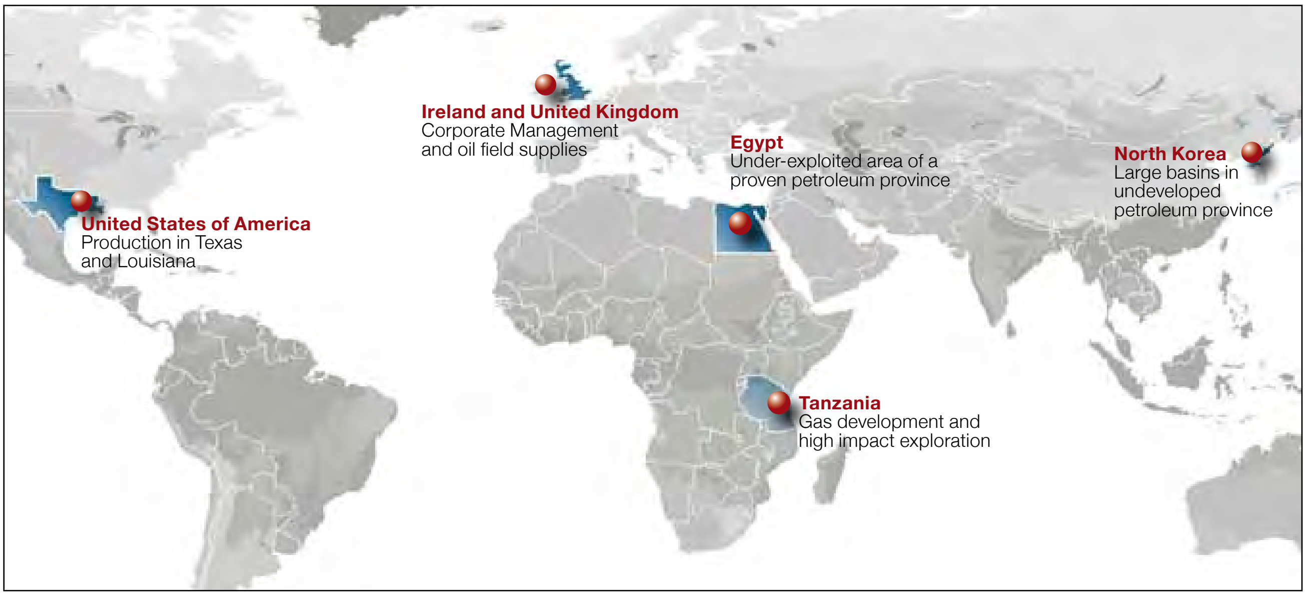
aminex PLC

annual report & accounts 2010

Contents

Aminex at a glance



- The only London fully-listed oil company with a primary focus on East Africa
- Two existing gas discoveries in Tanzania and first production due within 12 months
- Two exploration wells to be drilled in Tanzania this year
- Mature US production with ongoing exploration and development activity
- Simple capital structure with no corporate debt
- Management continuity and an integrated team which is accustomed to working in challenging environments

Dear Shareholder,

I am pleased to send you Aminex's audited annual report and financial statements in respect of the year ended 31 December 2010.

During the year, Aminex drilled three wells; one in Tanzania and two in the USA. The Likonde-1 exploration well confirmed the prospectivity of the onshore Ruvuma basin in Tanzania but did not flow commercial hydrocarbons. At Shoats Creek, Louisiana we drilled the Olympia Minerals-1 well ('OM-1') which successfully tested oil and gas in Cockfield sands and was placed on production mid-year. Subsequently we drilled the Olympia Minerals 10-1 well ('OM10-1') through a joint venture which we formed during the year with El Paso E&P, LP ('El Paso'), a large regional operator. OM10-1 tested five oil and gas intervals in previously unexplored Wilcox sands and was placed on production from three of them in late 2010.

Progress has been made at the Kiliwani North Gas Field in Tanzania, discovered and operated by the Company. Following completion of negotiations between third parties for the expansion of gas facilities at Songo-Songo Island, a Development Licence was applied for in the second half of the year for commercialisation of the field. This licence was granted by the Minister of Energy and Minerals in April 2011, since publication of our preliminary results in March, and paves the way for

Chairman's Statement

construction of facilities and Aminex's first commercial gas production in Tanzania. Energy shortages and recent supply problems in Tanzania underline the country's urgent need for new sources of gas. Kiliwani North's proximity to infrastructure makes it ideal for early commercialisation and this is supported by government.

In Egypt, the three wells already drilled on the WEEM-2 concession, onshore Gulf of Suez, were not commercially successful but provided valuable information for future exploration. Aminex is free-carried on this licence for a 10% beneficial interest through to commercial production, so has no immediate financial exposure.

During the year, we sold 50% of the Company's wholly-owned subsidiary Korex Ltd. to Chosun Energy. Korex holds the rights to Aminex's involvement in the DPRK (North Korea), a highly prospective country for oil and gas but, of course, deeply troubled at present by international political issues. Chosun Energy has assumed the management of Korex, which signed a PSA for exploring the East Sea in the middle of the year. Korex's progress and ability to develop its projects in the DPRK will depend to a very large extent on political developments in the region.

The Company's oilfield service and supply business, AMOSSCO, has traded steadily during the year, serving clients in a number of remote locations as well as supporting Aminex's own operations, including supply and logistics for our upcoming 2011 Tanzanian drilling campaign.

At the Alta Loma Field in Galveston County, Texas, the Sunny Ernst-2 well is being recompleted for production from the 'S' sands at the time of writing. If successful, this recompletion will have a material effect on production. In February this year we published updated independent reports on our US oil and gas reserves. With respect to Shoats Creek, this showed considerably increased proved reserves (1P) as a result of successful drilling in 2010, but a reduced figure for probable reserves (2P) when compared to reports in earlier years. Ongoing work based on new production information and interpretation of 3D seismic by the Company and the reporting engineers has identified additional features to enhance and accelerate production, with the result that the 2P reserves at Shoats Creek have now been restated by the independent engineers, effective 1 April 2011. The most significant changes are due to incremental Cockfield reserves which can be accessed by water-flood and an increase in the net present value of future production as a result of the timing of development drilling. The new reserves are tabulated in this report under the section entitled Additional Information.

