support frontier exploration, we are seeking to maximise returns from the US while looking for industry solutions to grow our exploration business in the immediate future. We have a good portfolio of exploration acreage and we will focus on the most promising elements, negotiating easier licence terms where appropriate to the changed commercial environment.

Full credit is due to our small staff which has worked long and hard to see us through an exciting but very challenging year.

I would like to draw your attention to one other matter. Aminex is an Irish company but a large majority of its shares are today held in the UK. We are submitting a resolution at the AGM to allow us in the future to hold the annual meetings outside the Republic of Ireland. Although we do not propose to do this every year, we would like to have the option to alternate between Dublin and London and would be grateful for your support for this resolution. So that UK shareholders are not disadvantaged through being unable to travel to Dublin this year, we propose to hold a follow-up shareholder briefing on Thursday 11 June at 11 o'clock in the Charlotte Street Hotel, 15 Charlotte Street, London W1T 1RJ to which shareholders are warmly invited. Should the resolution be passed and should we decide to hold a future AGM in London, we will follow it with a shareholder briefing in Ireland for the benefit of our Irish shareholders.

Yours sincerely,

Brian Hall
Chairman

Annual General Meeting – 10 June at 11.00am at the Westbury Hotel, Grafton Street, Dublin 2.

Shareholder Briefing – 11 June at 11.00am at Charlotte Street Hotel, 15 Charlotte Street, London W1T 1RJ.

Summary of Aminex Net Oil and Gas Reserves

Summary of Oil & Gas Reserves in the USA, P50 Basis

The table below is based on independent evaluations of proved and probable reserves completed by Sojen Petroleum Consultants (for South Weslaco) and Oilfield Production Consultants (for Somerset, Shoats Creek and Alta Loma) in early 2009.

	Oil mmbbls (1)	Gas bcf (2)	mmboe (3)
At 1 January 2008	*2.27*	*28.63*	*7.04*
Production	*(0.03)*	*(0.31)*	*(0.08)*
Revision of previous estimates	*(0.14)*	*(0.42)*	*(0.21)*
Net proven plus probable (P50) reserves at 31 December 2008	***2.10***	***27.90***	***6.75***

Analysis of year end reserves by field:

Lease	Area	Oil mmbbls	Gas bcf	Appraised Value $mm (4)
Shoats Creek	*Calcasieu Parish, Louisiana*	*1.7*	*16.7*	*95.4*
Alta Loma	*Galveston County, Texas*	*0.3*	*8.7*	*39.9*
South Weslaco	*Hidalgo County, Texas*	*0*	*2.5*	*7.6*
Somerset	*Bexar/Atascosa Counties, Texas*	*0.1*	*0*	*0*
TOTALS		***2.1***	***27.9***	***142.9***

(1) mmbbls – millions barrels crude oil, (2) bcf – billions cubic feet natural gas, (3) mmboe – millions barrels oil equivalent
(4) $mm – millions US Dollars

International Exploration Licences

Country	Licence	Gross area km2	Working Interest %	End of current period
Tanzania	*Nyuni exploration*	*672*	*40*	*May-11*
	Nyuni appraisal	*672*	*40*	*Nov-10*
	Ruvuma	*12,361*	*50*	*Oct-09*
	West Songo-Songo	*505*	*50*	*Jul-12*
Kenya	*L17/18*	*5,000*	*25*	*Jan-10*
Egypt	*WEEM-2*	*1,328*	*10*	*Sep-09*
North Korea	*Petroleum Agreement*	*66,000*	*100*	*Jun-24*

Financial Review

Financial Review of Current Year

2008 saw total revenues increase by 9% to $10.2 million, of which 54% was attributable to oil and gas sales and 46% to the oilfield services division. Oil and gas sales were 101% higher than in 2007, partly due to increased prices and partly due to increased production. Sales to third parties by the oilfield services division were lower overall as a result of a reduction in internal purchasing of oilfield materials by Aminex-operated joint ventures.

US gas production of 314 million cubic feet was 123% higher than in 2007, due to a combination of production start-up from the Sunny Ernst-2 well at Alta Loma in the second half and increased production from the South Weslaco field during the year. The average gas price achieved was $7.75/mcf, a 21% increase over 2007.

Oil production of 36,000 barrels, mainly from the Somerset and Alta Loma fields, was 24% ahead of 2007. Approximately 58% of 2008 oil production came from the Somerset field. A further 24% came from the Alta Loma field following commencement of Sunny Ernst-2 production. The average oil price achieved during the period was $86.79/barrel, a 34% increase over 2007.

Cost of sales of $6.49 million was $880,000 less than in 2007 due to a change in the mix between oil and gas production and oilfield service activities. Depletion and decommissioning charge at $760,000 was $310,000 higher than the comparative figure for 2007, mirroring increased oil and gas production.

Gross profit of $2.93 million was 97% ahead of the 2007 figure of $1.49 million.

Group administrative expenses of $4.45 million were 10% lower than 2007, mainly due to a reduced current period charge representing the notional cost of the award of share options. The underlying cash expenditure on administrative expenses was $3.65 million for the year 2008.

The net loss from operating activities before other costs was $1.60 million, a 55% improvement over the 2007 loss.

As reported in the Interim Statement, the Group disposed of its interest in the share capital of Amicoh Resources Ltd. which holds the Manja exploration licence in Madagascar, giving rise to a non-cash charge of $3.38 million, representing the write-off of past exploration costs previously capitalised, after offsetting the sales proceeds. A further $4.73 million has been charged as an impairment expense representing a write-down of exploration expenditure in East Africa previously capitalised.

After taking into account net finance income of $46,000 (2007: $299,000) the resulting loss before tax for the year ended 31 December 2008 was $9.66 million (2007: loss $3.27 million).

Total non-current assets of $41.3 million have increased during the year by $4.3 million. The increase comprises exploration and evaluation assets of $1.67 million and property, plant and equipment of $2.9 million which were offset by a decrease in other investments of $330,000.

The increase in exploration and evaluation assets consists of (1) drilling and evaluation activities on two Kiliwani wells on the Nyuni licence, (2) pre-drilling expenditures for the two well locations on the Ruvuma licence and (3) pre-exploration expenditures on the Kenya and Songo-Songo West licences but (4) offset by the write off of costs on the Manja licence in Madagascar and earlier exploration costs on the Nyuni licence.

Net additions to property plant and equipment include the completion cost and tie-in to production of the South Weslaco SWGU-38 well, drilling and completion of the South Weslaco SWGU-39 well, drilling and completion and tie-in to production of the Sunny Ernst-2 well at Alta Loma as well as remedial work carried out on the Shoats Creek field but offset by the depletion and decommissioning charge for the period.

The reduction in other investments of $330,000 represents a write-down of the Group's investments to market value at the period end.

Current assets of $8.4 million have decreased since 2007 by $15.56 million due principally to a fall in cash balances. The cash balances at the beginning of 2008 have been used to fund the acquisition of property, plant and equipment and exploration activities in East Africa. Current liabilities of $5.4 million are $990,000 lower than the 2007 comparative figure. Non-current liabilities have been reduced by $177,000 to $1.37 million, the decrease represented by repayments of US vehicle equipment loans and adjustments to the abandonment provision.

Net cash outflows from operating activities improved by $1.98 million, from a $2.119 million outflow in 2007 to a $142,000 outflow in 2008 reflecting the improved underlying trading performance noted above. Approximately $15 million has been spent on capital expenditures and after subtracting miscellaneous income offset by net debt repayment, the net cash decrease for the year amounted to $14.54 million leaving a 31 December 2008 cash balance of $4.1 million.

Principal Risks and Uncertainties

This review has been compiled solely to comply with the requirements of the Irish Companies Acts and should not be relied upon for any other purpose.

Aminex's Group activities are carried out in many parts of the world, in particular East Africa, North Africa, North Korea and the USA. We carry out periodic reviews to identify risk factors which might affect our business and financial performance. Although the summary set out below is not exhaustive as it is not possible to identify every risk that could affect our business, we consider the following to be the principal risks and uncertainties:

Exploration risk – our exploration and development activities may be delayed or adversely affected by factors outside our control, in particular: climatic and oceanographic conditions; performance of joint venture partners; performance of suppliers and exposure to rapid cost increases; availability, delays or failures in installing and commissioning plant and equipment; unknown geological conditions resulting in dry or uneconomic wells; remoteness of location; actions of host governments or other regulatory authorities (relating to, inter alia, the grant, maintenance, changes or renewal of any required authorisations, environmental regulations – in particular in relation to plugging and abandonment of wells, or changes in law).

Production risks – our operational activities may be delayed or adversely affected by factors outside our control, in particular: blowouts; unusual or unexpected geological conditions; performance of joint venture partners on non-operated and operated properties; seepages or leaks resulting in substantial environmental pollution; increased drilling and operational costs; uncertainty of oil and gas resource estimates; production, marketing and transportation conditions; and actions of host governments or other regulatory authorities.

Commodity prices – the demand for, and price of, oil and gas is dependant on global and local supply and demand, weather conditions, availability of alternative fuels, actions of governments or cartels and general global economic and political developments.

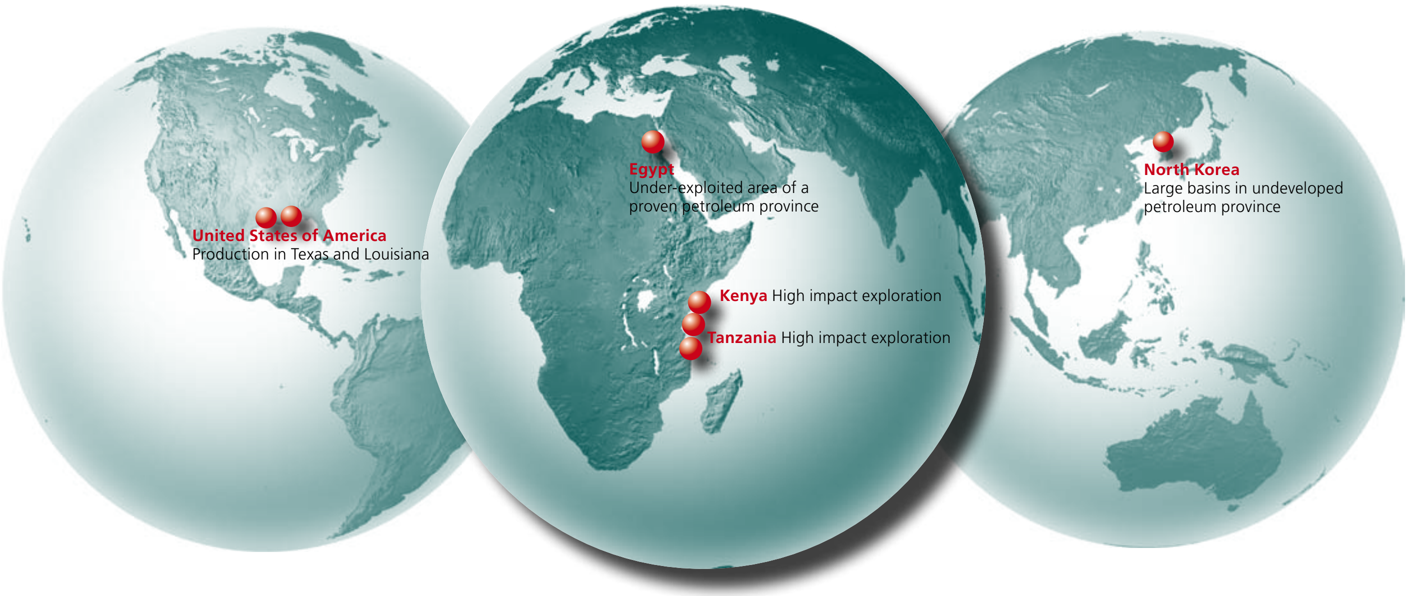
Currency risk – although our reporting currency is the US dollar which is the currency most commonly used in the pricing of petroleum commodities and for significant exploration and production costs, other expenditures (in particular for our central administrative costs) are made in local currencies (as is our equity funding), thus creating currency exposure.

Political risks – as a consequence of our activities in different parts of the world, Aminex may be subject to political, economic and other uncertainties, including but not limited to terrorism, military repression, war or other unrest, nationalisation or expropriation of property, changes in national laws and energy policies, exposure to less developed legal systems.

Financial risk management policies and objectives are set out in Note 19 to these financial statements.

Simon Butterfield
Finance Director

Drilling the Sunny Ernst-2 well at Alta Loma, Texas



Operations and Business Review

Aminex's primary business is the exploration for and production of oil and gas in a number of countries throughout the world. The Group also maintains an oilfield services business. Aminex's oil and gas production activities are all, at present, in the USA whereas its exploration activities are carried out in Africa and North East Asia. The presentational currency of the Aminex Group is the US Dollar.

1. Oil and Gas Production Activities

	2008 US$'000	2007 US$'000
Revenues	*5,539*	*2,759*
Operating Profit	*1,650*	*197*
Capital Expenditure	*4,348*	*1,271*

During 2008, the Group's oil and gas revenues came from four fields in the USA. The Somerset and Shoats Creek fields are oil producing; Alta Loma produces both gas and condensate; and South Weslaco is primarily a gas producing field. Oil production was 24% higher than in 2007 mainly due to the commencement of production from the new Sunny Ernst-2 well at Alta Loma. Gas production was 123% higher, due to new wells being tied in to production at South Weslaco and Alta Loma. A fifth well was drilled at South Weslaco towards the end of the year and completed in early 2009. Since September, commodity prices have fallen sharply. Nevertheless, the average price that the Group achieved during 2008 was higher than in 2007 for both oil and gas. Revenues from oil and gas activities during the second half of 2008 were ahead of the first half, as lower commodity prices were more than offset by incremental production.

Alta Loma (Galveston County, Texas).

A deep exploration well, Sunny Ernst-2, was drilled in mid-year on the producing Alta Loma lease which logged oil and gas from four separate formations, the Weiting Sand, the S Sand, the Upper Andrau and the Massive Sand. The original target was the deeper Tacquard Sand but this attempt was abandoned after drilling difficulties at depth. The Massive Sand was perforated and flow-tested then plugged off in favour of the Upper Andrau which tested gas at 6 million cubic feet/day and oil at 300 bopd. This well is currently on production from the Upper Andrau and delivering oil and gas to market. At the appropriate time the substantially thicker S Sand will be completed for production and commingled with existing production from the Upper Andrau. Sunny Ernst-2 is the best well ever drilled in the USA by the Aminex Group.

South Weslaco (Hidalgo County, Texas).

Aminex and partners are involved in a continuous drilling programme in the South Weslaco Field, Hidalgo County, Texas. SWGU-38 was logged as a gas well in early 2008 and completed for production later in the year, one of four wells now delivering gas to market. A further well, SWGU-39 has logged a commercial gas interval since the end of 2008. Combined gross production averages 3 million cubic feet/day and Aminex has a 25% working interest.

Shoats Creek (Calcasieu Parish, Louisiana).

In 2008 Aminex received the long-awaited results of a 3D


NABORS
Louisiana
Texas
Shoats Creek
Austin
Alta Loma
Somerset
San Antonio
Houston
South Weslaco
Gulf of Mexico

seismic survey carried out over its 100% owned Shoats Creek leases in Louisiana. Aminex's exploration team has been working constantly on evaluation and interpretation of these results for several months now and the results to date are proving to be of great interest. Aminex is in the process of offering this project as a farm-out and has received a high initial level of interest. The potential (2P) reserves of this property are more than twice the size of all Aminex's other US properties combined.

Somerset Field (Bexar/Atascosa Counties, Texas).

Stripper oil production at Somerset has been maintained at multiple well locations with careful management but has proved sub-economic at the low oil prices achieved towards the end of 2008. Somerset oil is classified as South Texas Sour and priced at a discount to the US bench mark crude, West Texas Intermediate (WTI). Cost-cutting steps have been taken to mitigate possible losses but recently the price of oil has shown gains. The profitability of Somerset is kept under constant review.

The results of an updated independent reserves evaluation, which are set out on page 3, have recently been released and appear in summary form on our website.

2. Oilfield Services Division

	2008 US$'000	2007 US$'000
Revenues	*4,638*	*6,545*
Operating Profit	*211*	*361*

Aminex's service company, Aminex Oilfield Service and Supply Company ("AMOSSCO") traded strongly during 2008, matching its previous record for third party sales achieved in 2007 but with overall turnover reduced because Aminex's operated joint ventures, which it supports as an in-house supply and logistics arm, was less active than in 2007 when it was purchasing materials for a two-well drilling campaign in Tanzania.