Since the year end Aminex has successfully concluded an institutional placing of new shares and an open offer to existing shareholders, together raising over $40 million in new funds (before expenses). This will finance an active drilling programme going forward over the next two years. As a direct consequence of the funding exercise, the Company has now been able to increase its interest in the Nyuni PSA in Tanzania, which includes two gas discoveries, from 50% to 65% and to sign a rig contract for drilling the Nyuni-2 well in Tanzania, to be spudded within the next few weeks. The Nyuni PSA expires this year, being the first PSA in the history of Tanzanian oil and gas exploration to last the full three terms. A new PSA, which will include additional acreage, has been under negotiation for some time and its terms have been agreed since publication of our preliminary results statement in March. The PSA requires certain government formalities to be completed and shareholders will be informed as soon as it has been officially signed by the Minister. A further well is planned in the Ruvuma Basin of Tanzania this year, with partners Tullow Oil and Solo Oil. This must be drilled before the end of the current exploration phase which expires in December 2011. Prospect selection in this large licence area is still in progress, while offshore in the same basin there have recently been intensive deep water drilling campaigns by larger companies, yielding major gas discoveries.

Aminex is the only fully-listed London Stock Exchange oil company with a primary focus on the East African margin, increasingly an area of industry interest. The Company plans to drill two major exploration wells in Tanzania this year. In the first half, Nyuni-2 will be spudded on Nyuni Island to target a large prospect in Neocomian sands, a proven producing formation close by. Later in the year we plan to drill a further well in the onshore Ruvuma Basin with operator Tullow Oil and partner Solo Oil, to follow up the promising but non-commercial Likonde-1 drilled in 2010. With a Development Licence now in place, progress is anticipated on commercialisation of the Kiliwani North gas field and first commercial production is likely within 12 months. In the US, two development wells in Wilcox sands are planned this year at Shoats Creek, through the Aminex-El Paso joint venture. In Egypt on the WEEM-2 PSC, two further wells are planned but timing has yet to be decided.

The Board constantly reviews the Company's strategy and the balance of its operations, seeking out opportunities for the profitable development of the business and encouraged by the outlook in East Africa, where Aminex has been a pioneering explorer for a decade.

The AGM will be held at 11 a.m. on 8 June at the Westbury Hotel, Grafton Street, Dublin 2. Details of the resolutions are set out in the Notice of Meeting and we would be grateful for your support to the resolutions proposed.

We are grateful to the financial institutions who demonstrated their confidence in our projects by subscribing for new shares in the recent placing and, of course, to those existing shareholders who took up the accompanying 'Open Offer' in full. I would like to finish by paying tribute to Aminex's competent and dedicated staff around the world, who worked long and hard during the year to develop our promising projects.

Yours sincerely,

Brian Hall
Chairman

Financial Review

Financing and future operations

In recent years, Aminex has maintained a policy of financing its exploration and production operations through equity and cash flow and as a result remains debt-free, except for low value asset-backed loans in its US operations. During 2010, the Directors applied this strategy when arranging placings under the disapplication authority granted by shareholders and, since the year-end, with a successful placing and over-subscribed open offer, completed in March 2011. The 2011 fundraising amounted to approximately $39 million (net of issue expenses). These funds are to finance Aminex's upcoming capital expenditure programme, including participation in drilling the Nyuni-2 exploration well on the Nyuni PSA in the first half of 2011, a second exploration well on the Ruvuma PSA in the second half of 2011 and the commercialisation of the Kiliwani North gas discovery in Tanzania. In addition, two development wells are planned at Shoats Creek, Louisiana. As a result of the fundraising, Aminex was able, in February 2011, to enter into a farm-in agreement with Key Petroleum Ltd, paying 20% of the Nyuni-2 dry-hole cost in order to earn an additional 15% interest in the Nyuni PSA, including the Kiliwani North gas discovery. This increases Aminex's interest from 50% to 65%.

Aminex's strengthened balance sheet will ensure that the Group can complete its planned high-impact exploration drilling projects and increase its production over the next twelve months.

2010 financial results

The Group benefited from increased oil and gas production in the second half of the year following the successful drilling and completion of the Olympia Minerals-1 and Olympia Minerals 10-1 wells on Shoats Creek, although production overall for the year was lower than for 2009: Oil production decreased year-on-year by 9%. The reduction was primarily attributable to the decline in production from the Upper Andrau zone in the Sunny Ernst-2 well at Alta Loma, as reported at the half-year. However, this reduction has been partially reversed by production from the two new Shoats Creek wells. Somerset contributed 48% of oil sales, Shoats Creek 35%, Alta Loma 16% and South Weslaco and other legacy interests 1%. Gas production fell by 49%, again as a result of lower production from Sunny Ernst-2 but also through the lower production from South Weslaco. The Olympia Minerals 10-1 contributed the first gas sales from the Shoats Creek field. Alta Loma contributed 64% of gas sales, South Weslaco 28% and Shoats Creek and other legacy interests 8%. Average oil and gas prices increased by 38% and 21% respectively in 2010 compared with 2009: the average oil price was $76.46 per barrel (2009: $55.25 per barrel) and the average gas price was $4.74 per mcf (2009: $3.91 per mcf).

Overall, Group revenues fell by 10%, reflecting a 5% increase in oil and gas revenues and a 28% reduction in equipment sales by the oilfield services division, AMOSSCO, from $3.6 million in 2009 to $2.6 million in 2010. The AMOSSCO revenues for 2010 improved strongly in the second half as AMOSSCO expanded its customer base.

Cost of sales of $5.2 million was $200,000 less than in 2009. The decrease represented reduced costs in the oilfield services division arising on the lower revenues offset by increased production costs in the US, mainly arising on the additional wells producing at Shoats Creek. The fall in production has led to a reduction in the depletion and decommissioning charge by 25% to $1.19 million. The Directors have made an impairment provision of $550,000 against the carrying cost of the South Weslaco field: the provision arises on the lower net present value of the South Weslaco field evaluated by independent engineers as at 1 January 2011 compared with the carrying value of the asset.

	6 months ended 30 June 2010	6 months ended 31 December 2010	2010	2009
Oil (BBLS)	16,000	23,000	39,000	42,000
Gas (MCF)	133,000	115,000	248,000	489,000

The gross profit for the Group has fallen from $0.87 million to $0.16 million, mainly as a result of the impairment provision. Before the impairment provision, the gross profit percentage for 2010 was 10%, more in line with the 11% achieved in 2009.