3. Exploration Activities

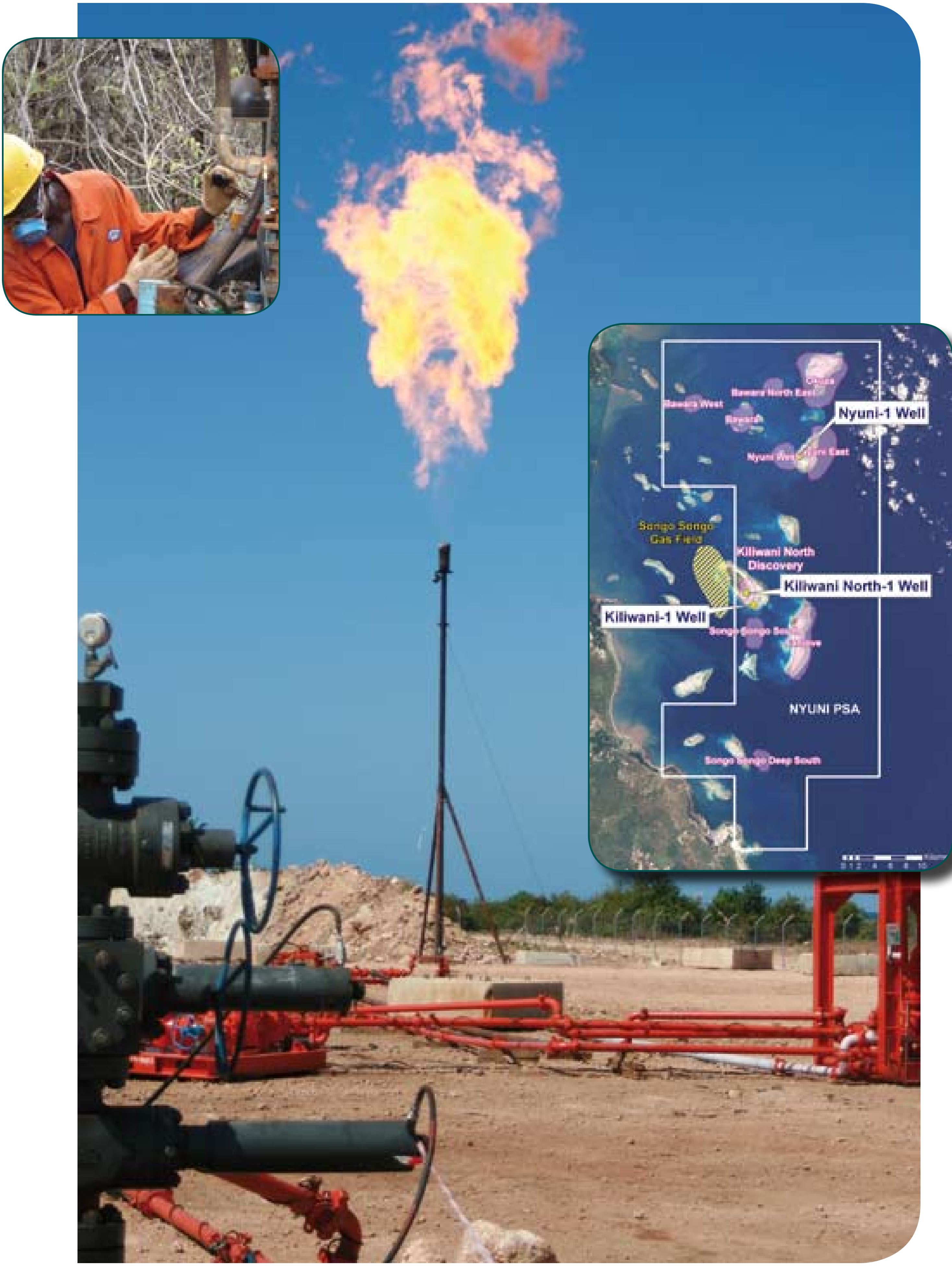
	2008 US$'000	2007 US$'000
Capital Expenditures	*9,758*	*10,725*

Expenditure on exploration and evaluation assets during 2008 amounted to just under $10 million, a level slightly below that of 2007. Drilling of the Kiliwani-1 well on the Nyuni licence was completed in February 2008 but this well did not encounter commercial hydrocarbons. A second well, Kiliwani North-1, completed drilling at the end of March, resulting in a 60-metre gross gas column in Lower Cretaceous sands. Operatorship of the Ruvuma licence in Tanzania was transferred to Tullow Oil on 1 January 2008 per agreement and during the year locations were identified and prepared for a drilling programme which will commence later in 2009. Long lead items for the wells have now been acquired. Two wells were drilled in Egypt during 2008 at no cost to Aminex on the West esh el Mellahah-2 licence, offshore Gulf of Suez. The first well recorded high gas readings but neither well encountered hydrocarbons in commercial quantities. The Group's interest in the share capital of Amicoh Resources Ltd., holder of the Manja exploration licence in Madagascar, was disposed of during the year.

East African Margin

Tanzania – Nyuni PSA gas discovery

The Kiliwani North-1 well, located on the southeast end of Songo-Songo Island, was confirmed as a new field gas discovery after production testing gas at 40 MMscfd from a 20 metre perforated interval in excellent reservoir quality Lower Cretaceous sands. The well has been completed and suspended for future production. The KN-1 well is just 3 kms from the Songo-Songo Gas Field processing facilities, owned by Songas, and is therefore very well positioned for a future tie-in.


Nyuni-1 Well
Songo Songo
Gas Field
Kiliwani North
Discovery
Kiliwani North-1 Well
Kiliwani-1 Well
NYUNI PSA
Songo Songo Deep South

Although the production test has provided much important data, the extent of the reserves cannot yet be accurately estimated, as the Kiliwani North structure extends beyond the range of existing seismic data. A programme of field delineation will be required in parallel with plans to commercialise the discovery. The Nyuni Joint Venture applied for and was granted by the Government of Tanzania, a separate appraisal area, comprising the discovery block and several adjoining blocks within the Nyuni Licence area. The remainder of the Licence continues to be held as an exploration area, now in the third period of the PSA, with a further work programme to be undertaken.

An independent mapping project was completed in the second half of the year, evaluating the remaining exploration potential in the Nyuni Licence. A number of substantial leads have been identified for which additional infill seismic will be required in order to bring them to drillable prospect status. With plans already in place to expand the capacity of the Songas Plant on Songo-Songo Island, with a common user pipeline to shore, there are opportunities for Aminex and its partners to build a significant new gas business should further exploration result in additional gas discoveries on this high potential licence.

Aminex has 40% of the Nyuni Licence and is the operator.

Tanzania – Ruvuma PSA

On 1 January 2008, having earned its farm-in interest and as per agreement, Tullow Oil took over the operatorship of the Ruvuma PSA. The seismic acquired in 2007 formed the basis of a new interpretation of the two Ruvuma Licences (Lindi and Mtwara). A number of very encouraging prospects and leads have been identified along a prominent hinge line in the Ruvuma Basin. We believe these prospects are very well positioned to receive liquid hydrocarbon charge from the underlying source kitchen. The first of two commitment wells is planned to be drilled in 2009, on the Mikindani Prospect. The second well will follow later. The prospective areas in the Ruvuma PSA are located close to the coast with well developed nearby infrastructure in the form of roads and port facilities.

Aminex holds a 50% interest in the Ruvuma PSA.

Tanzania - West Songo-Songo Award

The West Songo-Songo Production Sharing Agreement was signed on 29 May 2008, covering a 505 km² offshore licence area located between the Tanzanian coast and the Songo-Songo Gas Field and Aminex Nyuni Licence. The initial exploration programme on the block has involved the interpretation of existing seismic data and well data from adjoining areas to develop a prospect and lead portfolio. West Songo-Songo is very favourably positioned in relation to the known producing trend in the Rufiji Basin, including Songo-Songo Gas Field and the Kiliwani North gas discovery. The primary reservoir objectives on the block are the productive Lower Cretaceous sands which are the main reservoirs at the nearby Songo-Songo Field and at Aminex's Kiliwani North gas discovery, with some upside potential in shallower stratigraphic targets. There is a single firm well commitment in the first three year term of the PSA.

Aminex has a 50% non-operated interest in the licence.

Kenya – L17/18 PSC

These two contiguous blocks form the L17/18 PSC area located along the coastal margin from north of Mombasa to the border with Tanzania. The blocks are predominantly offshore and cover a total area of 5,000 km², over which marine seismic data was acquired in 2005-2006, prior to the signing of the PSC, when the area was held under a Technical Evaluation Agreement. A comprehensive geological and geophysical study has been carried out during 2008, from which a number of leads at multiple stratigraphic levels have been identified. A further phase of seismic acquisition has been planned to focus on the most prospective areas seen from the initial studies. A number of very encouraging leads are located offshore from Mombasa and have the possibility for both gas and oil.

Aminex has a 25% interest and is the operator.

Kenya – L17/18 PSC

Ruvuma PSA, Tanzania

Egypt

Gulf of Suez – West esh el Mellaha-2 PSC

The West Esh El Mellaha-2 (WEEM-2) PSC, covering an area of 1,328 km² is a large onshore block on the south-western margins of the Gulf of Suez Basin, near to the coastal town of Hurghada. During the year, two wells were drilled on the block. The Malak-1 recorded high gas readings over a very thick conglomerate section above Basement, but log analysis indicated the shows to be non-commercial. The second well to be drilled was the NW Tanan-1, which was plugged and abandoned after failing to encounter hydrocarbons. Following this initial drilling phase, the well results have been incorporated into a reinterpretation of the seismic data on the block and several further prospects have been delineated for the next phase of drilling.

Aminex has a 10% interest in this PSC and its share of costs is carried by the other partners until first commercial production has been established.

Far East

Democratic People's Republic of Korea (North Korea)

In the Democratic People's Republic of Korea we made little progress in 2008 as the political situation there yawed backwards and forwards between improved relations with the outside world and the likelihood of renewed hostilities. Progress is notably slow in all respects in North Korea but our licence there still has fifteen years to run and we remain very enthusiastic about the potential for oil and gas, particularly in the East Sea. However, progress is likely to be limited until the political situation becomes more stable.

4. Outlook for 2009

It is our intention to enhance production from all our oil and gas properties in the USA. Gas volumes in 2009 are expected be higher than those of 2008 as we anticipate a full year's production from the Sunny Ernst-2 well at Alta Loma and a successful tie-in to production of the SWGU-39 well at South Weslaco. Evaluation and interpretation work will be completed during the first half of the year on the recently acquired 3-D seismic over Shoats Creek, with a view to commencing a drilling programme as soon as practical, possibly during the second half of the year. The timing of this re-development will be contingent on identification of a farm-in partner and the availability of necessary finance.

We anticipate that the first well of a two well programme on the Ruvuma licence will commence in the second half of the year, now that the seismic data has been evaluated and interpreted and well locations finalised. Exploration activities over the Nyuni licence will continue during the period to determine new well locations in compliance with the work programme for the third exploration period. We intend to continue to appraise the KN-1 discovery area of the Nyuni licence including acquiring new 2-D seismic in the first half, with a view to early commercialisation of the gas discovery. Plans for a new seismic survey over the Kenya acreage are now well advanced, following geological and geophysical studies carried out during 2008.

Forward-looking statements

Certain statements made in this Operations and Business Review are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from the expected future events or results referred to in these forward-looking statements.

General Information

Board of Directors	**Brian Hall**	Executive Chairman
	Didier Murcia	Chief Operating Officer
	Simon Butterfield	Finance Director
	Antonio Prado	President Aminex USA, Inc.
	Michael Rego	Exploration Director
	David Hooker	Senior Non-Executive Director
	Andrew Hay	Non-Executive Director
	Derek Tughan	Non-Executive Director
Website	**www.aminex-plc.com**	
Registered Office	**Aminex PLC**	6, Northbrook Road, Dublin 6
Senior Group Personnel	**Max Williams**	Group Financial Controller
	Jonathan Major	General Manager, Amossco
	David Warwick	General Manager for International Operations
	Dr. Amos Ofori Quaah	Senior Geophysicist
	Thierry Murcia	Country Manager, Tanzania
	Nicholas Cameron	Senior Exploration Adviser
	Ambassador I. Chialo	Director, Ndovu Resources Ltd, Tanzania
Secretary	**Max Williams, ACA.**	
Auditor	**KPMG, Chartered Accountants**	Dublin
Bankers	**Barclays Bank**	London
	Bank of Ireland	Dublin
Solicitors	**Ashurst**	London
	O'Donnell Sweeney Eversheds	Dublin
Financial Advisers	**LCF Edmond de Rothschild Securities Limited**	London
Stockbrokers	**Davy Stockbrokers Limited**	Dublin
Registrars	**Computershare Investor Services (Ireland) Limited**	Heron House, Corrig Road Sandyford Industrial Estate, Dublin 18 Telephone number for Irish shareholders: 01 247 5697 Telephone number for UK shareholders: 0870 707 1535 Telephone number for other shareholders: 00353 1 247 5697 Fax: 00353 1 216 3150 e-mail: web.queries@computershare.ie
Telephone sharedealing		Computershare provides a telephone sharedealing service for Irish and UK registered shareholders. For more information please call: Telephone number for Irish shareholders: 1890 924995 Telephone number for UK shareholders: 0141 270 3203

A list of the Group's offices with addresses appears on the inside back cover.

Biographies of Directors

Brian Hall, (63) (UK)

Executive Chairman

Mr. Hall has been a Director since 1987 and managed the Company since 1991. He became Chairman in 2007. He was one of the early western pioneers in the Russian oil industry which Aminex has now successfully exited. He started his oil industry career in 1973 with Hamilton Brothers Oil and Gas Limited where he was a member of the team which brought on stream Argyll, the UK North Sea's first oilfield. Subsequently he became UK manager for Lochiel Exploration of Canada and was responsible for building up that company's interests outside North America including the UK, Egypt and Denmark. He is a Chartered Accountant and was a founding shareholder of Halyard Offshore Limited, a specialised offshore industry consulting company, now part of the Aminex Group.

Simon Butterfield, (62) (UK)

Finance Director

Mr. Butterfield is a Chartered Accountant and has been a Director since February 1997. Much of his career has been spent in natural resources. He joined the oil industry in 1988 with Trafalgar House Oil & Gas Ltd. which subsequently became Hardy Oil & Gas plc, where he was Financial Controller and Company Secretary. Prior to 1988 he worked in North America for fifteen years, mainly in the mining construction industry.

Antonio Prado, (63) (USA)

Executive Director,

President, Aminex USA, Inc.

Mr. Prado joined the Group in 1984. He has responsibility for the Group's operations in the USA and is also involved in the Group's international operations. He was formerly Vice-President Finance at City Exploration Company of Houston, Texas and for nine years managed its Latin American operations including oil production in the Republic of Ecuador. He has also held a number of management roles in several other US oil and gas companies. He became a Director of Aminex in February 1996.

Didier Murcia, (46) (Australia)

Executive Director,

Chief Operating Officer

Mr. Murcia is a lawyer and was appointed a Director of Aminex in May 2002. He was formerly the Managing Director of Tanzoil NL, which Aminex acquired in March 2002. Mr. Murcia is Honorary Consul for the United Republic of Tanzania in Australia and is also a director of Gindalbie Gold NL, a company listed on the Australian Stock Exchange. Mr. Murcia was appointed an Executive Director in January 2004.

Michael Rego, (48) (UK)

Group Exploration Director

Mr. Rego is a Petroleum Geologist. He joined Aminex in 1998 as Resident Manager in Tatarstan, becoming Group Exploration Manager in 2001 and Group Exploration Director in February 2006. He has previously worked for BP, LASMO and other companies and has lived and worked in Russia, Libya, Egypt and USA as well as in the United Kingdom. He is well known in the oil industry for his work on the East African Margin.

David Hooker, (66) (UK)

Senior Non-Executive Director *#

Mr. Hooker has managed several oil and gas exploration and production companies including Candecca Resources Limited, Plascom Limited (a subsidiary of Tarmac plc) and Aberdeen Petroleum plc. From 1993 to the end of 1995 he was Chairman of Bakyrchic Gold plc. He is Non-Executive Director of Oceaneering International Inc, a US corporation, and various other companies. He was appointed a Director of Aminex in June 2001.

Derek Tughan, (67) (UK)

Non-Executive Director *#

Mr. Tughan is an independent businessman who was formerly a partner in Tughan & Co., a leading firm of solicitors in Northern Ireland. He is currently chairman of Hardcastle Homes plc's group of BES companies. He is also Chairman of two long established charitable housing associations in Northern Ireland. He joined the Board of Aminex in March 1991 and was Chairman from June 2006 until June 2007.