Group administrative expenses increased by 30% from $3.59 million to $4.65 million. The increase of $1.06 million arose mainly as a result of an additional $0.7 million for share-based payment charges, following the grant of options in January 2010, and also because of adverse foreign exchange movements and a reduction in recoverable costs from joint venture partners compared with the previous year.

After depreciation arising on other fixed assets, the loss from operating activities was $4.57 million compared with $2.77 million in 2009.

After taking into account net finance income of $73,000 (2009: net finance costs of $130,000), the resulting loss before tax for the year ended 31 December 2010 was $4.49 million (2009: loss $2.89 million), with basic and diluted loss per share of 1.06 cents (2009: $0.92 cents).

Balance sheet

As a result of drilling three wells during 2010, the Group's total non-current assets increased from $45.8 million to $58.0 million. The movement of $12.2 million comprises a net increase to exploration and evaluation assets of $5.7 million, an increase in property, plant and equipment of $6.3 million and an increase in other investments of $0.2 million.

Aminex's participation in the drilling of the Likonde-1 well on the Ruvuma PSA, together with the associated technical evaluation and general administrative costs, was the main reason for the net increase of $5.7 million in the exploration and evaluation assets. The increase also included

◆ Alta Loma, Texas

expenditure on an independent resources report and work to identify suitable drilling prospects on the Nyuni PSA, ongoing negotiations for the development and commercialisation, including submission of the development licence application, of the Kiliwani North gas discovery and the continuing evaluation work on the West Songo-Songo field carried out by the operator, Key Petroleum. Following the disposal of 50% of the share capital and transfer of day-to-day management of Korex Limited to Chosun Energy Pte. Ltd., Aminex has concluded that the fair value of the remaining investment in Korex of $500,000 should be classified as other investments to reflect its reduced involvement in the project in DPRK.

The increase of $6.3 million in property plant and equipment mainly comprises the cost of the drilling and completion for Olympia Minerals-1 and Olympia Minerals 10-1 and the cost of related production facilities on the Shoats Creek field. These additions, together with an increase in the decommissioning provision, have been offset by the depletion, depreciation and decommissioning charge for the year and the impairment provision against the carrying value of the South Weslaco field. The increase in other investments of $0.2 million relates to the net effect of the reclassification of the DPRK investment from exploration and evaluation assets, the provision against an unlisted investment and the acquisition of an interest in Triton Petroleum as part of the consideration on the part-disposal of Korex Ltd.

As with each reporting period, the Directors have performed an extensive review of the Group's portfolio of assets to determine whether any of the assets have been impaired. The Directors have given particular consideration to the Nyuni PSA which is due to expire in 2011. At the date of publication of the preliminary results statement Aminex advised that it was in advanced negotiations with the Tanzanian authorities for a new Nyuni PSA and a development licence for the Kiliwani North gas field. In the event that either the new Nyuni PSA or the development licence was not granted, a provision would have been necessary against the carrying cost of the Nyuni PSA, either in whole or in part. However the Directors have a reasonable expectation that a new Nyuni PSA will be granted and the Kiliwani North Development Licence was granted in April 2011. The Directors concluded that no additional impairment provision is required against the Group's exploration and evaluation assets. In the US, as part of the impairment review, the Directors have made a provision of $550,000 against the net book cost of the South Weslaco field.

The Group's current assets at 31 December 2010 amounted to $5.0 million (2009: $14.3 million), comprising cash balances of $2.9 million (2009: $11.7 million) and trade and other receivables of $1.7 million (2009: $2.6 million) and assets available for sale of $0.4 million (2009: $nil). Current liabilities increased to $4.4 million compared with $2.7 million in the prior year, the increase being mainly due to capital expenditure payables settled since the year-end. Non-current liabilities have been increased by an amount of $524,000 due mainly to an increase in the decommissioning provision, reflecting a faster campaign to decommission the Somerset field and an increase in the estimated costs to decommission the Shoats Creek field.

Cash movements

The net decrease of $8.8 million in cash and cash equivalents is net of proceeds of $4.3 million from the issue of new share capital, after transaction costs. The net cash outflow from operating activities was $0.4 million (2009: outflow $1.7 million) and capital expenditure outflows were $12.7 million (2009: $7.3 million). The Group also received $93,000 from the disposal of shares and interest received and reduced debt by a net amount of $38,000.

Going concern

The Directors have given careful consideration to the Group's ability to continue as a going concern. The Directors have concluded that, following the placing and open offer completed in March 2011 which raised approximately US$39 million net of transaction costs, the Group has sufficient ongoing operating cash flows to continue as a going concern. The Group's ability to continue to make planned capital expenditure, in particular in its areas of interest in Africa and the USA, can be assisted if necessary by the successful sale of assets, deferral of planned expenditure or an alternative method of raising capital. The Directors have a reasonable expectation that the Group will be able to implement this strategy.

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

◆ Nyuni Island, Tanzania

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 20 to these financial statements.

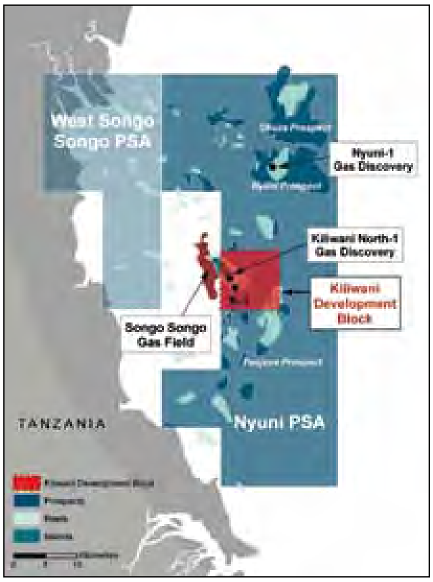
Max Williams
Chief Financial Officer

TANZANIA

Nyuni PSA and Kiliwani North Development Licence

Aminex	65% (operator)
RAK Gas Commission	25%
Key Petroleum	5%
Bounty Oil	5%

An application for a 25 year Development Licence for the Kiliwani North gas field was formally granted by the Tanzanian Ministry of Energy and Minerals in April 2011. The gas reserves in the field will be developed via a 3 kilometre tie-in to the Songas Processing Plant on Songo-Songo Island. Processed gas will then be transported through the export pipeline to Dar es Salaam. Agreements for connection to the facilities and for the processing and transportation of the gas are being negotiated with Songas, the owner of the plant and pipeline. In parallel with this, a memorandum of understanding has been signed with a potential gas buyer and a full gas sales agreement is under negotiation. A second potential gas buyer has signed a Letter of Intent. Preliminary engineering design work is commencing in advance of issuing tenders for the construction, hook-up and commissioning of a pipeline and tie-in facilities for the Kiliwani North field.



The demand for gas in Tanzania is increasing, both for power generation and for industrial use. A new 105 MW power plant is due to be commissioned in early 2012 in Dar es Salaam and plans for other plants are progressing. Expansion of the Songas Processing Plant by the addition of two trains and compression capability is progressing.

In-place gas, categorised as Contingent Resources, for the Kiliwani North field have been evaluated by ISIS Petroleum Consultants (ISIS) and are shown under the section entitled "Additional Information".

Elsewhere in the Nyuni Licence, plans are well advanced for the drilling of the Nyuni-2 exploration well on the Nyuni Prospect. A contract for the Caroil-6 drilling rig was signed recently and material procurement is in progress as well as numerous contracts for the main drilling services. Nyuni-2 will be drilled as a deviated hole from Nyuni Island, with a planned build angle of 29 degrees from vertical to a bottom hole target approximately 1,200 metres to the south-east of Nyuni island. The primary objective of the well is the Neocomian sand reservoir which is the main producing horizon at Aminex's Kiliwani North field and at the neighbouring Songo-Songo field, while the overlying Aptian-Albian sands constitute a secondary objective. These sands were gas-bearing in the Nyuni-1 well in 2004, according to the wireline log evaluation, but operational difficulties prevented testing of the reservoir at the time. On the basis of the gas shows encountered while drilling and the petrophysical evaluation of the Aptian-Albian sands, ISIS attributes "Contingent In-place Resources" to the Aptian-Albian of the Nyuni Prospect. These, together with the "Prospective Resources" attributed to the Neocomian reservoir sands, are tabulated under "Additional Information".

With the Nyuni Licence approaching final expiry in 2011, and with a number of prospects and leads as yet undrilled or fully evaluated, Aminex has negotiated a new PSA with the Tanzanian Government. This new PSA will cover the existing area held under licence with the exception of the Kiliwani North Development Licence area together with four additional blocks to the north.

Underlining its continuing confidence

◆ Deploying hydrophones for Seismic Survey in Sudi Bay in Ruvuma

in the prospectivity of the Nyuni area, Aminex announced in February 2011 that it had reached agreement with Key Petroleum (Key) to farm into its interest in the Nyuni Licence by funding Key's 20% share of the cost of the Nyuni-2 well to earn a further 15% interest in the licence. This results in Aminex holding a 65% interest in the licence, including the Kiliwani North gas field.

The conclusion of a new PSA for Nyuni will allow for continuing exploration in an area where Aminex has built up a significant knowledge base and already made two gas discoveries. With real progress now being achieved on the commercialisation of Kiliwani North gas and with the potential to identify larger gas reserves with the upcoming drilling of the Nyuni-2 well, Aminex is well placed to build a significant position as a gas producer in Tanzania.

TANZANIA

Ruvuma PSA

Tullow Oil	50% (operator)
Aminex	37.5%
Solo Oil Plc	12.5%

Likonde-1, the first of an initial two well programme in Ruvuma, penetrated excellent quality reservoir sands in the Oligocene and Mesozoic with a combined thickness of over 250 metres (820 feet). However, shows of both oil and gas recorded in the well proved to be residual. It was

◆ Kiliwani North, production test

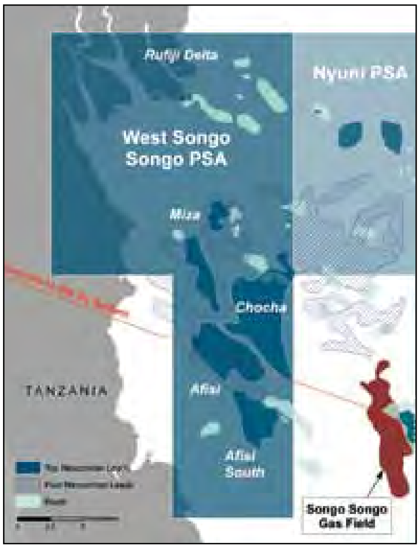
concluded that the Likonde closure had most likely been breached and that migrating hydrocarbons had escaped to surface. The reservoir quality Oligocene sands penetrated in the Likonde-1 well are believed to be of the same Lower Tertiary age, with similar geology, as those encountered in some of the large, gas-bearing reservoirs recently discovered in the offshore Ruvuma Basin, across the border in Mozambique.

With the benefit of the stratigraphic and velocity control gathered from the Likonde-1 well, the existing seismic along the highly prospective trend, on which the well was drilled, was significantly upgraded by reprocessing during 2010. The Ruvuma partners are now evaluating the options for the next well on the block which is scheduled to be drilled in 2011.

The Initial Exploration Period under the PSA has been extended to December 2011 and a further well must be drilled prior to that date.

Following the Company's farmout of a 12.5% interest in the Likonde-1 well to Solo Oil PLC, Solo exercised its option to become a full party to the Ruvuma JOA. The current licence interests are now Tullow Oil (operator) 50%, Aminex 37.5% and Solo Oil 12.5%.

◆ Nyuni Island, Tanzania



TANZANIA

West Songo-Songo PSA

Key Petroleum	50% (operator)
Aminex	50%

The West Songo-Songo PSA area, located between the Songo-Songo gas field and the coast of Tanzania, shares a petroleum system with the Songo-Songo and Nyuni PSA areas to the east. Two main structural prospects have been identified on the block with further stratigraphic potential. These require additional seismic to define drillable prospects. In 2010, operator Key Petroleum reprocessed the existing seismic on West Songo-Songo and updated its interpretation of the existing prospects and leads.

Progress on this PSA continues to be limited, but the resource potential for gas remains high in an area close to the existing production, processing and transportation facilities on Songo-Songo Island. The result of recent work has not fundamentally changed the identification of the main prospects.

Within the Initial Exploration Period of the PSA there is an obligation to drill one well in the first three years.