Andrew Hay, (57) (UK)

Non-Executive Director *#

Mr. Hay has spent his career in investment banking in London and New York. Since 1999 he has been head of corporate finance at LCF Edmond de Rothschild Securities Ltd., the London arm of the LCF Rothschild Group. He is a graduate of Oxford University and in the past has held senior positions at both Schroders and ING Barings. Mr. Hay has been advising Aminex since 2002 and was appointed a Director in April 2007.

Member of Audit Committee

* Member of Remuneration Committee

Directors' Report

The Directors present their annual report and audited financial statements for Aminex PLC ("the Company") and its subsidiary undertakings ("the Group") prepared in US dollars for the year ended 31 December 2008.

Principal activities

The principal activities of the Group are the exploration for, and the development and production of oil and gas reserves. The Group operates through subsidiary undertakings, details of which are set out in Note 12 to the financial statements. Principal areas of activity are the United States of America, East Africa, North Africa and North Korea.

Results and dividends

As set out in the Group Income Statement on page 27, the Group loss after tax amounted to US$9,662,000 which compares with a loss after tax of US$3,269,000 for 2007. No dividends were paid during the year.

Share capital

The Company has a single class of shares which is divided into Ordinary Shares of €0.06 each. The Ordinary Shares are in registered form. The Company's current authorised share capital is €30,000,000 comprising 500,000,000 Ordinary Shares of €0.06 each. At 31 December 2008, the number of shares in issue was 242,134,731. Details of increases in issued share capital during the year, amounting to 102,984 Ordinary Shares, are set out in Note 20 to the financial statements. Resolutions have been proposed to renew the Directors' authority to allot share capital and are set out more fully in the Notice of Annual General Meeting.

Additional information in respect of shares and directors as required by the European Communities (Takeover Bids (Directive 2004 25/EC)) Regulations 2006 are set out on pages 17 to 18.

Directors and their interests

Biographies of all Directors are set out on page 14. In accordance with the Articles of Association, Mr. Butterfield, Mr. Hay and Mr. Prado retire from the Board and being eligible offer themselves for re-election.

With the exception of the transactions stated in Note 26 to the financial statements, there were no other significant contracts, other than Executive Directors' contracts of service, in which any Director had a material interest.

The Directors who held office at 31 December 2008 had no beneficial interests in any of the shares of the Company and Group companies other than as follows:

Director	Number of Ordinary Shares			Number of warrants		
	16 April 2009	31 December 2008	31 December 2007	16 April 2009	31 December 2008	31 December 2007
B.A. Hall	3,450,096	3,450,096	3,350,096	600,304	600,304	600,304
S.P. Butterfield	211,913	211,913	211,913	15,136	15,136	15,136
A.G. Prado	124,711	124,711	124,711	-	-	-
F.D. Tughan	2,552,881	2,552,881	2,082,881	148,777	148,777	148,777
D.S. Hooker	335,416	335,416	335,416	23,958	23,958	23,958
D.M. Murcia	1,503,139	1,503,139	1,503,139	-	-	-
M.C.P. Rego	70,944	70,944	70,944	4,388	4,388	4,388
A.N.J. Hay	-	-	-	-	-	-

Mr. M.V. Williams, the Company Secretary, has an interest in 116,666 Ordinary Shares of the Company. He also has an interest in 8,333 warrants and holds 990,000 options over the Ordinary Share capital of the Company.

Details of the Directors' share options are set out in the Remuneration Report on pages 22 to 23.

Directors' Report *continued*

Substantial shareholdings in the Company

As of the date of this report, the following were the holders of 3% or more of the Company's issued Ordinary Share capital as it was constituted on that date according to the register kept pursuant to Section 80 of the Companies Act, 1990:

	Number of shares	Per cent
Firebird Global Master Fund Ltd and Firebird Global Master Fund II Ltd	15,787,741	6.52
Rickerbys Nominees Ltd.	13,161,723	5.44
JP Morgan Asset Management (UK) Limited	9,644,166	3.98

The Directors have not been made aware of any other beneficial shareholdings of 3% or more of the issued share capital as of the date of this report.

Financial Review

A review of current year financial activities and the principal risks and uncertainties facing the Group are set out in the Financial Review on pages 4 to 5. Key performance indicators principally relate to production, net oil and gas reserves and the Group's exploration licences, as detailed within the Chairman's Statement, the Financial Review and the Operations and Business Review.

Operations and Business Review

A review of exploration and production activities and outlook for 2009 are set out in the Operations and Business Review on pages 6 to 12.

Payment of suppliers

The Company's policy is to agree payment terms with individual suppliers and to abide by such terms.

Electoral Act, 1997

The Group did not make any political donations during the current or previous year.

Post-Balance sheet events

There have been no significant events since the year end that would result in adjustment to the financial statements or the inclusion of a note thereto.

Accounting records

The Directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at 7 Gower Street, London, WC1E 6HA, UK.

Auditor

In accordance with Section 160(2) of the Companies Act, 1963, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

B.A. Hall
Director

S.P. Butterfield
Director 16 April 2009

Additional Information For Shareholders

Additional information in respect of shares and directors as required by the European Communities (Takeover Bids (Directive 2004 25/EC)) Regulations 2006 are set out below.

Amendment to the articles of association

Any amendment to the articles of association (Articles) of the Company requires the passing of a special resolution in accordance with the provisions of the Companies Acts. A special resolution to amend the Articles will be proposed at the Annual General Meeting to be held on 10 June 2009. Details of the special resolution are set out in the Notice of Annual General Meeting on pages 55 to 56 as Resolution 10.

Rights attaching to shares

The rights attaching to the Ordinary Shares are defined in the Company's Articles. A shareholder whose name appears on the register of members can choose whether the shares are evidenced by share certificates (i.e. in certificated form) or held in electronic form (i.e. uncertificated form) in CREST (the electronic settlement system in Ireland and the UK).

At any general meeting, a resolution put to the vote at a general meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of the meeting, or by at least three shareholders present in person or by proxy, or by any shareholder or shareholders present in person or by proxy and representing not less than 10% of the total voting rights of all the shareholders having the right to vote at the meeting, or by a shareholder or shareholders holding shares in the Company conferring the right to vote at the meeting being shares on which an aggregate sum has been paid equal to not less than 10% of the total sum paid up on all the shares conferring that right to vote.

The shareholders may declare dividends by passing an ordinary resolution in general meeting but the amount of the dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment of interim dividends. No dividend shall be paid unless the distributable profits of the Company justify the payment.

Notice of each dividend declared and/or other monies payable to members (including, without prejudice to the generality of the foregoing, on a return of capital) shall be given to each member in the manner provided for under Regulations 137 and 138. All dividends and/or other monies payable to members (including, without prejudice to the generality of the foregoing, on a return of capital) unclaimed for a period of 12 years after the declared date of payment thereof may by resolution of the Board be forfeited for the benefit of the Company.

If the Company is wound up, the liquidator may allocate, with the sanction of a special resolution passed in general meeting and any other sanction required by the Companies Acts, between the shareholders in specie or kind the whole or any part of the assets of the Company. The liquidator may value the assets and determine how to divide the assets between shareholders or different classes of shareholders. The liquidator may transfer the whole or any part of the assets into trust for the benefit of the shareholders.

Voting at general meetings

Subject to any rights or restrictions for the time being attached to any class of shares, shareholders may attend any general meeting and, on a show of hands, every shareholder present in person or by proxy shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for each share of which he/she is the holder.

Votes may be given either personally or by proxy. The form of proxy shall be signed by the appointer or his/her duly authorised attorney or if the appointer is a body corporate either under the seal or signed by an officer of the body corporate duly authorised.

The form of proxy must be delivered to the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting as notified in the notice of general meeting at which the person named in the form of proxy proposes to vote.

No shareholder shall be entitled to vote at any general meeting unless all calls or other sums payable in respect of his/her shares have been paid.

Additional Information For Shareholders *continued*

Transfer of shares

The Directors may decline to register the transfer of a share which is not fully paid. The Directors may also refuse to register a transfer unless the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right to transfer and the instrument of transfer is in respect of one class of share only.

The Directors have the power to implement any arrangements they think fit for evidencing the title to and transfer of shares in accordance with statutory obligations made from time to time. Transfers of uncertified shares must be carried out using CREST and the Directors may refuse to register a transfer of an uncertified share in accordance with the regulations governing the operation of CREST. Transfers of shares in certificated form must be executed by or on behalf of the transferor and the transferee.

Under the terms of the Aminex PLC Executive Share Option Scheme, option holders who obtain shares on the exercise of options must retain, subject to the Directors' discretion and to the offer for the whole or a specified portion of the share capital, beneficial ownership of those shares for a minimum period of three years.

Variation of rights

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special right or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine.

If at any time the share capital is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the written consent of the holders of at least 75% of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Appointment and replacement of Directors

There will be no less than two Directors. Directors may be appointed by the Company by ordinary resolution (provided not less than 7 days or more than 42 days before the day appointed for the meeting, notice is given to the Company of the intention to propose a person for election) or by the Board. A Director appointed by the Board shall hold office only until the following annual general meeting and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. At each annual general meeting of the Company, one-third of the Directors shall retire by rotation or if their number is not a multiple of three then the number nearest one-third shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

The Company may, by ordinary resolution of which extended notice has been given in accordance with the Companies Acts, remove any Director before the expiration of his period of office.

Powers of the Directors

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not required by the Companies Acts or by the Articles to be exercised by the Company in general meeting. The Directors are, subject to the provisions of the Companies Acts, authorised to allot shares in accordance with an offer or agreement for the number of authorised shares not yet issued and also to issue shares for cash. Resolutions to renew these authorities are set out in the Notice of Annual General Meeting on Page 55. Under the Aminex PLC Executive Share Option Scheme, the Directors are authorised, in the event of an offer for the whole or a specified portion of the share capital, to request option holders to exercise unexercised options.

Corporate Governance

The Directors are committed to maintaining high standards of corporate governance. The Board applies the provisions of the Combined Code on corporate governance issued by the Financial Reporting Council ("Combined Code") in June 2006 as more fully set out below.

The Board of Directors

The Board is controlled through its Board of Directors. The Board's main roles are to create value to shareholders, to provide entrepreneurial leadership to the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable the Group to meet its objectives.

There are matters which are specifically reserved for the Board which include setting and monitoring business strategy; evaluating exploration opportunities and risks; approving all capital expenditure on exploration and producing oil and gas assets; approving all investments and disposals; approving budgets and monitoring performance against budgets; reviewing the Group's health and safety policy and considering and appointing new Directors and the Company Secretary.

The Board comprises an Executive Chairman, four other Executive Directors and three Non-Executive Directors. The Non-Executive Directors have a beneficial interest in the Company and participate in the Aminex PLC Executive Share Option Scheme. The Board considers that the granting of options to Non-Executive Directors is a reasonable method of attracting Directors of high calibre. The Board considers each of the current Non-Executive Directors to be independent of management and free from any business relationships that could materially interfere with the exercise of their independent judgement. The Board recognises that Mr. F.D. Tughan does not meet the independence criteria of the Combined Code given that he has served on the Board for more than nine years. Nevertheless, the Board considers that Mr. Tughan's independence is not prejudiced or compromised by his length of service when taken with his experience and knowledge of the Group's business. He remains an independent, challenging and valuable contributor to the Board. Brief biographies of the Directors are set out on page 14.

There is a clear division of responsibilities between the Executive Chairman, Mr. B.A. Hall, and the Chief Operating Officer, Mr. D.M. Murcia. The Senior Independent Director is Mr. D.S. Hooker.

The Board meets at least four times a year. All Directors are expected to attend quarterly meetings but other meetings are held in between each quarterly meeting to ensure that Non-Executive Directors are kept informed of corporate developments. Mr. Murcia and Mr. Prado are not expected to attend the interim meetings because of distance. However, all Directors receive all reports and papers on a timely basis for Board and Committee meetings.

All Directors have access to the advice and services of the Company Secretary and may obtain independent professional advice at the Group's expense.

Under the terms of the Company's Articles of Association, at least one third of the Board must seek re-election to the Board at the Annual General Meeting each year. All new Directors appointed since the previous Annual General Meeting are required to seek election at the next Annual General Meeting. The Directors required to seek re-election at the next Annual General Meeting are Mr. Butterfield, Mr. Hay and Mr. Prado.

Directors have access to a regular supply of financial, operational and strategic information to assist them in the discharge of their duties. Such information is provided as part of the normal management reporting cycle undertaken by senior management.

The Company arranges appropriate insurance cover in respect of legal action against its Directors.

Board Committees

The Board has established an Audit Committee, a Remuneration Committee and a Nominations Committee, each of which has formal terms of reference approved by the Board.

Audit Committee

During the year, the Audit Committee comprised Mr. F.D. Tughan, Mr. D.S. Hooker and Mr. A.N.J. Hay who are deemed to be financially competent and suitably qualified. The Audit Committee met twice during the year to review the interim and annual financial statements prior to Board approval; to review the appropriateness of the Group's key accounting policies; to review the potential impact in the Group's financial statements of certain matters such as impairment of non-current asset values; to review and approve the audit and non-audit fees due to the Group's external auditor; to approve the external auditor's letter of engagement and to review the external auditor's report to the Audit Committee including tax advice. The Audit Committee has primary responsibility for recommending the reappointment and removal of the external auditor.

Corporate Governance *continued*

The Audit Committee monitors the level of audit and non-audit services provided by the Group's external auditor. Non-audit services are normally limited to assignments that are closely related to the annual audit or where the work is of such a nature that a detailed understanding of the Group is necessary. A breakdown of the fees paid to the external auditor in respect of audit and non-audit work is included in Note 5 of the accounts. In addition to processes put in place to ensure segregation of audit and non-audit roles, as part of the assurance process in relation to the audit, the external auditors are required to confirm to the Audit Committee that they have both the appropriate independence and objectivity to allow them to continue to serve the members of the Group. No matters of concern were identified by the Audit Committee.

The Audit Committee invites Executive Directors and representatives of the external auditor to the meetings. Members of the Committee have an opportunity to meet in private without the presence of either the Executive Directors or the external auditor. The Committee also has an opportunity to discuss in private any matters with the external auditor without the presence of the Executive Directors.

The Audit Committee reviews the necessity for the establishment of an internal audit function. At present, the Audit Committee does not consider that an internal audit function is required because of the small size of the Group and the direct involvement of senior management in setting and monitoring controls.

Remuneration Committee

During the year, the Remuneration Committee comprised Mr. F.D. Tughan, Mr. D.S. Hooker and Mr A.N.J. Hay. The Remuneration Committee met once during the year to consider the remuneration of Group's Executive Directors and the granting of options under the Aminex PLC Executive Share Option Scheme.

Nominations Committee

In March 2008, the Board approved the implementation of a Nominations Committee. All the Directors have been appointed to this Committee.

Directors' attendance at Board and Committee Meetings

The table below sets out the attendance record of each Director at scheduled Board and Committee meetings during 2008.

	Board (Main)	Audit Committee	Remuneration Committee
Number of meetings	5	2	1
	Meetings attended	Meetings attended	Meetings attended
S. P. Butterfield	5	n/a	n/a
B. A. Hall	5	n/a	n/a
A. N. J. Hay	5	2	1
D. S. Hooker	5	2	1
D. M. Murcia	5	n/a	n/a
A. G. Prado	5	n/a	n/a
M. C. P. Rego	5	n/a	n/a
F. D. Tughan	5	2	1

Key: n/a = not applicable (where a Director is not a member of the Committee)

During 2008, certain Directors who were not committee members attended meetings of the Audit and Remuneration Committees by invitation. These details have not been included in the table above.

Relations with shareholders

The Company communicates regularly with shareholders including the release of the interim and annual results and after significant developments. The Annual General Meeting is normally attended by all Directors. Shareholders, including private investors, are invited to ask questions on matters including the Group's operations and performance and to meet with the Directors after the formal proceedings have ended.

The Group maintains a website (www.aminex-plc.com) on which all announcements, financial statements and other corporate information are published. The Directors are available to meet institutional shareholders for ad hoc discussions. The Senior Independent Director is available to meet with shareholders if they have concerns which contact through the normal channels of the Chairman, Chief Operating Officer and Finance Director has failed to resolve or for which such contact is inappropriate.

Internal control

The Directors are responsible for the Group's system of internal controls, the setting of appropriate policies on those controls, the regular assurance that the system is functioning effectively and that it is effective in managing business risk.

The Audit Committee monitors the Group's internal control procedures, reviews the internal controls process and risk management procedures and reports its conclusions and recommendations to the Board.