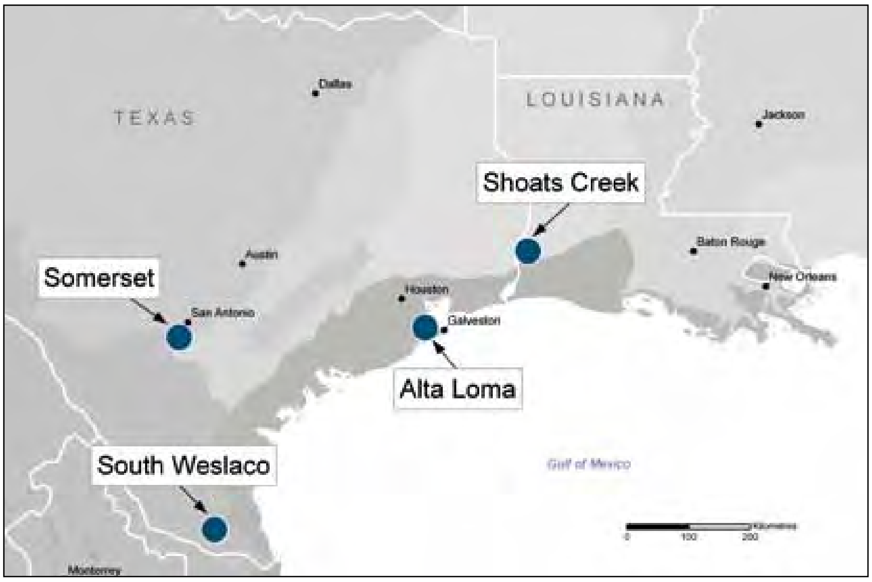
Aminex holds a 50% interest in this PSA which is operated by Key Petroleum.

USA

Shoats Creek Field, Louisiana

Aminex holds leases at Shoats Creek covering approximately 2,100 acres. Shoats Creek is an old field which has been producing for several decades under varying ownership, understanding of which has been greatly enhanced by recent acquisition of 3D seismic which has enabled the property to be fully re-evaluated. Principal oil and gas bearing horizons are the Frio sands at a depth of 5-6,000 feet, multiple zones in the Cockfield sands at 8,500 to 9,500 feet and, deeper than 10,000 feet, potential in the Upper and Lower Wilcox sands. Until the new seismic had been interpreted, the Wilcox sands had been difficult to identify and had not been explored.

In 2010 Aminex successfully drilled a well to test the Cockfield sands, OM-1, which was placed on production last summer at an initial flow rate of 150 BOED. In mid-year, the Company signed a joint venture agreement with its neighbouring leaseholder to the west, El Paso E&P, LP ("El Paso"). This agreement created a unitised area of roughly 1,000 acres, half of which was



contributed from Aminex's acreage and half from El Paso's, with the intention to explore the Wilcox sands below 10,000 feet, each company paying a 50% share of the costs. Shortly afterwards, the joint venture drilled a 12,000 foot well, OM10-1, to test a prospect in Upper Wilcox sands which spanned the acreage of both companies, having been identified on seismic. OM10-1 identified five productive zones, all of which were fracture-treated, and was placed on production from three of them during the 4th quarter, at an initial flow rate of 450 BOED, of which approximately 30% was gas and 70% light grade crude oil. The remaining two zones will ultimately be placed on production as well, but first require installation of enhanced water disposal facilities.

The success of OM10-1 is likely to lead to the drilling of two further wells in the Wilcox sands by the Aminex-El Paso joint venture in 2011. However, production from both OM-1 and OM10-1 has been complex to manage so far and still requires better understanding if it is to be optimised and produced at consistent rates. Although the oil produced is light, commanding a small premium to the WTI marker crude price, it is also waxy and suffers from a high water cut. If produced too fast, there tends to be high water ingress, but if produced slowly, waxing problems occur. Both these problems will be solved over time but production has tended to be subject to frequent technical shutdowns so far.

Alta Loma Field, Texas

Aminex participated in a successful oil and gas well in 2008, Sunny Ernst-2 ('SE-2'). SE-2 has been producing from Upper Andrau sands since inception, but this has now materially declined, adversely affecting Aminex's group revenues. A project to plug off the Upper Andrau formation and recomplete the well in the shallower 'S' sands is in progress at the time of writing. A further well at Alta Loma was originally due to be drilled in late 2010 but is now scheduled for 2012.

Aminex has a 37.5% working interest in Alta Loma and El Paso is operator.

South Weslaco, Texas

South Weslaco produces gas and Aminex has participated in several new wells. Continuous drilling is required in order to hold additional prospects but the net result has been that revenues have tended to be ploughed back into relatively short life wells. Given a weaker overall market for gas, Aminex is not currently planning to participate in any further drilling on South Weslaco, but will continue to enjoy production from the existing wells it has drilled. An impairment provision against the book value of the South Weslaco property has been made in the 2010 financial statements.

Aminex has a 25% interest in this property which is operated by Kaler Energy.

Somerset Field, Texas

Production continues from several hundred stripper wells. Somerset produces oil of a lower quality than WTI and consequently suffers a discount to the WTI price. An accelerated programme of plugging and abandoning old, idle wells is under way.

Aminex has a 100% working interest and is field operator.

Reserves

The Company's oil and gas reserves in the USA are summarised under the section entitled 'Additional Information'. With respect to Shoats Creek, Louisiana, an update by the reporting engineers effective 1 April 2011 has materially changed the figures in an earlier report, published in February, which was effective 1 January 2011. The reports on the other properties have not changed. The earlier report on Shoats Creek showed (1) a material increase in proved (1P) reserves as a consequence of the two successful wells drilled in 2010, but (2) a material decrease in proved and probable reserves (2P) when compared to reports published in earlier years. Ongoing work based on new production information and further interpretation of 3D seismic by both the Company and the reporting engineers has identified additional features to enhance and accelerate production, with the result that the reporting engineers have now restated the Shoats Creek reserves. The most significant changes are due to increased Cockfield reserves which can be accessed by planned water-flood techniques and an increase in the net present value of future production as a result of the timing of proposed development drilling.

◆ Alta Loma, Texas

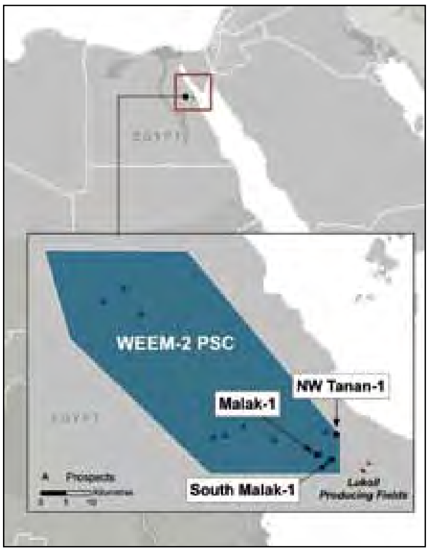
EGYPT

Gulf of Suez – West Esh el Mellaha-2 PSC ("WEEM-2")

Aminex Petroleum (Egypt) Ltd	80%
Karl Thomson Holdings	20%

The potential of this prospective block located along the south-western onshore margins of the oil-prone Gulf of Suez Basin is yet to be realised. Three wells already drilled under the current PSC have proved the presence of a working petroleum system with prospective reservoirs at a number of different horizons, but have not established commercial flow rates. The last well drilled, South Malak-1, was eventually abandoned after testing limited volumes of oil from two reservoir horizons. However, the main target in Nubian sandstones was not present in the well. Given the complexity of faulting and poor conditions for seismic acquisition, characteristic of the Gulf of Suez Basin, geological control from well data is vital in unravelling the geometry and reservoir distribution in the block. The group has entered the second period of the licence with a commitment to drill two further exploration wells.

Aminex has a 12.5% shareholding in Aminex Petroleum (Egypt) Ltd which equates to a 10% interest in the PSC, with a free carry through to first production under a Development Licence.



KOREAN PENINSULA

East Sea

50% Korex Ltd

Aminex participates in exploration of the Korean East Sea through a PSC covering an offshore area of over 55,000 km², through a 50% shareholding in Korex Ltd., management of which is handled by fellow shareholder Chosun Energy of Singapore. Politics on the Korean peninsula are extremely volatile, difficult to follow and hard to predict. Early last year it was possible to be optimistic about political developments but subsequent conflict between the two Koreas has made the environment even more difficult for oil and gas operations and the Board watches the situation closely.

OILFIELD SUPPLY & LOGISTICS

AMOSSCO (Aminex Oilfield Services & Supply Company, a wholly-owned subsidiary) provides specialised logistics services to the oil industry from a base in London and sources oilfield equipment and consumables to international oil companies. Typically AMOSSCO procures goods and materials on behalf of its customers from suppliers in many different countries and then consolidates them into packages to meet the needs and delivery times of the customer. During periods when Aminex is operating its own wells, such as at present during preparation for drilling Nyuni-2 in Tanzania, AMOSSCO becomes the Group's in-house supply department.

Corporate And Social Responsibility

Environmental Policy

Successful environmental management is dependant on recognising, and avoiding or minimising, environmental impacts. Aminex is aware that protection of the environment requires careful planning and commitment from all levels within the Company. Best practice environmental demands a continuing, integrated process through all phases of a project.

Environmental management is a core business requirement for Aminex, essential to long-term success. Aminex complies with all relevant legislative requirements and commitments applicable to its operations and where practical, exceed these requirements. In addition, Aminex is committed to good environmental management and continuous improvement in its performance.

The Company has also committed to membership of various local and regional environmental groups and associations. This allows for up to date information and industry best practices to be readily adopted in all phases of our operations.

Health, Safety and Environment Policy

Aminex values the safety and health of all our employees, contractors and the wider community in which it operates.

As standard practise, the Company:

- does not compromise on safety;
- complies with legislative requirements;
- identifies, assesses and manages environmental health and safety hazards, risks and impacts;
- promotes continous improvement practices within all aspects of the business
- minimises workplace exposure to hazards
- understands and works to meet the expectations of the community and provides appropriate training to employees and contractors to ensure occupation, health and safety responsibilities are understood.

Community

Aminex believes that continuous improvement in the areas of Environment, Community and Safety is fundamental to ongoing sustainability and success. It's relationship with employees, neighbours and the wider community is important to the long term success and sustainability of its operations.

The Company's good reputation as a worthy corporate citizen has been achieved by:

- working closely with neighbours and co-owners of the land;
- supporting the community though sponsorship and resources;
- providing public information about environmental, community, health and safety aspects of the business; and
- encouraging the services of local suppliers where possible

Aminex has strived to foster a lasting and tangible relationship with the local communities and stakeholder groups, and is aware that in addition to regulatory operating approvals, the Company also requires a community acceptance to operate, and that acceptance has to be earned.

Aminex is committed to working in an effective and collaborative manner with local communities that co-exist with our operations.

To achieve this Aminex has and will continue to:

- establish and maintain positive and meaningful communication with all affected groups;
- consult with the people whose land may be affected by our activities;
- engage with relevant groups on various community projects; and

Aminex has strict anti-bribery procedures and policies in place and ensures that its employees observe these at all times in carrying out the Company's business.

Aminex supports local community initiatives where possible. The Company is a major supporter of the WA Surgical Mission (www.asanterafiki.com) and the Australia Tanzania Young Ambassadors (www.youngambassadors.com.au). In Tanzania Aminex directly contributes to the local community by supporting the drilling of water wells and helping to maintain and improve schools and hospitals. In the UK, Aminex is a corporate sponsor of the London Children's Safety Education Foundation (http://www.csef.net/) and of U can do IT, an information technology charity for disabled people.

Aminex is a corporate sponsor of Asia House, which promotes business and cultural links with Asian countries.

Board of Directors

Brian Hall, (65) (UK)

Chairman

Brian Hall has managed the Company since 1991, leading it into Russia 1n 1994 and successfully exiting its main Russian project on a profitable basis in 2001. In the 1970s he was a member of the team which developed Argyll, the UK North Sea's first producing oilfield, since which he has worked continuously in the international oil industry. Under his management Aminex has worked in Russia, the USA, Tanzania, Kenya, Egypt, Madagascar, Tunisia and Pakistan. He has served on the boards of four publicly-traded oil companies and has held executive roles in several others. He is a Chartered Accountant and was a co-founder of Halyard Offshore, an offshore industry consulting company.