A Risk Committee comprising the Chairman, Mr. B.A. Hall, an Executive Director, Mr. A.G. Prado, and one senior member of the management team, Mr. M.V. Williams, is charged with the review of the key risks inherent in the business and the system of control necessary to manage such risks and to present its findings to the Board. Exploration risk, the main corporate risk to which the Group is exposed, is monitored and reviewed regularly by the Board. The Board considers exploration risk to be acceptable for the Company taking into account the industry in which it operates.

The Directors consider that the frequency of Board meetings and the information provided to the Board in relation to Group operations assists the identification, evaluation and management of significant risks relevant to its operations on a continuous basis.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. Following the monitoring of the internal control procedures, the review of the internal control process and the risk management procedures, the Board considers that the system of internal control operated appropriately during the year and up to the date of signing the Annual Report.

Going concern basis

The Directors have given careful consideration to the Company's and the Group's ability to continue as a going concern.

The Directors have concluded that the Company and the Group have sufficient ongoing operating cash flows to continue as a going concern. However, the Group's ability to make planned capital expenditure, in particular in its areas of interest in Africa, will be dependant on the successful sale of assets, deferral of planned expenditure or an alternative method of raising necessary capital. The Directors have a reasonable expectation that the Company and the Group will be able to implement this strategy. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Compliance with the provisions of the Combined Code

The Directors consider that Aminex PLC has complied throughout the year with the provisions of the Combined Code except for the following matters:

Mr Hall is the Executive Chairman on a provisional basis and Mr Murcia is the Chief Operating Officer with much of the responsibility for day-to-day operations. At present, the roles of Chairman and Chief Executive are not separate.

The Board appointed a Nominations Committee in March 2008. All directors have been appointed to the Committee.

The details of Executive Directors' contracts are stated on page 23 and are in excess of one year.

The terms and conditions of appointment of Non-Executive Directors were not publicly available during the year. These will be published shortly on the Company's website.

The terms of reference of the Remuneration Committee were not made publicly available during the year. These will be published shortly on the Company's website.

The terms of reference of the Audit Committee were not made publicly available during the year. These will be published shortly on the Company's website.

A performance evaluation of the Board, its Committees and its Directors was not undertaken during the year. However the alternatives for performance evaluation are currently under review and the Company proposes to implement a performance evaluation process for its Board, Committees and Directors.

The Company does not have at least two independent non-executive directors as defined by provision A3.2 of the Combined Code. However, given the small size of the Board and the calibre and experience of the three Non-Executive Directors, the Board views these Non-Executive Directors as sufficiently independent of management and as being capable of exercising independent judgement.

The Group has not yet instigated any formal whistle blowing procedures. The Board believes the problem is overcome by the fact that the small number of staff is well known by the Directors.

As stated in the Directors' Remuneration Report, the Company's Non-Executive Directors hold options over the Ordinary Shares of the Company. The Board considers that this is in the Group's best interests to attract and retain high calibre directors and that, with limited cash resources, this can be achieved by the granting of options.

Directors' Remuneration Report

In preparing this Report, the Remuneration Committee ("the Committee") has followed the provisions of Schedule B of the Combined Code, unless otherwise stated.

It is the policy of the Board to compensate Directors with a combination of salary, fees and other benefits together with a flexible share option package with the intention of aligning their interests with those of the Company's shareholders. The Remuneration Committee can draw on independent external advice, where it deems necessary, and consults with the Chief Executive with regard to the remuneration of certain senior employees.

When determining the total remuneration of the Executive Directors, the Committee takes into account the remuneration practices adopted in the general market.

The Board has considered the requirements of Schedule B of the Combined Code regarding the recommendation that a proportion of remuneration be performance-related. Given that a significant proportion of the Group's operations involve long-term capital projects whose benefits may not be realised for some time, the Board has concluded that it is not appropriate at present to put in place such a scheme.

Remuneration of Directors

The fees and other remuneration of the Non-Executive Directors were as follows:

	Fees		Share based payments	
	2008 US$'000	2007 US$'000	**2008 US$'000**	2007 US$'000
F.D. Tughan	**30**	43	**19**	40
A.N.J. Hay	**30**	18	**19**	40
D.S. Hooker	**30**	25	**19**	40
Total	**90**	86	**57**	120

The remuneration of the Executive Directors was as follows:

	Basic Salary		Benefits in kind		Sub total		Pension		Share based payment		Total	
	2008 US$'000	2007 US$'000	**2008 US$'000**	2007 US$'000	**2008 US$'000**	2007 US$'000	**2008 US$'000**	2007 US$'000	**2008 US$'000**	2007 US$'000	**2008 US$'000**	2007 US$'000
B.A. Hall	**294**	300	**15**	29	**309**	329	**99**	128	**56**	301	**464**	758
S.P. Butterfield	**208**	205	**10**	12	**218**	217	**25**	25	**37**	201	**280**	443
A.G. Prado	**205**	180	**9**	8	**214**	188	**26**	23	**37**	201	**277**	412
D.M. Murcia	**208**	204	**6**	5	**214**	209	**37**	25	**47**	201	**298**	435
M.C.P. Rego	**216**	210	**3**	4	**219**	214	**24**	26	**37**	201	**280**	441
Total	**1,131**	1,099	**43**	58	**1,174**	1,157	**211**	227	**214**	1,105	**1,599**	2,489

Salaries are reviewed annually with effect from 1 January. Benefits in kind comprise life insurance and health insurance. Contributions are made to the private pension plans of certain Executive Directors. Share based payments represent the fair value of share options granted to Directors and details of the various criteria associated with option grants are set out in Note 4. As at 31 December 2008, there were five Executive Directors (2007: five) and three Non-Executive Directors (2007: three); these were also the average number of Executive and Non-Executive Directors during the year.

Share options

Directors participate in the Aminex PLC Executive Share Option Scheme and are granted options over the Company's Ordinary Shares at prevailing market prices at the time of the grant. Options are exercisable not later than ten years after the date of grant. The Scheme was established in 1980 and subsequently extended with shareholders' approval at the Annual General Meetings held in 1996, 1999 and 2004. A further extension of the Scheme of five years is proposed this year and a resolution to this effect is set out in the Notice of Meeting on page 55.

The Scheme does not comply in all respects with the current Best Practice Provision of the Irish Stock Exchange. As stated elsewhere in this report, the Company's Non-Executive Directors hold options over the Ordinary Shares of the Company. The Board considers that it is in the Group's best interests to attract and retain high calibre directors and that, with limited cash resources, this can be achieved effectively by the granting of options.

Directors' Remuneration Report *continued*

The Directors who held office at 31 December 2008 had the following beneficial interests in options over the Company's Ordinary Shares:

Name	Options held at 1 January 2008 Number	Options granted/ (lapsed) during the year Number	Options held at 31 December 2008 Number	Exercise price Sterling	Period of exercise From	To
B.A. Hall	50,000	-	50,000	Stg23p	Jun-99	Jun-09
	75,000	-	75,000	Stg35p	Feb-00	Feb-10
	250,000	-	250,000	Stg17.5p	Jul-02	Jul-12
	400,000	-	400,000	Stg12.5p	Jul-04	Jul-14
	500,000	-	500,000	Stg29.75p	Jan-06	Jan-16
	1,500,000	-	1,500,000	Stg21p	Jul-07	Jul-17
		300,000	300,000	Stg22p	May-08	May-18
S.P. Butterfield	50,000	-	50,000	Stg23p	Jun-99	Jun-09
	75,000	-	75,000	Stg35p	Feb-00	Feb-10
	175,000	-	175,000	Stg17.5p	Jul-02	Jul-12
	400,000	-	400,000	Stg12.5p	Jul-04	Jul-14
	300,000	-	300,000	Stg29.75p	Jan-06	Jan-16
	1,000,000	-	1,000,000	Stg21p	Jul-07	Jul-17
		200,000	200,000	Stg22p	May-08	May-18
A.G. Prado	50,000	-	50,000	Stg23p	Jun-99	Jun-09
	75,000	-	75,000	Stg35p	Feb-00	Feb-10
	175,000	-	175,000	Stg17.5p	Jul-02	Jul-12
	400,000	-	400,000	Stg12.5p	Jul-04	Jul-14
	300,000	-	300,000	Stg29.75p	Jan-06	Jan-16
	1,000,000	-	1,000,000	Stg21p	Jul-07	Jul-17
		200,000	200,000	Stg22p	May-08	May-18
D.M. Murcia	100,000	-	100,000	Stg17.5p	Jul-02	Jul-12
	400,000	-	400,000	Stg12.5p	Jul-04	Jul-14
	300,000	-	300,000	Stg29.75p	Jan-06	Jan-16
	1,000,000	-	1,000,000	Stg21p	Jul-07	Jul-17
		250,000	250,000	Stg22p	May-08	May-18
M.C.P. Rego	100,000	(100,000)	-	Stg50p	Jun-01	Jun-08
	50,000	-	50,000	Stg35p	Feb-03	Feb-10
	150,000	-	150,000	Stg12.5p	Feb-06	Jul-14
	300,000	-	300,000	Stg29.75p	Jan-06	Jan-16
	1,000,000	-	1,000,000	Stg21p	Jul-07	Jul-17
		200,000	200,000	Stg22p	May-08	May-18
D.S. Hooker	100,000	-	100,000	Stg17.5p	Jul-02	Jul-12
	50,000	-	50,000	Stg12.5p	Jul-04	Jul-14
	50,000	-	50,000	Stg29.75p	Jan-06	Jan-16
	200,000	-	200,000	Stg21p	Jul-07	Jul-17
		100,000	100,000	Stg22p	May-08	May-18
F.D. Tughan	50,000	-	50,000	Stg23p	Jun-99	Jun-09
	25,000	-	25,000	Stg35p	Feb-00	Feb-10
	100,000	-	100,000	Stg17.5p	Jul-02	Jul-12
	50,000	-	50,000	Stg12.5p	Jul-04	Jul-14
	50,000	-	50,000	Stg29.75p	Jan-06	Jan-16
	200,000	-	200,000	Stg21p	Jul-07	Jul-17
		100,000	100,000	Stg22p	May-08	May-18
A.N.J. Hay	200,000	-	200,000	Stg21p	Jul-07	Jul-17
		100,000	100,000	Stg22p	May-08	May-18
	11,250,000	**1,350,000**	**12,600,000**			

No options were exercised in the year. A total of 100,000 options granted to Directors lapsed during the year. No options were granted during the year below market value. No options have been granted since the year end.

The market price of the shares during the year ranged between Stg6.63p and Stg27.25p and at 31 December 2008 was Stg6.63p.

Service contracts

Each Executive Director has a service contract; none contains provisions which could result in the Director receiving compensation on termination in excess of two years' salary and benefits in kind. The Committee considers the notice period appropriate taking into account the size of the Company and the business environment in which the Group operates.

Non-Executive Directors

Fees paid to Non-Executive Directors are determined by the Board. Each Non-Executive Director has a letter of appointment for a period of three years, although either party may terminate the agreement with notice of less than one year.

Statement of Directors' Responsibilities In Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU and have elected to prepare the Company financial statements in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts, 1963 to 2006.

The Group and Company financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group and the Company. The Companies Acts, 1963 to 2006 provide in relation to such financial statements that references in the relevant part of these Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the EU as applied in accordance with the Companies Acts, 1963 to 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Under applicable law and the requirements of the Listing Rules issued by the Irish Stock Exchange, the Directors are also responsible for preparing the Directors' Report and reports relating to directors' remuneration and corporate governance that comply with that law and those Rules. In particular, in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 ("the Transparency Regulations"), the Directors are required to include in their report a fair review of the business and a description of the principal risks and uncertainties facing the Group and the Company and a responsibility statement relating to these and other matters, included below.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement in accordance with the Transparency Regulations

Each of the Directors, whose names and functions are listed on page 14, confirms that, to the best of each person's knowledge and belief:

- the Group financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Group at 31 December 2008 and its loss for the year then ended;
- the Company financial statements, prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts, 1963 to 2006, give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2008; and
- the Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

B.A. Hall
Director

S.P. Butterfield
Director

Independent Auditor's Report to the Members of Aminex PLC

We have audited the Group and Company financial statements (the ''financial statements'') of Aminex PLC for the year ended 31 December 2008 which comprise the Group Income Statement, the Group and Company Balance Sheets, the Group and Company Statements of Cashflows, the Group and Company Statements of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act 1990. 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 auditor

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 24.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with IFRSs as adopted by the EU and have been properly prepared in accordance with the Companies Acts, 1963 to 2006, and in the case of the Group financial statements, Article 4 of the IAS Regulation. We also report to you our opinion as to whether proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Financial Reporting Council's Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Chairman's Statement, the Financial Review, the Operations and Business Review, the Corporate Governance Statement and the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Independent Auditor's Report to the Members of Aminex PLC

continued

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2008 and of its loss for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU as applied in accordance with the provisions of the Companies Acts, 1963 to 2006, of the state of the Company's affairs as at 31 December 2008;
- the Group financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006 and Article 4 of the IAS Regulation; and
- the Company financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the Basis of Preparation paragraph in the Statement of Accounting Policies concerning the Group's ability to continue as a going concern. In view of this, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Other matters

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The Company balance sheet is in agreement with the books of account.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet on page 28 are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2008 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the Company.

KPMG

Chartered Accountants
Registered Auditor
Dublin, Ireland

16 April 2008

Group Income Statement

for the year ended 31 December 2008

	Notes	**2008 US$'000**	**2008 US$'000**	2007 US$'000	2007 US$'000
Revenue	2		**10,177**		9,304
Cost of sales		**(6,486)**		(7,363)	
Depletion, depreciation and decommissioning of oil and gas interests	11	**(758)**		(449)	
Total cost of sales			**(7,244)**		(7,812)
Gross profit			**2,933**		1,492
Administrative expenses		**(4,455)**		(4,970)	
Depreciation of other assets	11	**(79)**		(90)	
			(4,534)		(5,060)
Loss from operating activities before other costs			**(1,601)**		(3,568)
Loss on disposal of interest in Manja licence	5		**(3,379)**		-
Impairment write down of exploration and evaluation assets	5		**(4,728)**		-
Loss from operating activities			**(9,708)**		(3,568)
Finance income	6		**202**		494
Finance costs	7		**(156)**		(195)
Loss before tax	5		**(9,662)**		(3,269)
Income tax expense	8		**-**		-
Loss for the financial year attributable to equity holders of the Company			**(9,662)**		(3,269)
Basic and diluted loss per Ordinary Share (in US cents)	9		**(3.99)**		(1.58)

Group and Company Statements of Recognised Income and Expense

for the year ended 31 December 2008

		Group		Company	
	Notes	**2008 US$'000**	2007 US$'000	**2008 US$'000**	2007 US$'000
Currency translation differences	21	**(982)**	189	-	-
Net (loss)/gain recognised directly in equity		**(982)**	189	-	-
Loss for the financial year		**(9,662)**	(3,269)	**(5,594)**	(4,622)
Total recognised income and expense for the year attributable to the equity holders of the Company		**(10,644)**	(3,080)	**(5,594)**	(4,622)

On behalf of the Board

B.A. Hall
Director

S.P. Butterfield
Director

16 April 2009

Group and Company Balance Sheets

at 31 December 2008

	Notes	Group 2008 US$'000	Group 2007 US$'000	Company 2008 US$'000	Company 2007 US$'000
Assets					
Exploration and evaluation assets	10	**28,708**	27,037	**-**	-
Property, plant and equipment	11	**12,119**	9,196	**-**	-
Investments in subsidiary and joint venture undertakings	12	**-**	-	**6,980**	6,984
Loans to subsidiary and joint venture undertakings	13	**-**	-	**27,517**	22,644
Other investments	12	**485**	813	**485**	813
Total non-current assets		**41,312**	37,046	**34,982**	30,441
Inventory		**385**	98	-	-
Trade and other receivables	14	**3,910**	5,212	**59**	91
Loans to subsidiary and joint venture undertakings	13	**-**	-	**15,929**	12,987
Cash and cash equivalents	15	**4,097**	18,642	**2,748**	15,280
Total current assets		**8,392**	23,952	**18,736**	28,358
Total assets		**49,704**	60,998	**53,718**	58,799
Liabilities					
Current liabilities					
Loans and borrowings	18	**(60)**	(95)	**-**	-
Trade and other payables	16	**(5,267)**	(6,138)	**(188)**	(189)
Decommissioning provision	17	**(24)**	(105)	-	-
Total current liabilities		**(5,351)**	(6,338)	**(188)**	(189)
Non-current liabilities					
Loans and borrowings	18	**(123)**	(146)	-	-
Decommissioning provision	17	**(1,244)**	(1,398)	-	-
Total non-current liabilities		**(1,367)**	(1,544)	**-**	**-**
Total liabilities		**(6,718)**	(7,882)	**(188)**	(189)
Net assets		**42,986**	53,116	**53,530**	58,610
Equity					
Issued capital	20	**17,844**	17,835	**17,844**	17,835
Share premium	21	**59,768**	59,719	**59,768**	59,719
Capital conversion reserve fund	21	**234**	234	**234**	234
Share option reserve	21	**2,538**	2,065	**2,538**	2,065
Share warrant reserve	21	**5,665**	5,682	**5,665**	5,682
Foreign currency translation reserve	21	**(854)**	128	**-**	-
Retained earnings	21	**(42,209)**	(32,547)	**(32,519)**	(26,925)
Total equity		**42,986**	53,116	**53,530**	58,610

On behalf of the Board

B.A. Hall
Director

S.P. Butterfield
Director

16 April 2009

Group and Company Statements of Cashflows

for the year ended 31 December 2008

		Group		Company	
	Notes	**2008 US$'000**	2007 US$'000	**2008 US$'000**	2007 US$'000
Operating activities					
Loss for the financial year		**(9,662)**	(3,269)	**(5,594)**	(4,622)
Depletion, depreciation and decommissioning		**837**	539	**-**	-
Impairment write down of exploration and evaluation assets		**4,728**	-	**-**	-
Other provisions		**11**	-	**-**	-
Foreign exchange (gains)/losses		**(924)**	195	**-**	-
Finance income		**(202)**	(494)	**(206)**	(495)
Finance costs		**156**	195	**-**	-
Loss on disposal of exploration assets		**3,379**	-	**3,229**	-
Gain on sale of plant and equipment		**-**	(2)	**-**	-
Gain on sale of financial investment		**(26)**	-	**(26)**	-
Impairment provision against financial investments		**328**	111	**328**	111
Impairment provision against intercompany debt		-	-	**1,500**	4,300
Equity-settled share-based payment charge		**473**	1,336	**57**	120
Increase in inventory		**(287)**	(98)	**-**	-
Decrease/(increase) in trade and other receivables		**1,268**	(4,206)	**8**	2
(Decrease)/increase in trade and other payables		**(204)**	3,607	**(1)**	10
Net cash absorbed by operations		**(125)**	(2,086)	**(705)**	(574)
Cost of decommissioning		**-**	(15)	**-**	-
Interest paid		**(17)**	(18)	**-**	-
Net cash outflows from operating activities		**(142)**	(2,119)	**(705)**	(574)
Investing activities					
Acquisition of property, plant and equipment		**(4,292)**	(1,355)	**-**	-
Expenditure on exploration and evaluation assets		**(10,748)**	(8,776)	**-**	-
Acquisition of investment assets		**-**	(5)	**-**	(5)
Increase in intercompany lending		**-**	-	**(12,374)**	(14,314)
Proceeds from sale of interest in Manja licence		**250**	-	**250**	-
Proceeds from sale of property, plant and equipment		**152**	288	**-**	-
Proceeds from sale of financial investments		**26**	-	**26**	-
Interest received		**226**	470	**230**	471
Net cash outflows from investing activities		**(14,386)**	(9,378)	**(11,868)**	(13,848)
Financing activities					
Proceeds from the issue of share capital		**44**	29,330	**44**	29,330
Payment of transaction costs		**(3)**	(2,935)	**(3)**	(2,935)
Loans repaid		**(102)**	(52)	**-**	-
Loans received		**44**	148	**-**	-
Net cash (outflows)/inflows from financing activities		**(17)**	26,491	**41**	26,395
Net (decrease)/ increase in cash and cash equivalents		**(14,545)**	14,994	**(12,532)**	11,973
Cash and cash equivalents at 1 January		**18,642**	3,648	**15,280**	3,307
Cash and cash equivalents at 31 December	15	**4,097**	18,642	**2,748**	15,280

Notes Forming Part of the Financial Statements

for the year ended 31 December 2008

1 Statement of Accounting Policies

Aminex PLC (the "Company") is a company domiciled and incorporated in Ireland. The Group financial statements for the year ended 31 December 2008 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as "the Group").

Basis of preparation

The Group and Company financial statements (together the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards (IFRS) that are adopted by the European Union (EU).

The Directors have given careful consideration to the Company's and the Group's ability to continue as a going concern.

The Directors have concluded that the Company and the Group have sufficient ongoing operating cash flows to continue as a going concern. However, the Group's ability to make planned capital expenditure, in particular in its areas of interest in Africa, will be dependant on the successful sale of assets, deferral of planned expenditure or an alternative method of raising necessary capital. The Directors have reasonable expectation that the Company and the Group will be able to implement this strategy.

The Financial Statements are presented in US dollars, rounded to the nearest thousand ($'000) except when otherwise indicated. The Financial Statements are prepared on a historical cost basis except share options which are measured at the fair value on the date of grant and investments available for sale which are held at fair value. The preparation of Financial Statements requires management to use judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements were approved for issuance by the Board on 16 April 2009.

Statement of compliance

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards and their interpretations as adopted by the EU ("EU IFRSs"). The individual financial statements of the Company ("Company financial statements") have been prepared and approved by the Directors in accordance with EU IFRSs and as applied in accordance with the Companies Acts, 1963 to 2006 which permits a company that publishes its company and group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act, 1963 from presenting to its members its company income statement and related notes that form part of the approved company financial statements.

New standards and interpretations not applied

The International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC') have issued the following standards and interpretations with an effective date after the date of these Financial Statements, which the Group has not early adopted:

New/Revised International Reporting Standards		Effective date - periods beginning on or after
IFRS 2	Share-based Payments - Amendment relating to vesting conditions and cancellations	1 January 2009
IFRS 3	Business Combinations - Comprehensive revision on applying the acquisition method	1 July 2009
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - amendments	1 July 2009
IFRS 8	Operating Segments	1 January 2009
IAS 1	Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income and additional amendments	1 January 2009
IAS 23	Borrowing Costs - Revision to prohibit immediate expensing and additional amendments	1 January 2009
IAS 27	Consolidated and Separate Financial Statements - amendments	1 July 2009
IAS 32	Financial Instruments: Presentation - amendments	1 January 2009
IAS 38	Intangible Assets - amendments	1 January 2009
IAS 40	Investment Property - amendments	1 January 2009
New/Revised International Financial Reporting Interpretations Committee (IFRIC)		
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 January 2009
IFRIC 17	Distributions of Non-cash Assets to Owners	1 July 2009

The Directors anticipate that the adoption of these standards and interpretations will not have a material impact on the Group Financial Statements in the period of initial application except for certain additional disclosures with regard to operating segments when the relevant standards come into effect for the periods commencing on, or after, 1 January 2009.

Basis of consolidation

The Group financial statements consolidate the financial statements of Aminex PLC and its subsidiaries. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which effective control is transferred out of the Group. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities. Financial statements of subsidiaries are prepared for the same reporting year as the parent company.

The Group will continue to prepare the statutory individual financial statements of subsidiary companies under the accounting policies applicable in their country of incorporation but adjustments have been made to the results and financial position of such companies to bring their accounting policies into line with those of the Group for consolidation purposes.

All inter-company balances and transactions, including unrealised profits arising from inter-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains except to the extent that there is evidence of impairment.

Joint Ventures – jointly controlled operations

Jointly controlled operations are those activities over which the Group exercises joint control with other participants, established by contractual agreement. The Group recognises, in respect of its interests in jointly controlled operations, the assets that it controls, the liabilities that it incurs, the expenses that it incurs and the share of the income that it earns from the sale of goods or services by the joint venture.

Revenue recognition

Revenue comprises oil and gas sales and the provision of oilfield services and equipment. Revenue from oil and gas sales represents the Group's share of oil and gas production sold in the year. Revenue from the provision of oilfield equipment is recognised net of value added tax when title passes on delivery. Revenue from the provision of the associated services is recognised net of value added tax as the services are performed. Revenue is only recognised where it is considered probable that the revenue will be collected and no other contingencies related to the revenue earning process exist.

Employee benefits

(a) Pensions and other post-employment benefits

The Group contributes towards the cost of certain individual employee defined contribution pension plans. Annual contributions are based upon a percentage of gross annual salary. Pension contributions are recognised as an expense in the income statement and are accounted for on an accruals basis.

(b) Share-based payment

The Group operates a share option scheme. For equity-settled share-based payment transactions (i.e. the issuance of share options), the Group measures the services received by reference to the value of the option or other financial instrument at fair value at the measurement date (which is the grant date) using a recognised valuation methodology for the pricing of financial instruments (i.e. the binomial model). Given the share options granted do not vest until the completion of a specified period of service, the fair value assessed at the grant date is recognised in the income statement over the vesting period as the services are rendered by employees with a corresponding increase in equity. For options granted to Directors, there is generally no vesting period and the fair value is recognised in the income statement at the date of the grant.

The share options issued by the Company are not subject to market-based vesting conditions as defined in IFRS 2. Non-market vesting conditions are not taken into account when estimating the fair value of share options as at the grant date; such conditions are taken into account through adjusting the number of equity instruments included in the measurement of the amount charged to the income statement over the vesting period so that, ultimately, the amount recognised equates to the number of equity instruments that actually vest. The expense in the income statement in relation to share options represents the product of the total number of options anticipated to vest and the fair value of these options. This amount is allocated to accounting periods on a straight-line basis over the vesting period. Given that the performance conditions underlying the Company's share options are service-related and non-market in nature, the cumulative charge to the income statement is reversed only where an employee in receipt of share options leaves the Company prior to completion of the service period and forfeits the options granted. The proceeds received by the Company on the exercise of share entitlements are credited to share capital and share premium. Where share options are awarded to employees of subsidiary companies, the value of the share based payment is credited to the Company's share option reserve and charged through the intercompany account to the income statement of the relevant subsidiary company. The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

Financing costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method, the imputed interest on the fair value of the abandonment and site restoration provision and foreign exchange gains and losses.

Financing income

Interest income is recognised in the income statement as it accrues, using the effective interest rate method.

Notes Forming Part of the Financial Statements

for the year ended 31 December 2008

Leases

Finance leases, which transfer substantially all the risks and benefits of ownership of the leased asset to the Group, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between the finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement as part of finance costs.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases wherein the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

Tax

The tax expense in the income statement represents the sum of the tax currently payable and deferred tax.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The liability for current tax is calculated using rates that have been enacted or substantively enacted at the balance sheet date.

Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity.

Deferred tax is provided, using the liability method, on all differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except those arising from non-deductible goodwill or on initial recognition of an asset or liability which affects neither accounting nor taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realised or the liability to be settled.

Deferred tax assets are recognised for all deductible differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit would be available to allow all or part of the deferred tax asset to be utilised.

Earnings per ordinary share

Basic earnings per share is computed by dividing the net profit for the financial period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue that ranked for dividend during the financial period.

Diluted earnings per share is computed by dividing the profit for the financial period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue after adjusting for the effects of all potential dilutive ordinary shares that were outstanding during the financial period.

Foreign currency translation

The presentation currency of the Group and the functional currency of Aminex PLC is the US dollar (US$). Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange at the balance sheet date. All translation differences are taken to the income statement with the exception of differences on foreign currency borrowings that are designated as a hedge against a net investment in a foreign operation. These are taken directly to equity to the extent they are effective together with the exchange difference on the net investment in the foreign operation.

Results and cash flows of non-dollar subsidiary undertakings are translated into dollars at average exchange rates for the year and the related balance sheets are translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results of non-dollar subsidiary undertakings at average rates, and on the restatement of the opening net assets at closing rates, are dealt with in a separate translation reserve within equity, net of differences on related currency borrowings.

The principal exchange rates used for the translation of results, cash flows and balance sheets into US dollars were as follows:

	Average		Year-end	
US$1 equals	**2008**	2007	**2008**	2007
Pound sterling	**0.5397**	0.4995	**0.6956**	0.5023
Australian dollar	**1.1976**	1.1947	**1.4333**	1.1390

On disposal of a foreign entity, accumulated currency translation differences are recognised in the income statement as part of the overall gain or loss on disposal; the cumulative currency translation differences arising prior to the transition date have been set to zero for the purposes of ascertaining the gain or loss on disposal of a foreign operation subsequent to 1 January 2004. Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation, are expressed in the functional currency of the foreign operation and are recorded at the exchange rate at the date of the transaction and subsequently retranslated at the applicable closing rates.

Exploration and evaluation assets and property, plant and equipment

Exploration and evaluation assets

Expenditure incurred prior to obtaining the legal rights to explore an area is written off to the income statement. Expenditures incurred on the acquisition of a licence interest are initially capitalised on a licence by licence basis. Exploration and evaluation expenditure incurred in the process of determining exploration targets on each licence is also capitalised. These expenditures are held undepleted within the exploration licence asset until such time as the exploration phase on the licence area is complete or commercial reserves have been discovered.

Exploration and evaluation drilling costs are capitalised on a well by well basis within each licence until the success or otherwise of the well has been established. Unless further evaluation expenditures in the area of the well have been planned and agreed or unless the drilling results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial, drilling costs are written off on completion of a well.

Property, plant and equipment – developed and producing oil and gas assets

Following appraisal of successful exploration wells and the establishment of commercial reserves, the related capitalised exploration and evaluation expenditures are transferred into a single field cost centre within developed and producing properties after testing for impairment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related expenditures are written off to the income statement.

Subsequent expenditure is capitalised only where it either enhances the economic benefits of the developed and producing properties or replaces part of the existing developed and producing properties. Any costs associated with the part replaced are expensed to the income statement. Interest on borrowings for development projects is capitalised by field up to the time that the asset commences to produce commercial reserves.

Disposal of exploration and evaluation assets and developed and producing oil and gas assets

The net proceeds from any disposal of an exploration asset are initially credited against the previously capitalised costs. Any surplus proceeds are credited to the income statement. The net proceeds from any disposal of developed and producing properties are compared with the previously capitalised cost on a field by field basis. A gain or loss on disposal of the developed and producing properties is recognised in the income statement to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the assets.

Depletion

The Group depletes expenditure on developed and producing properties on a unit of production basis, based on proved and probable reserves on a field by field basis. In certain circumstances, fields within a single development may be combined for depletion purposes.

Capitalised costs, together with anticipated future development costs calculated at price levels ruling at the balance sheet date, are amortised on a unit of production basis. Amortisation is calculated by reference to the proportion that production for the period bears to the total of the estimated remaining commercial reserves as at the beginning of the period. Changes in reserves quantities and cost estimates are recognised prospectively.

Impairment

Exploration and evaluation assets are reviewed regularly for indicators of impairment and costs are written off where circumstances indicate that the carrying value might not be recoverable. In such circumstances, the exploration and evaluation asset is allocated to developed and producing properties within the same geographical segment and tested for impairment. Any such impairment arising is recognised in the income statement for the period. Where there are no developed and producing properties, the impaired costs of exploration and evaluation are charged immediately to the income statement.

Impairment reviews on developed and producing properties are carried out on each cash-generating unit identified in accordance with IAS 36 "Impairment of Assets". The Group's cash-generating units are those assets which generate largely independent cash flows and are normally, but not always, single development areas or fields.

Where there has been a charge for impairment in an earlier period, that charge will be reversed in a later period where there has been a change in circumstances to the extent that the discounted future net cash flows are higher than the net book value at the time. In reversing impairment losses, the carrying amount of the asset will be increased to the lower of its original carrying value or the carrying value that would have been determined (net of depletion) had no impairment loss been recognised in prior periods.

Decommissioning costs

Provision is made at the start of the life of the producing asset for the decommissioning of oil and gas wells and other oilfield facilities at the end of the life of the asset. The cost of decommissioning is determined through discounting the amounts expected to be payable to their present value at the date the provision is recorded and is reassessed at each balance sheet date. This amount is included within developed and producing assets by field and the liability is included in provisions. Such cost is depleted over the life of the field on a unit of production basis and charged to the income statement. The unwinding of the discount is reflected as a finance cost in the income statement over the remaining life of the well.

Other property, plant and equipment

Other property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the original cost of other property, plant and equipment less its estimated residual value over their expected useful lives on a straight line basis.

The estimated useful lives applied in determining the charge to depreciation are as follows:

Leasehold property	2% – 4%
Plant and equipment	20% – 33.3%
Motor vehicles	20%

The useful lives and residual values are reassessed annually.

On disposal of other property, plant and equipment, the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount less any proceeds is taken to the income statement.