Didier Murcia, (48) (Australia)

Executive Director,
Chief Operating Officer

Didier Murcia is an Australian solicitor 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. Didier 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. He was appointed an executive director in January 2004 and is managing Director of Ndovu Resources Ltd., the Company's Tanzanian operating subsidiary.

Antonio Prado, (65) (USA)

Executive Director,
President, Aminex USA, Inc.

Tony Prado has been associated with companies which are now within the Aminex group since 1984 and joined Aminex full-time in 1994 as president of the group's US subsidiaries. He has full 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 held a number of management roles in other US oil and gas companies. Tony Prado holds an MBA from the University of Arizona and became a Director of Aminex in 1996.

Michael Rego, (50) (UK)

Group Exploration Director

Mike Rego is a Petroleum Geologist. He joined Aminex in 1998 as Resident Manager in Tatarstan (Russia), becoming Group Exploration Manager in 2001 and Group Exploration Director in 2006. He has previously worked for BP, LASMO and other oil companies and has lived and worked in Russia, Libya, Egypt and USA as well as in the United Kingdom. He leads the Company's exploration effort in East Africa. Mike Rego is well known in the oil industry for his work on the East African Margin. He is a geology graduate from the University of Swansea, UK.

David Hooker, (68) (UK)

Senior Non-Executive Director *#

David Hooker has managed several oil and gas exploration and production companies, including Candecca Resources Ltd, Plascom Ltd. (a subsidiary of Tarmac plc) and Aberdeen Petroleum plc. From 1993 to 1995 he was Chairman of Bakyrchic Gold plc. He is a non-executive director of Oceaneering International Inc, a US corporation, and various other companies. David Hooker was appointed a Director of Aminex in June 2001. He is a graduate of Cambridge University and holds degrees in law and geology.

Derek Tughan, (69) (UK)

Non-Executive Director *#

Derek Tughan is a solicitor and 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 as well as Chairman of two long established charitable housing associations in Northern Ireland. He joined the Board of Aminex in March 1991 and served as Chairman from June 2006 until June 2007.

Andrew Hay, (59) (UK)

Non-Executive Director *#

Andrew 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. Andrew Hay has been advising Aminex since 2002 and was appointed a Director in April 2007.

Keith Phair, (56) (UK)

Non-Executive Director *#

Keith Phair has spent the majority of his career with major international banks, with senior global product management positions in capital markets. He holds a MBA from The London Business School and has acted as a capital markets consultant to major companies and pension funds, also advising on strategic issues. He has been an active and engaged investor in various oil and gas exploration companies for many years. He was appointed a Director in October 2009.

* 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 2010.

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 13 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 25, the Group loss after tax amounted to US$4,495,000 which compares with a loss after tax of US$2,895,000 for 2009. 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. At 31 December 2010 the Company's authorised share capital was €45,000,000 comprising 750,000,000 Ordinary Shares of €0.06 each. At 31 December 2010, the number of shares in issue was 454,006,961 (2009: 412,732,570). Details of increases in issued share capital during the year, amounting to 41,274,391 Ordinary Shares, are set out in Note 21 to the financial statements.

At an Extraordinary General Meeting held on 25 February 2011, shareholders approved the increase in the authorised share capital by €9,000,000 to €54,000,000 comprising 900,000,000 Ordinary Shares of €0.06 each. At the same meeting, shareholders approved the Placing of 250,000,000 Ordinary Shares of €0.06 each and an Open Offer under which a further 75,667,727 Ordinary Shares of €0.06 each were issued. At the date of this report, the number of shares in issue was 779,674,688.

Resolutions have been proposed to renew the Directors' authority to allot share capital and to increase the authorised share capital of the Company 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 15 to 16.

Directors and their interests

Biographies of all Directors are set out on page 12. In accordance with the Articles of Association, Mr. Murcia, Mr. Rego and Mr. Hay retire from the Board and being eligible offer themselves for re-election.

With the exception of the transactions stated in Note 27 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 2010 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		
	15 April 2011	31 December 2010	31 December 2009	15 April 2011	31 December 2010	31 December 2009
B.A. Hall	4,674,295	4,000,000	3,450,096	-	-	600,304
A.N.J. Hay	-	-	-	-	-	-
D.S. Hooker	519,215	453,375	453,375	-	-	23,958
D.M. Murcia	1,503,139	1,503,139	1,503,139	-	-	4,388
K.J. Phair	1,664,422	1,200,000	1,005,079	-	-	-
A.G. Prado	160,498	160,498	160,498	-	-	-
M.C.P. Rego	108,471	101,277	101,277	-	-	4,388
F.D. Tughan	3,842,698	3,280,203	3,280,203	-	-	148,777

At 15 April 2011 Mr. M.V. Williams, the Company Secretary, has an interest in 273,973 Ordinary Shares of the Company. At 31 December 2010 Mr Williams had an interest in 200,000 Ordinary Shares of the Company (2009: 200,000). At 31 December 2010 he had no interest in warrants (2009: 8,333) and holds 1,900,000 options over the Ordinary Share capital of the Company (2009: 940,000).

Details of the Directors' share options are set out in the Remuneration Report on pages 20 to 21.

Substantial shareholdings in the Company

As of the date of this report, the following was a holder of 3% or more of the Company's issued Ordinary Share capital:

	number of shares	per cent
Rickerbys Nominees Limited	25,799,300	3.31

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 6. 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 2011 are set out in the Chairman's Statement on pages 2 to 3 and in the Operations and Business Review on pages 7 to 10.

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.

Corporate Government Statement
The Corporate Governance Statement on pages 17 to 19 forms part of the Directors' Report.

Post-Balance sheet events
On 4 February 2011 the Company acquired an additional 15% working interest from Key Petroleum Limited in the Nyuni East Songo-Songo Production Sharing Agreement offshore Tanzania. The Company acquired the additional 15% through undertaking to pay 20% of the costs of drilling the Nyuni-2 well, due to be spudded later in April this year.

At an Extraordinary General Meeting held on 25 February 2011, shareholders approved the increase in the authorised share capital by €9,000,000 to €54,000,000 comprising 900,000,000 Ordinary Shares of €0.06 each. At the same meeting the Company raised proceeds of US$29.5 million following a placing of 250 million new Ordinary Shares of nominal value €0.06 each at 8 pence per Ordinary Share.