The carrying amounts of other property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Business combinations

The purchase method of accounting is employed in accounting for the acquisition of subsidiaries by the Group. IFRS 3, *"Business Combinations"*, has been applied with effect from the transition date of 1 January 2004 and goodwill amortisation ceased from that date.

The costs of a business combination are measured as the aggregate of the fair value at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued in exchange for control together with any directly attributable costs. Deferred expenditure arising on business combinations is determined through discounting the amounts payable to their present value at the date of exchange. The discount element is reflected as an interest charge in the income statement over the life of the deferred payment. In the case of a business combination the assets and liabilities are measured at their provisional fair values at the date of acquisition. Adjustments to the provisional fair values of assets and liabilities are made within twelve months of the acquisition date and reflected as a restatement of the acquisition balance sheet.

Goodwill

Goodwill written off to reserves under Irish GAAP prior to 1998 was not reinstated on transition to IFRS and will not be included in determining any subsequent profit or loss on disposal.

Goodwill on acquisitions is initially measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill relating to acquisitions from 1 January 2004 (the transition date to IFRS) and the deemed cost of goodwill carried in the balance sheet at 1 January 2004 is not amortised. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the cash-generating unit retained.

Financial assets-Investments

Investments in equity securities are classified as available for sale and are measured at fair value with changes therein, other than impairment losses, recognised directly in equity. The fair value of investments is their quoted market price at the balance sheet date. When market values for investments are not readily available, investments are held at cost. Investments are assessed for potential impairment at each balance sheet date. If any such evidence exists, the impairment loss is recognised in the income statement.

Other investments in subsidiary undertakings are stated at cost less provision for impairment in the Company's balance sheet.

Cash and cash equivalents
Cash and short term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Trade and other receivables
Trade receivables, which generally have 30 to 90 day terms, are recognised and carried at original invoice amount less an allowance for any potential shortfall in receipt. An estimate of any shortfall in receipt is made when there is objective evidence that a loss has been incurred. Bad debts are written off when identified.

Provisions
A provision is recognised in the balance sheet when the Company or Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits would be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Inventories
Inventories held are represented by oilfield equipment and are measured at the lower of cost or net realisable value. Cost includes expenditure in acquiring inventories and other costs of bringing them to their present location and condition.

Segment reporting
A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those other segments. The Group has identified geographical segments as the primary segments and business segments as the secondary segments.

2 Segmental Information
The Group's primary reporting format is geographical segments, being America, Africa, Asia and Europe. The Group's other operations by geographical segment do not currently represent 10% or more of the Group's revenue or assets and have therefore not been separately disclosed. The Group's secondary reporting format is by business segment, being (a) exploration and evaluation, (b) producing oil and gas properties and (c) the provision of oilfield goods and services.

The Group's revenues and results arise from oil and gas production in the USA and the provision of oilfield equipment and services included in Europe.

Segment results, assets and liabilities include items directly attributable to each segment as well as items that can be allocated on a reasonable basis. Inter-segment revenue is not material and has therefore not been disclosed separately below. Net assets before borrowings have been adjusted to eliminate the impact of intercompany financing.

Segment capital expenditure is the total amount of expenditure incurred during the period to acquire segment assets that are expected to be used for more than one period.

Segmental revenue – continuing operations

	Producing oil and gas properties USA		Provision of oilfield goods and services Europe		Total	
	2008 US$'000	2007 US$'000	**2008 US$'000**	2007 US$'000	**2008 US$'000**	2007 US$'000
Country of destination						
America	**5,539**	2,759	**77**	141	**5,616**	2,900
Africa	**-**	-	**1,704**	4,202	**1,704**	4,202
Asia	**-**	-	**2,773**	2,001	**2,773**	2,001
Europe	**-**	-	**84**	201	**84**	201
Revenue	**5,539**	2,759	**4,638**	6,545	**10,177**	9,304

The exploration activities in Africa and Asia do not give rise to any revenue at present.

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	2008 US$'000	2007 US$'000
Segment net profit/(loss) for the year		
US – producing assets	**1,502**	12
Africa and Asia – exploration assets	**(8,786)**	(545)
Europe – oilfield services and supplies assets	**211**	361
Europe – Group costs	**(2,589)**	(3,097)
Total Group net loss for the year	**(9,662)**	(3,269)
Segment assets		
US – producing assets	**13,552**	9,502
Africa and Asia – exploration assets	**31,496**	33,064
Europe – oilfield services and supplies assets	**1,067**	1,052
Europe – Group assets (*)	**3,589**	17,380
Total assets	**49,704**	60,998

* Group assets primarily comprise cash and working capital.

	2008 US$'000	2007 US$'000
Segment liabilities		
US – producing assets	**(2,407)**	(1,870)
Africa and Asia – exploration assets	**(3,414)**	(5,132)
Europe – oilfield services and supplies	**(425)**	(544)
Europe – Group activities	**(472)**	(336)
Total liabilities	**(6,718)**	(7,882)
Capital expenditure		
US – producing assets	**4,348**	1,271
Africa and Asia – exploration assets	**9,758**	10,725
Europe – Group assets	**7**	126
Total capital expenditure	**14,113**	12,122
Other non-cash items:		
US: depletion and decommissioning charge	**758**	449
Africa: impairment charge against exploration and evaluation assets	**4,728**	-
Europe: depreciation – Group assets	**79**	90
Europe: Impairment charge against other investment held	**328**	111

3 Employment

Employment costs charged against the Group operating loss are analysed as follows:

	2008 US$'000	2007 US$'000
Salaries and wages	**2,756**	2,401
Social security costs	**304**	307
Other pension costs	**332**	318
Share based payment charge	**473**	1,336
	3,865	4,362
Employment costs capitalised	**(418)**	(403)
Employment costs charged against the Group operating loss	**3,447**	3,959

The amount charged under share based payment costs relates to share options.

The Group's average number of employees, including Executive Directors, during the year was:

	2008 Number	2007 Number
Europe	**13**	13
USA	**20**	14
Tanzania	**8**	3
	41	30

Employment costs charged against the Company operating loss are analysed as follows:

	2008 US$'000	2007 US$'000
Share based payment charge	**57**	120

The Company incurs no other employment costs and has no employees.

Directors' emoluments and interests (which are included in administrative expenses) are shown in the Directors' Remuneration Report on pages 22 to 23.

4 Share based payments

Under the terms of the Aminex PLC Executive Share Option Scheme approved by Ordinary Resolution of the shareholders, certain Directors and employees are entitled to subscribe for Ordinary Shares in the Company at the market value on the date of the granting of the options, subject to a maximum aggregate of 10% of the issued Ordinary Share capital. Options are granted at the price equal to the market value at the date of grant and will expire at a date no later than 10 years after their grant date. Options generally vest if employees remain in service for 3 years from the date of grant. Directors' options vest immediately.

The following expenses have been recognised in the income statement arising on share based payments and included within administrative expenses:

	2008 US$'000	2007 US$'000
Share based payment charge on vesting of share options	**473**	1,336

The fair values of options granted were calculated using the following inputs into the binomial option-pricing model:

Date of grant	13 May 2008	18 July 2007
Contractual life	10 years	10 years
Exercise price*	Stg22p	Stg21p
Number of options granted – immediate	1,450,000	6,100,000
Number of options granted – vesting period	550,000	1,755,000
Expected volatility	65%	65%
Vesting conditions – immediate	-	-
Vesting conditions – vesting period	36 months	36 months
Fair value per option – immediate	Stg9.60p	Stg9.78p
Fair value per option – vesting period	Stg13.10p	Stg13.25p
Expected dividend yield	-	-
Risk-free rate	4.6%	5.6%

*The exercise price is based upon the closing share price on the day before the date of grant.

The binomial option-pricing model is used to estimate the fair value of the Company's share options because it better reflects the possibility of exercise before the end of the options' life. The binomial option-pricing model also integrates possible variations in model inputs such as risk-free interest rates and other inputs, which may change over the life of the options.

The total number of share options outstanding and exercisable are summarised as follows:

	Number of options	Average exercise price
Outstanding at 31 December 2007	14,596,000	Stg22.1p
Exercised	-	-
Granted	2,000,000	Stg22.0p
Expired and forfeited	(575,000)	Stg39.9p
Outstanding at 31 December 2008	16,021,000	Stg21.4p
Exercisable at 31 December 2008	13,506,000	Stg21.1p

On 31 December 2008, there were options over 16,021,000 (2007: 14,596,000) Ordinary Shares which are exercisable at prices ranging from Stg12 pence to Stg35 pence per share and which expire at various dates up to 13 May 2018.

5 Loss before tax

The loss before tax has been arrived at after charging the following items:

	2008 US$'000	2007 US$'000
Depletion, depreciation and decommissioning on oil and gas interests	**758**	449
Depreciation of other property, plant and equipment	**79**	90
Gain on disposal of property, plant and equipment	**-**	2
Auditor's remuneration – audit	**104**	131
Auditor's remuneration – tax and non audit	**34**	134
Gain on disposal of unlisted investment	**(26)**	-
Loss on disposal of interest in Manja licence (see below)	**3,379**	-
Impairment write down of exploration and evaluation assets (see below)	**4,728**	-
Provision against other investments	**328**	111
Operating lease payments plant and equipment	**2**	3
Operating lease payments land and buildings	**193**	216

In the current period, the Directors have presented the disposal of the Group's interest in Madagascar and the impairment write down of exploration expenditure in East Africa separately within the Income Statement as they relate to exploration activities rather than ongoing production and oilfield services activities. Further details are given below.

(i) Loss on disposal of Manja Licence

On 19 June 2008, the Group disposed of its 50% interest in Amicoh Resources Limited, which held the Manja licence in Madagascar. The interest was sold to the other 50% shareholder in Amicoh Resources Limited for a cash consideration of US$250,000. The net loss on disposal was US$3,379,000 comprising:

	2008 US$'000	2007 US$'000
Amounts (written off)/written back:		
Exploration and evaluation assets	**(3,359)**	-
Trade and other receivables	**(264)**	-
Cash and cash equivalents	**(45)**	-
Trade and other payables	**39**	-
	(3,629)	-
Less: proceeds from disposal of Amicoh Resources Limited	**250**	-
	(3,379)	-

(ii) Impairment write down of exploration and evaluation assets

	2008 US$'000	2007 US$'000
Impairment write down of exploration and evaluation assets	**(4,728)**	-

6 Finance income

	2008 US$'000	2007 US$'000
Deposit interest income	**202**	494

7 Finance costs

	2008 US$'000	2007 US$'000
Bank loans and overdraft interest	**4**	1
Other finance charges	**13**	17
Other finance costs – decommissioning provision interest charge (see Note 17)	**139**	177
	156	195

8 Income tax expense

The components of the income tax expense for the years ended 31 December 2008 and 2007 were as follows:

	2008 US$'000	2007 US$'000
Current tax expense:		
Current year	**-**	-
Deferred tax expense:		
Origination and reversal of temporary differences	**-**	-
Total income tax expense for the Group	**-**	-

A reconciliation of the expected tax benefit computed by applying the standard Irish tax rate to the loss before tax to the actual tax expense/(benefit) is as follows:

	2008 US$'000	2007 US$'000
Loss before tax	**(9,662)**	(3,269)
Irish standard tax rate	**12.5%**	12.5%
Taxes at the Irish standard rate	**(1,208)**	(409)
Expenses not deductible for tax purposes	**105**	21
Unutilised losses and income taxed at different rates in foreign jurisdictions	**1,103**	388
Tax benefit on loss before tax	**-**	-

The following deferred tax assets have not been recognised in the balance sheet as it is currently considered uncertain that the assets will be realised in the future.

	2008 US$'000	2007 US$'000
Net operating losses	**9,898**	9,265

The gross amount of unused tax loss carry forwards with their expiry dates is as follows:

	Ireland 2008 US$'000	US 2008 US$'000	UK 2008 US$'000	ROW 2008 US$'000	Total 2008 US$'000
One year	-	128	-	-	128
Two years	-	1,016	-	-	1,016
Three years	-	49	-	-	49
Four years	-	203	-	-	203
Five years	-	1,019	-	-	1,019
More than five years	5,914	11,075	10,013	1,326	28,328
Total	**5,914**	**13,490**	**10,013**	**1,326**	**30,743**

	Ireland 2007 US$'000	US 2007 US$'000	UK 2007 US$'000	ROW 2007 US$'000	Total 2007 US$'000
One year	-	72	-	-	72
Two years	-	128	-	-	128
Three years	-	1,016	-	-	1,016
Four years	-	49	-	-	49
Five years	-	203	-	-	203
More than five years	7,177	9,996	12,607	-	29,780
Total	**7,177**	**11,464**	**12,607**	**-**	**31,248**

At 31 December 2008, the US subsidiary undertaking had net operating losses available to be carried forward for income tax purposes of approximately US$13.5 million (2007: US$11.5 million). The net operating losses will expire from 31 December 2009 through to 31 December 2023.

At 31 December 2008, certain of the Irish, UK and Australian subsidiary undertakings had net operating losses available to be carried forward for income tax purposes of approximately US$5.9 million, US$10.0 million and US$1.3 million respectively (2007: Ireland US$7.2 million and UK US$12.6 million). These losses can be carried forward indefinitely but may only be offset against taxable profits earned from the same trade or trades.

9 Loss per Ordinary Share

The basic loss per Ordinary Share is calculated using a numerator of the loss for the financial year and a denominator of the weighted average number of Ordinary Shares in issue for the financial year. The diluted loss per Ordinary Share is calculated using a numerator of the loss for the financial year and a denominator of the weighted average number of Ordinary Shares outstanding and adjusting for the effect of all potentially dilutive shares, including share options and share warrants, assuming that they had been converted.

The calculations for the basic net loss per share for the years ended 31 December 2008 and 2007 are as follows:

	2008	2007
Net loss for the financial year (US$'000)	**(9,662)**	(3,269)
Weighted average number of Ordinary Shares ('000)	**242,118**	206,769
Basic loss per Ordinary Share (US cents)	**(3.99)**	(1.58)

There is no difference between the net loss per Ordinary Share and the diluted net loss per Ordinary Share for the years 31 December 2008 and 2007 as all potentially dilutive Ordinary Shares outstanding are anti-dilutive. There were 16,021,000 anti-dilutive share options and 36,423,689 anti-dilutive share warrants in issue as at 31 December 2008.

Notes Forming Part of the Financial Statements

for the year ended 31 December 2008

10 Exploration and evaluation assets

Group	Exploration and evaluation assets				
	Tanzania US$'000	Kenya US$'000	Madagascar US$'000	North Korea US$'000	Total US$'000
Cost and net book value					
At 1 January 2007	16,328	-	349	388	17,065
Additions	6,932	550	2,819	-	10,301
Employment costs capitalised	288	-	115	-	403
Increase in decommissioning cost	21	-	-	-	21
Consideration received from joint venture partners	(753)	-	-	-	(753)
At 31 December 2007	22,816	550	3,283	388	27,037
Additions	9,204	60	76	-	9,340
Employment costs capitalised	384	34	-	-	418
Released by disposal	-	-	(3,359)	-	(3,359)
Impairment write down	(4,728)	-	-	-	(4,728)
At 31 December 2008	**27,676**	**644**	**-**	**388**	**28,708**

The Group does not hold any property, plant and equipment under exploration and evaluation assets.

The Directors have considered the licence, exploration and appraisal costs incurred in respect of its exploration and evaluation assets, which are, with the exception of the partial write down of the Nyuni-1 well in the year, carried at historical cost. These assets have been assessed for impairment and in particular with regard to remaining licence terms, likelihood of renewal, likelihood of further expenditures and ongoing acquired data for each area, as more fully described in the Operations and Business Review. The Directors are satisfied that there are no further indicators of impairment but recognise that future realisation of these oil and gas assets is dependant on further successful exploration and appraisal activities and the subsequent economic production of hydrocarbon reserves.

11 Property, plant and equipment

Group	Developed and producing oil and gas properties – USA US$'000	Other assets US$'000	Total US$'000
Cost			
At 1 January 2007	12,683	401	13,084
Additions in the year	1,271	126	1,397
Disposals during the year	(35)	-	(35)
Decrease in decommissioning provision	(1,057)	-	(1,057)
Exchange rate adjustment	-	9	9
At 31 December 2007	12,862	536	13,398
Additions in the year	4,348	7	4,355
Disposals during the year	(262)	(45)	(307)
Decrease in decommissioning provision (see Note 17)	(374)	-	(374)
Exchange rate adjustment	-	(144)	(144)
At 31 December 2008	**16,574**	**354**	**16,928**
Depreciation			
At 1 January 2007	3,500	160	3,660
Charge for the year	449	90	539
Exchange rate adjustment	-	3	3
At 31 December 2007	3,949	253	4,202
Charge for the year	758	79	837
Released by disposals	(125)	(20)	(145)
Exchange rate adjustment	-	(85)	(85)
At 31 December 2008	**4,582**	**227**	**4,809**
Net book value			
At 31 December 2008	**11,992**	**127**	**12,119**
At 31 December 2007	8,913	283	9,196

As at 31 December 2008, "Other assets" included leasehold premises US$56,000 (2007: US$109,000), plant and equipment US$71,000 (2007: US$138,000) and motor vehicles US$nil (2007: US$36,000).

Property, plant and equipment shown above include assets held under finance leases as follows:

	2008 US$'000	2007 US$'000
Net carrying amount at 31 December	**141**	271
Depreciation charge for the year	**37**	62

The majority of the Group's property, plant and equipment comprises its producing oil and gas properties which are depleted on a unit of production basis, based on proved and probable reserves at each field. At 31 December 2008, an independent valuation of each producing property was carried out based on estimated future discounted cash flows, as set out in more detail on page 3 and on that basis, no impairment of the property, plant and equipment is considered to have occurred.

12 Investment in subsidiaries, joint venture undertakings and other investments

	Shares in subsidiary undertakings US$'000	Shares in joint venture undertakings US$'000	Total **2008** **US$'000**	2007 US$'000
Company				
At 1 January	6,980	4	**6,984**	6,984
Disposal	-	(4)	**(4)**	-
At 31 December	6,980	-	**6,980**	6,984

As at 31 December 2008 the Company had the following principal subsidiary undertakings:

	Proportion held by Company	Proportion held by Subsidiary	Country of Incorporation
Oil and Gas Exploration, Development and Production			
Aminex Petroleum Services Limited (1)	100%	-	UK
Aminex USA, Inc. (2)	62%	38%	USA
Tanzoil NL (3)	100%	-	Australia
Ndovu Resources Limited (4)	-	100%	Tanzania
Aminex Kenya Limited (6)	100%	-	Kenya
Aminex Petroleum Egypt Limited (5)	51%	-	BVI
Oilfield services			
Amossco Limited (1)	-	100%	UK
Amossco ODS Limited (1)	-	100%	UK
Halyard Offshore Limited (1)	-	100%	UK

Registered offices

1. 7 Gower Street, London WC1E 6HA, UK.
2. C/O CT Corporation System, 1021 Main Street, Suite 1150, Houston, TX 77002, USA.
3. 3rd Floor, MPH Building, 23 Barrack Street, Perth, WA6000, Australia.
4. 11th Floor, PPF Tower, Ohio Street, Garden Avenue, Dar es Salaam, Tanzania.
5. C/O Quijano & Associates (BVI) Limited, PO Box 3159, Road Town, Tortola, British Virgin Islands.
6. 9th Floor, Williamsom House, 4th Ngong Avenue, Nairobi, Kenya.

Other investments – Group and Company

	2008 **US$'000**
Cost	
At 1 January 2007	418
Investment in Key Petroleum Limited	502
Investment in options over shares in Key Petroleum Limited	4
At 31 December 2007 and 31 December 2008	**924**
Adjustments to fair value	
At 1 January 2007	-
Provided during the year	111
At 31 December 2007	111
Provided during the year	328
At 31 December 2008	**439**
Fair value	
At 31 December 2008	**485**
At 31 December 2007	813

The balance at 31 December 2008 comprises listed investments and non-quoted financial investments. Listed investments are stated at market value as at 31 December 2008. The Directors have considered the carrying values of the non-quoted financial investments and consider that these are shown at fair value as at 31 December 2008.

13 Loans to subsidiary undertakings

Company	2008 US$'000	2007 US$'000
Balance at 1 January	**35,631**	24,352
Loans advanced to subsidiary undertakings during the year	**12,375**	14,363
Loans written off on the disposal of interest in Amicoh Resources Limited	**(3,475)**	-
Share based payments charged to subsidiary undertakings	**415**	1,216
Provision against carrying value	**(1,500)**	(4,300)
	43,446	35,631
Included in current assets	**(15,929)**	(12,987)
Balance at 31 December	**27,517**	22,644

Included in current assets are loans provided to Group undertakings which are repayable on demand.

The balance of US$27,517,000 (2007: US$22,644,000) represents loans provided to Group undertakings which are also technically repayable on demand. The Directors do not expect to call for repayment of these loans in the foreseeable future as they are considered to be quasi-equity in nature. After taking into account the provisions shown above, the Directors believe the carrying value of these loans to be fully recoverable. However they do not believe it possible to make a reasonable estimate of when the loan repayment will take place. As a result these loans have been recorded at cost less any provision for impairment. Annual impairment reviews are performed.

14 Trade and other receivables

	Group		Company	
	2008 US$'000	2007 US$'000	**2008 US$'000**	2007 US$'000
Trade receivables	**1,644**	719	**-**	-
Amounts due from joint venture partners	**1,075**	1,770	**-**	-
Other receivables	**605**	89	**-**	-
Prepayments and accrued income	**586**	2,634	**59**	91
	3,910	5,212	**59**	91

All amounts fall due within one year.

15 Cash and cash equivalents

	Group		Company	
	2008 US$'000	2007 US$'000	**2008 US$'000**	2007 US$'000
Cash at bank and in hand	**2,741**	5,085	**1,392**	1,723
Short term deposits	**1,356**	13,557	**1,356**	13,557
	4,097	18,642	**2,748**	15,280

Included in cash and cash equivalents is an amount of US$401,000 (2007: US$1,082,000) held on behalf of the non-operating joint venture partners where the Aminex Group acts as operator of the joint venture.

16 Trade and other payables

	Group		Company	
	2008 US$'000	2007 US$'000	**2008 US$'000**	2007 US$'000
Trade payables	**4,774**	5,618	**29**	92
Overseas employment-related taxes	**57**	86	**-**	-
Other payables	**70**	62	**-**	-
Accruals	**366**	372	**159**	97
	5,267	6,138	**188**	189

17 Provisions – decommissioning

Group	**US$'000**
At 1 January 2008	1,503
Reduction in decommissioning provision	(374)
Discount unwound in the year	139
At 31 December 2008	**1,268**

	2008 US$'000	2007 US$'000
Current	**24**	105
Non-current	**1,244**	1,398
Total decommissioning provision	**1,268**	1,503

Decommissioning costs are expected to be incurred over the remaining lives of the fields, which are estimated to be between 2009 and 2020. The original provision for decommissioning was set up in 2005 and it is reviewed annually. As a consequence of the current economic climate, the programme for decommissioning wells on the Somerset field has been revised, with fewer wells than originally planned being plugged and abandoned in earlier years resulting in a reduction to the provision of US$374,000. The provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices and is discounted at 10% per annum, reflecting the associated risk profile.

18 Loans and borrowings

	Group		Company	
	2008 US$'000	2007 US$'000	**2008 US$'000**	2007 US$'000
Obligations under finance leases	**183**	241	**-**	-
Comprising:				
Current liabilities	**60**	95	**-**	-
Non-current liabilities	**123**	146	**-**	-
	183	241	**-**	-

The obligations under finance leases are secured on specific items of plant and equipment.

19 Financial instruments and risk management

(a) The Group

Financial Risk Management

The Group's financial instruments comprise bank and other borrowings, cash and liquid resources. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group may from time to time enter into derivative transactions to minimise its exposure to interest rate fluctuations, foreign currency exchange rates and movements in oil and gas prices.

The Group does not undertake any trading activity in financial instruments. Policies for managing these risks are summarised as follows:

a) Liquidity/interest rate risk

The Group finances its operations through a mixture of shareholders' funds, bank and other borrowings and working capital. Board approval is required for all new borrowing facilities. Short term flexibility is achieved by means of an overdraft facility. The Group's liquid resources were held on short term deposit at the year end.

b) Commodity risk

The requirement for hedging instruments is kept under ongoing review. During the year, the Group did not enter into any hedging transactions.

c) Foreign currency risk

The Group reports in US dollars, which is the currency of a large proportion of its trading income. The risk is managed wherever possible by matching foreign currency income and expenditures.

The accounting classification for each class of the Group's financial assets and financial liabilities, together with their associated fair values, is as follows:

2008	Available for sale 2008 US$'000	Loans and receivables 2008 US$'000	Liabilities at amortised cost 2008 US$'000	Total carrying amount 2008 US$'000	Fair value 2008 US$'000
Other investments	485	-	-	485	485
Trade receivables	-	1,644	-	1,644	1,644
Amounts due from joint venture partners	-	1,075	-	1,075	1,075
Other receivables	-	605	-	605	605
Cash and cash equivalents	-	4,097	-	4,097	4,097
Loans and borrowings	-	-	(183)	(183)	(181)
Trade payables	-	-	(4,774)	(4,774)	(4,774)
Other payables	-	-	(70)	(70)	(70)
Accruals	-	-	(366)	(366)	(366)
	485	7,421	(5,393)	2,513	2,515

2007	Available for sale 2007 US$'000	Loans and receivables 2007 US$'000	Liabilities at amortised cost 2007 US$'000	Total carrying amount 2007 US$'000	Fair value 2007 US$'000
Other investments	813	-	-	813	813
Trade receivables	-	719	-	719	719
Amounts due from joint venture partners	-	1,770	-	1,770	1,770
Other receivables	-	89	-	89	89
Cash and cash equivalents	-	18,642	-	18,642	18,642
Loans and borrowings	-	-	(241)	(241)	(238)
Trade payables	-	-	(5,618)	(5,618)	(5,618)
Other payables	-	-	(62)	(62)	(62)
Accruals	-	-	(372)	(372)	(372)
	813	21,220	(6,293)	15,740	15,743

Estimation of fair values

Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities set out in the table above.

Other investments

Where the market value of other investments is available, the fair values are determined using the bid market price without deduction of any transaction costs. Where the market value of other investments is not available, the fair values are determined based on the expected future cash flows at current interest rates and exchange rates.

Amounts due from/(to) joint venture partners

The amounts receivable from/payable to joint venture partners are expected to be settled within less than six months and so the carrying value is deemed to reflect fair value.

Trade and other receivable/payables

For the receivables and payables with a remaining life of less then six months or demand balances, the carrying value less impairment provisions, where necessary, is deemed to reflect fair value.

Cash and cash equivalents including short-term deposits

For short-term deposits and cash and cash equivalents, all of which have a remaining maturity of less then three months, the nominal value is deemed to reflect the fair value.

Loans and borrowings

Loans and borrowings relate principally to finance lease liabilities. The fair value of the finance lease liabilities is based on the present value of future cash flows discounted at market rates at the balance sheet date. The fair value of the finance lease liabilities was not materially different from the carrying value at the balance sheet date.

Risk exposures

The Group's operations expose it to various financial risks that include credit risk, liquidity risk and market risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group and it is the policy to manage these risks in a non-speculative manner.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing the risk.

Credit risk

Credit risk to customers and to joint venture activities arises on the outstanding receivables and outstanding cash calls due, as well as cash and cash equivalents and deposits with banks.

The carrying value of the Group's various financial assets, net of impairment of provisions, as presented within the fair value table set out on page 46, represents the Group's maximum credit risk exposure.

Trade and other receivables

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. For trade receivables, credit checks are performed, where necessary, on new customers and appropriate payment terms are agreed with customers. There is no concentration of credit risk by dependence on individual customers. Trade receivables are monitored by review of the aged debtor reports by company. The maximum exposure to credit risk for trade receivables at the balance sheet date by geographic region was as follows:

	2008	2007
	US$'000	US$000
America	**1,198**	329
Africa	**18**	260
Asia	**428**	79
Europe	**-**	51
	1,644	719

At the balance sheet date, the Group had no material amounts of trade receivables over the past due date and the Directors were satisfied that no provisions were required.

Amounts due from joint venture partners

The Group assesses the creditworthiness of joint venture parties before entering into agreements with them and continues to monitor their creditworthiness. The aggregate of the amount due from joint venture partners reflects balances due from the various joint venture partners and is considered to be current and receivable with no provisions required.

Cash and short-term deposits

Cash and short-term deposits are invested mainly through the Group's bankers and short-term deposits are treasury deposits of less than one month. For banks and financial institutions, only independently rated banks with a minimum rating of "A" are accepted.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible that it has sufficient liquidity to meet its liabilities as they fall due. The Group manages liquidity risk by monitoring rolling forecasts of expected cash flows against actual cash flows. The Directors are satisfied that the Group is a going concern but have concluded that a continuance of such a position will be dependent on the successful sale of assets or an alternative method of raising working capital, as set out in more detail in the Basis of Preparation.

The following are the contractual maturities of the financial liabilities including estimated interest payments and excluding the impact of netting agreements:

2008	Carrying amount 2008 US$'000	Contractual cashflows 2008 US$'000	6 months 2008 US$'000	6-12 months 2008 US$'000	1-2 years 2008 US$'000	2-5 years 2008 US$'000	More than 5 years 2008 US$'000
Finance lease liabilities	183	198	34	34	65	65	-
Trade payables	4,774	4,774	4,774	-	-	-	-
Other payables	70	70	70	-	-	-	-
Accruals	366	366	366	-	-	-	-
	5,393	**5,408**	**5,244**	**34**	**65**	**65**	**-**

2007	Carrying amount 2007 US$'000	Contractual cashflows 2007 US$'000	6 months 2007 US$'000	6-12 months 2007 US$'000	1-2 years 2007 US$'000	2-5 years 2007 US$'000	More than 5 years 2007 US$'000
Finance lease liabilities	241	265	72	32	57	104	-
Trade payables	5,618	5,618	5,618	-	-	-	-
Other payables	62	62	62	-	-	-	-
Accruals	372	372	372	-	-	-	-
	6,293	6,317	6,124	32	57	104	-

The Group's borrowings relate to hire purchase financing agreements which are secured against the asset purchased for each agreement and amount to US$183,000 at 31 December 2008 (2007: US$241,000).

Market risk

Market risk is the risk that changes in the market prices and indices will affect the Group's income or the value of its holdings of financial instruments. The Group has four principal types of market risk being commodity prices, equity price risk, foreign currency exchange rates and interest rates.

Commodity price risk. The requirement for hedging instruments is kept under ongoing review. During the year, the Group did not enter into any commodity hedging transactions. General oil and gas commodity strategies are commented on in the Financial Review and the Operations and Business Review.

Equity price risk. Equity price risk arises where assets which are available for sale are equity securities. The equity securities are held for strategic reasons by the Group. The primary goal of the Group's investment strategy is to maximise investment returns in order to meet the specific objectives of the Group.

Foreign currency risk. The Group reports in US dollars, which is the currency of a large proportion of its trading income. The risk is managed wherever possible by matching foreign currency income and expenditures.

The Group's exposure to transactional foreign currency risk is as follows:

	2008 Sterling US$'000	2008 Euro US$'000	2008 US dollars US$'000	2007 Sterling US$'000	2007 Euro US$'000	2007 US dollars US$'000
Trade receivables	-	228	37	-	25	75
Cash and cash equivalents	29	38	155	1,627	94	551
Trade payables	-	(76)	(442)	-	-	(50)
Other payables	-	-	(46)	-	-	(33)
	29	190	(296)	1,627	119	543

Sensitivity analysis

A 15% strengthening or weakening in the value of sterling or the euro against the US dollar, based on the outstanding financial assets and liabilities at 31 December 2008 (2007: 5%), would have increased/(decreased) profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Carrying value 2008 US$'000	15% increase Profit 2008 US$'000	15% decrease Profit 2008 US$'000	Carrying value 2007 US$'000	5% increase Profit 2007 US$'000	5% decrease Profit 2007 US$'000
Trade receivables	265	29	(29)	100	(3)	3
Cash and cash equivalents	222	(13)	13	2,272	59	(59)
Trade payables	(517)	55	(55)	(50)	2	(2)
Other payables	(46)	7	(7)	(33)	2	(2)
	(76)	78	(78)	2,289	60	(60)
Tax impact		-	-		-	-
After tax		78	(78)		60	(60)

Interest rate risk. The Group finances its operations through a mixture of shareholders' funds, bank and other borrowings and working capital. Board approval is required for all new borrowing facilities. Short-term flexibility is achieved by means of an overdraft facility. The Group's liquid resources were held on short term deposit at the year end.

The interest rate profile of the Group's interest bearing financial instruments at 31 December 2008 was as follows:

	Fixed rate 2008 US$'000	Floating rate 2008 US$'000	Total 2008 US$'000	Fixed rate 2007 US$'000	Floating rate 2007 US$'000	Total 2007 US$'000
Cash and cash equivalents	-	1,356	1,356	-	13,557	13,557
Finance lease liabilities						
US dollars	(183)	-	(183)	(208)	-	(208)
Sterling	-	-	-	(33)	-	(33)
	(183)	1,356	1,173	(241)	13,557	13,316

Cash flow sensitivity analysis

An increase or decrease of 500 basis points in interest rates at the reporting date would have had the following effect on the income statement. This analysis assumes all other variables, in particular foreign currency, remain constant. For 2007 the analysis was performed on the basis of a 5% increase/decrease:

	Carrying value 2008 US$'000	500bps increase Profit 2008 US$'000	500bps decrease Profit 2008 US$'000	Carrying value 2007 US$'000	5% increase Profit 2007 US$'000	5% decrease Profit 2007 US$'000
Cash and cash equivalents	1,356	68	-	13,557	678	(678)
Tax impact		-	-		-	-
After tax		68	-		678	(678)

The Group only has fixed rate loans. As there are no variable rate loans, there is no potential impact to profit.

Notes Forming Part of the Financial Statements

for the year ended 31 December 2008

(b) The Company

The Company's approach to the management of financial risk is as set out under the Group disclosures in (a) above.

The accounting classification for each class of the Company's financial assets and financial liabilities, together with their fair values, is as follows:

2008	Available for sale 2008 US$'000	Loans and receivables 2008 US$'000	Liabilities at amortised cost 2008 US$'000	Total carrying amount 2008 US$'000	Fair value 2008 US$'000
Other investments	485	-	-	485	485
Loans to subsidiary and joint venture undertakings	-	43,446	-	43,446	43,446
Cash and cash equivalents	-	2,748	-	2,748	2,748
Trade payables	-	-	(29)	(29)	(29)
Accruals	-	-	(159)	(159)	(159)
	485	46,194	(188)	46,491	46,491

2007	Available for sale 2007 US$'000	Loans and receivables 2007 US$'000	Liabilities at amortised cost 2007 US$'000	Total carrying amount 2007 US$'000	Fair value 2007 US$'000
Other investments	813	-	-	813	813
Loans to subsidiary and joint venture undertakings	-	35,631	-	35,631	35,631
Cash and cash equivalents	-	15,280	-	15,280	15,280
Trade payables	-	-	(92)	(92)	(92)
Accruals	-	-	(97)	(97)	(97)
	813	50,911	(189)	51,535	51,535

Estimation of fair values

Amounts due from subsidiary companies

The amounts due from subsidiary companies are technically repayable on demand and so the carrying value is deemed to reflect fair value.

The estimation of other fair values are the same, where appropriate as for the Group as set out in (a) above.

Risk exposures

The Company's operations expose it to the risks as set out in (a) above.

This note presents information about the Company's exposure to credit risk, liquidity risk and market risk, the Company's objectives, policies and process for measuring and managing risk. Unless stated, the policy and process for measuring risk in the Company is the same as outlined in (a) above.

Credit risk

The carrying value of financial assets, net of impairment provisions, represents the Company's maximum exposure at the balance sheet date.

Amounts due from subsidiary companies were considered fully recoverable. The recoverability of the amounts due from subsidiary companies is linked to the impairment of exploration assets. If the value of any of the Group's exploration assets became impaired, then provision would be made by the Company against relevant amounts due from subsidiary companies.

Liquidity risk

The liquidity risk for the Company is similar to that for the Group as set out in (a) above. Contractual cash flows on trade payables and accruals amounting to US$188,000 (2007: US$189,000) all fall due within six months of the balance sheet date. The Directors are satisfied that the Company is a going concern and have concluded that a continuance of such a position may be dependent on the successful sale of assets, deferral of capital expenditures or an alternative method of raising working capital.

Notes Forming Part of the Financial Statements

for the year ended 31 December 2008

Market risk

The market risk for the Company is similar to that for the Group as set out in (a) above.
The Company's exposure to transactional foreign currency risk is as follows:

	2008 Sterling US$'000	2008 Euro US$'000	2007 Sterling US$'000	2007 Euro US$'000
Cash and cash equivalents	29	8	1,627	12

Sensitivity analysis

A 15% strengthening or weakening in the value of sterling or the euro against the US dollar (2007: 5%), based on the outstanding financial assets and liabilities at 31 December 2008, would have increased/(decreased) profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Carrying value 2008 US$'000	15% increase Profit 2008 US$'000	15% decrease Profit 2008 US$'000	Carrying value 2007 US$'000	5% increase Profit 2007 US$'000	5% decrease Profit 2007 US$'000
Cash and cash equivalents	37	6	(6)	1,639	82	(82)
Tax impact		-	-		-	-
After tax		6	(6)		82	(82)

The interest rate risk of the Company is similar to that of the Group as shown in (a) above. The interest rate profile of the Company's interest bearing financial instruments at 31 December 2008 was as follows:

	Fixed rate 2008 US$'000	Floating rate 2008 US$'000	Total 2008 US$'000	Fixed rate 2007 US$'000	Floating rate 2007 US$'000	Total 2007 US$'000
Cash and cash equivalents	-	1,356	1,356	-	13,557	13,557

Cash flow sensitivity analysis

The sensitivity analysis for cash flows for the Company is the same as for the Group as set out in (a) above.

20 Issued capital

	Number	Value €
Authorised		
Ordinary Shares of €0.06 each:		
At 1 January and 31 December 2008	500,000,000	30,000,000

	Number	US$
Allotted, called up and fully paid		
Ordinary Shares of €0.06 each:		
At 1 January 2007	168,978,400	11,915,808
Issued during year	73,053,347	5,918,769
At 31 December 2007	242,031,747	17,834,577
Issued during year	102,984	9,065
At 31 December 2008	**242,134,731**	**17,843,642**

The increase during the year in the issued Ordinary Share capital and share premium (net of issue costs) of the Company related to the exercise of warrants exercisable at Stg22p over 102,984 Ordinary Shares in the Company.

21 Reserves

Group

	Share capital US$'000	Share premium US$'000	Capital Conversion Reserve Fund US$'000	Share Option Reserve Fund US$'000	Share Warrant Reserve Fund US$'000	Foreign Currency Reserve Fund US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2008	17,835	59,719	234	2,065	5,682	128	(32,547)	53,116
Shares issued	9	35	-	-	-	-	-	44
Share issue expenses paid	-	(3)	-	-	-	-	-	(3)
Share based payment charge	-	-	-	473	-	-	-	473
Released on exercise of share warrants	-	17	-	-	(17)	-	-	-
Currency translation effects	-	-	-	-	-	(982)	-	(982)
Group loss for the financial year	-	-	-	-	-	-	(9,662)	(9,662)
At 31 December 2008	**17,844**	**59,768**	**234**	**2,538**	**5,665**	**(854)**	**(42,209)**	**42,986**

	Share capital US$'000	Share premium US$'000	Capital Conversion Reserve Fund US$'000	Share Option Reserve Fund US$'000	Share Warrant Reserve Fund US$'000	Foreign Currency Reserve Fund US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2007	11,916	44,010	234	729	899	(61)	(29,278)	28,449
Shares issued	5,919	17,729	-	-	-	-	-	23,648
Share issue expenses paid	-	(2,919)	-	-	-	-	-	(2,919)
Share based payment charge	-	-	-	1,336	-	-	-	1,336
Share warrant grant	-	-	-	-	5,682	-	-	5,682
Lapse of share warrants	-	899	-	-	(899)	-	-	-
Currency translation effects	-	-	-	-	-	189	-	189
Group loss for the financial year	-	-	-	-	-	-	(3,269)	(3,269)
At 31 December 2007	17,835	59,719	234	2,065	5,682	128	(32,547)	53,116

Loss for the financial year

The loss for the financial year arises as follows:

	2008 US$'000	2007 US$'000
In Aminex PLC	**(5,594)**	(4,622)
In subsidiary companies	**(4,068)**	1,353
	(9,662)	(3,269)

The individual financial statements of the Company ("Company Financial Statements") have been prepared and approved by the Directors in accordance with EU IFRSs and as applied in accordance with the Companies Acts, 1963 to 2006, which permit a company that publishes its company and group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act 1963 from presenting to its members its Company income statement and related notes that form part of the approved company financial statements. Of the consolidated loss after taxation, a loss of US$5,594,000 (2007: loss US$4,622,000) is dealt with in the income statement of Aminex PLC.

22 Share warrants

Under the share placing on 20 June 2007 and the rights issue and the subsequent placing of part of the rights issue shares not taken up, the Company granted warrants over 36,526,673 Ordinary Shares of €0.06 each to participants in the placings and rights issue. The warrant price is Stg22 pence per share and the warrants may be exercised at any time up to 31 August 2009. During the year, a total of 102,984 warrants were exercised.

Notes Forming Part of the Financial Statements

for the year ended 31 December 2008

23 Commitments and guarantees

Commitments - exploration activity

In accordance with the relevant Production Sharing Agreements, Aminex has an obligation to contribute its share of the following outstanding work programmes:

(a) On the Ruvuma PSA, Tanzania: to drill two wells over the four year period ending October 2009.

(b) On the Nyuni Exploration Licence, Tanzania: to drill two wells during the period ending May 2011.

(c) On the Nyuni Appraisal Licence, Tanzania: to appraise Kiliwani North gas discovery during the period ending November 2010.

(d) On the West Songo-Songo Licence, Tanzania: to drill two wells during the period ending July 2012.

(e) On Blocks L17/L18 Licence, Kenya: to acquire seismic by January 2010.

Commitments under operating leases are as follows:

	Land and buildings		Other	
	2008	2007	**2008**	2007
Group	**US$'000**	US$'000	**US$'000**	US$'000
Operating leases which expire:				
Within one year	**120**	209	**3**	4
In two to five years	**148**	342	**9**	13
	268	551	**12**	17

The Company does not have any operating lease commitments.

Guarantees

The Company occasionally guarantees certain liabilities of subsidiary companies. These are considered to be insurance arrangements and are accounted for as such i.e. they are treated as a contingent liability until such times as it becomes probable that the Company will be required to make payment under the guarantee.

24 Pension arrangements

The Group contributes towards the cost of certain individual employee pension plans. Annual contributions are based upon a percentage of gross annual salary. Pension contributions, which are charged to the Group income statement as incurred, amounted to US$332,000 for 2008 (2007: US$318,000).

25 Analysis of net funds

	At 1 January 2008 US$'000	Cash flow US$'000	**At 31 December 2008 US$'000**
Cash at bank	18,642	(14,545)	**4,097**
Finance leases	(241)	58	**(183)**
Total	18,401	(14,487)	**3,914**

	At 1 January 2007 US$'000	Cash flow US$'000	At 31 December 2007 US$'000
Cash at bank	3,648	14,994	18,642
Finance leases	(145)	(96)	(241)
Total	3,503	14,898	18,401

Notes Forming Part of the Financial Statements
for the year ended 31 December 2008

26 Related party transactions

The Company entered into the following transactions with its subsidiary companies:

	2008 US$'000	2007 US$'000
Transactions during the year		
Interest receivable from subsidiary undertakings	**7**	8
Balances at 31 December		
Amounts owed by subsidiary undertakings	**43,446**	32,220
Amounts owed by joint venture undertaking	**-**	3,411
	43,446	35,631

Remuneration of key management personnel

The remuneration of the Executive Directors, who are the key management personnel of the Group, is set out below. Information about the remuneration of each Director is shown in the Remuneration Report on pages 22 to 23.

	2008 US$'000	2007 US$'000
Short-term employee benefits	**1,174**	1,157
Pension contributions	**211**	227
Share-based payments	**214**	1,105
	1,599	2,489

During the course of the year, the Group entered into the following related party transaction:

Consultancy fees were paid to Storm Petroleum Limited, a company connected with Mr. D. S. Hooker, amounting to US$30,000 (2007: US$25,000).

27 Litigation

There were no material matters of litigation requiring disclosure at 31 December 2008.

28 Post balance sheet events

There are no post balance sheet events requiring disclosure.

29 Critical accounting policies

The Directors believe that the Group's critical accounting policies, which are those that require management's most subjective and complex judgements, are those described below. These critical accounting policies, the judgements and other uncertainties affecting application of such policies and the sensitivity of reported results to changes in conditions and assumptions, are factors to be considered in reviewing the Financial Statements.

The Directors consider the critical accounting policies to be the depletion, impairment and decommissioning costs of property, plant and equipment. The Directors are required to estimate the expected remaining useful life of the oil and gas producing assets, the future capital expenditure required to recover oil and gas reserves and the future prices of oil and gas. Future revisions to these estimates and their underlying assumptions could arise from results of drilling activity, movements in oil and gas prices and cost inflation in the industry. Further details are set out in Notes 10 and 11 to these financial statements.

30 Approval of financial statements

These financial statements were approved by the Board of Directors on 16 April 2009.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the twenty-ninth Annual General Meeting of the Company will be held at The Westbury Hotel, Grafton Street, Dublin 2 on 10 June 2009 at 11 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions of which Resolutions numbered 1 to 8 will be proposed as Ordinary Resolutions and Resolutions numbered 9 and 10 will be proposed as Special Resolutions.

Ordinary Business

1 To receive and consider the Statement of Accounts for the year ended 31 December 2008 and the reports of the Directors and Auditor thereon.

2 To re-elect Mr. Butterfield as a Director who retires in accordance with Article 96 of the Articles of Association.

3 To re-elect Mr. Hay as a Director who retires in accordance with Article 96 of the Articles of Association.

4 To re-elect Mr. Prado as a Director who retires in accordance with Article 96 of the Articles of Association.

5 To authorise the Directors to fix the remuneration of the Auditor.

Special Business

6 That clause 6(a) of the Rules of the Aminex PLC Executive Share Option Scheme ("the Rules") be altered by replacing the word "thirty" with the words "thirty five" and that clause 4 of the Rules be altered by replacing the word "thirty" on the second line with the words "thirty five".

7 In substitution for all existing authorities (but without prejudice to the exercise of any such authority prior to the date hereof) the Directors be and are hereby generally and unconditionally authorised pursuant to Section 20 of the Companies (Amendment) Act, 1983 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 20 of the Act) up to an aggregate nominal amount equal to the authorised but as yet unissued share capital of the Company from time to time such authority to expire (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next Annual General Meeting of the Company following the passing of this resolution but the Company may, prior to the expiry of this authority, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors may allot relevant securities in pursuance of that offer or agreement as if the authority hereby conferred had not expired.

8 That the Directors be and are hereby authorised to convene the holding of the next Annual General Meeting of the Company following the passing of this resolution at such time and place (whether in the State or outside the State) as the Directors shall appoint.

9 In substitution for any existing power under Section 24 of the Companies (Amendment) Act, 1983 ("the Act") (but without prejudice to the exercise of any such power prior to the date hereof), the Directors be and they are hereby empowered pursuant to Section 24 of the Act to allot equity securities (as defined by Section 23 of the Act) for cash pursuant to the authority conferred by Resolution 7 above as if sub-Section (1) of the said Section 23 did not apply to any such allotment provided that this power shall be limited to:

(a) the allotment of equity securities in connection with any offer of securities open for any period fixed by the Directors by way of rights, open offer or otherwise in favour of shareholders holding Ordinary Shares and/or any persons having a right to subscribe for or convert securities into Ordinary Shares in the capital of the Company (including, without limitation, any holders of warrants and/or holders of options under the Company's share option scheme for the time being) and subject to such exclusions or arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of, any recognised body or stock exchange in any territory; and

(b) in addition to the authority conferred by paragraph (a) of this Resolution, the allotment of equity securities up to a maximum aggregate nominal value of €1,452,808.

The powers hereby conferred shall expire on the conclusion of the next Annual General Meeting of the Company following the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require any such securities to be allotted after such expiry and the Directors may allot any such securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Notice of Meeting *continued*

10 That the Articles of Association of the Company be and are hereby amended by the deletion of the existing Regulations 51 and 52 in their entirety and the insertion of the following Regulations 51 and 52 in substitution for and to the exclusion thereof:-

"51 Subject to section 140 of the Act annual general meetings of the Company shall be held at such time and place as the directors shall appoint. Annual general meetings shall not be required to be held within the State.

52 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next."

Dated this 16th day of April 2009

BY ORDER OF THE BOARD

Max V. Williams

Secretary

Registered Office:

6 Northbrook Road, Dublin 6.

Notes

1 A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.

2 Forms of proxy to be valid must be received at the Company's Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not later than 48 hours before the time of the holding of the Meeting.