On 14 March 2011 the Company raised additional proceeds of US$9.5 million on the completion of an Open Offer the terms of which permitted existing shareholders to subscribe for one share for every six shares held. The Company issued 75,667,727 new Ordinary Shares of nominal value €0.06 each at 8 pence per Ordinary Share under the Open Offer.

In April 2011, the Company was granted the Kiliwani North Development Licence by the Government of Tanzania for a period of 25 years and was also granted a six month extension to the Nyuni PSA.

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, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

B.A. Hall
Director

M.C.P. Rego
Director 15 April 2011

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.

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.

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. 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 for 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, three other Executive Directors and four 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 and Mr. D.S. Hooker do not meet the independence criteria of the Combined Code given that they have served on the Board for more than nine years. Nevertheless, the Board considers that Mr. Tughan's and Mr. Hooker's independence is not prejudiced or compromised by their length of service when taken with their experience and knowledge of the Group's business. They remain independent, challenging and valuable contributors to the Board. Brief biographies of the Directors are set out on page 12.

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 previously met at least four times a year. From 2011, The Board plans to hold at least six meetings a year. All Directors are expected to attend these scheduled meetings but other meetings are held in between each scheduled meeting to ensure that Non-Executive Directors are kept informed of corporate developments. Mr. Murcia and Mr. Prado are not expected to attend all meetings in person because of distance. 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. Murcia, Mr. Rego, and Mr. Hay.

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, with Mr. K.J. Phair co-opted to the Committee in June 2010. All members of the Committee 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.

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. An analysis of the fees paid to the external auditor in respect of audit and non-audit work is included in Note 5 of the financial statements. 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 auditor is 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 as appropriate. 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, with Mr. Phair co-opted to the Committee in June 2010. 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

During the year the Nominations Committee comprised all the Directors.

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 2010.

	Board (Main)	Audit Committee	Remuneration Committee
Number of meetings	5	2	1
	Meetings attended	Meetings attended	Meetings attended
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
K.J. Phair	5	1	1
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 2010, 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 and Chief Operating Officer 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.

Preparation and issue of financial reports to shareholders and the markets, including the Consolidated Financial Statements, is overseen by the Audit Committee. The Group's financial reporting process is controlled using documented accounting policies and company management accounts. The process is supported by a Group finance team and a network of finance managers who have responsibility and accountability to provide information in keeping with agreed policies. Aminex's processes support the integrity and quality of data by arrangements for segregation of duties. Each reporting entity's financial information is subject to scrutiny at reporting entity and Group level by senior management. The half-year and annual consolidated reports are also reviewed by the Audit Committee of the Board in advance of being presented to the Board for its review and approval.

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 Group's ability to continue as a going concern. The Directors have concluded that, following the fundraising comprising the Placing and Open Offer completed in March 2011 which raised US$39million net of transaction costs, the Group has sufficient ongoing operating cash flows to continue as a going concern. The Group's ability to continue to make planned capital expenditure, in particular in its areas of interest in Africa and the USA, can be assisted if necessary by the successful sale of assets, deferral of planned expenditure or an alternative method of raising capital. The Directors have a reasonable expectation that the Group will be able to implement this strategy.

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 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 details of Executive Directors' contracts are stated on page 21 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.

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 four 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.

On behalf of the Board

B.A. Hall
Director

M.C.P. Rego
Director 15 April 2011

Directors' Remuneration Report

for the year ended 31 December 2010

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 Committee can draw on independent external advice, where it deems necessary, and consults with the Executive Chairman 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	
	2010 US$'000	2009 US$'000	**2010 US$'000**	2009 US$'000
F.D. Tughan	**31**	31	**15**	-
A.N.J. Hay	**31**	31	**15**	-
D.S. Hooker	**31**	31	**15**	-
K.J. Phair	**31**	7	**15**	-
Total	**124**	100	**60**	-

The remuneration of the Executive Directors was as follows:

	Basic Salary		Benefits in kind		Sub total		Pension		Share based payments		Total	
	2010 US$'000	2009 US$'000	**2010 US$'000**	2009 US$'000	**2010 US$'000**	2009 US$'000	**2010 US$'000**	2009 US$'000	**2010 US$'000**	2009 US$'000	**2010 US$'000**	2009 US$'000
B.A. Hall	**247**	248	**10**	10	**257**	258	**83**	84	**185**	-	**525**	342
A.G. Prado	**213**	204	**14**	8	**227**	212	**27**	27	**130**	-	**384**	239
D.M. Murcia	**257**	205	**5**	7	**262**	212	**27**	29	**148**	-	**437**	241
M.C.P. Rego	**196**	183	**3**	3	**199**	186	**20**	20	**130**	-	**349**	206
Total	**913**	840	**32**	28	**945**	868	**157**	160	**593**	-	**1,695**	1,028

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 2010, there were four Executive Directors (2009: four) and four Non-Executive Directors (2009: four). There was an average number of four Executive Directors and four Non-Executive Directors holding office 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, 2004 and 2009.

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.

The Directors who held office at 31 December 2010 had the following beneficial interests in options over the Company's Ordinary Shares:

Name	Options held at 1 January 2010 Number	Options granted/ (lapsed) during the year Number	Options held at 31 December 2010 Number	Exercise price Sterling	Period of exercise From	To
B.A. Hall	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
	-	2,500,000	2,500,000	Stg8.5p	Jan-10	Jan-20
A.N.J. Hay	200,000	-	200,000	Stg21p	Jul-07	Jul-17
	100,000	-	100,000	Stg22p	May-08	May-18
	-	200,000	200,000	Stg8.5p	Jan-10	Jan-20
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
	-	200,000	200,000	Stg8.5p	Jan-10	Jan-20
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
	-	2,000,000	2,000,000	Stg8.5p	Jan-10	Jan-20
K.J. Phair	-	200,000	200,000	Stg8.5p	Jan-10	Jan-20
A.G. Prado	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
	-	1,750,000	1,750,000	Stg8.5p	Jan-10	Jan-20
M.C.P. Rego	50,000	(50,000)	-	Stg35p	Feb-00	Feb-1
	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
F.D. Tughan	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
	-	200,000	200,000	Stg8.5p	Jan-10	Jan-20
	10,250,000	**8,575,000**	**18,825,000**			

No options were exercised in the year. A total of 225,000 options granted to Directors lapsed during the year. No options were granted during the year below market value. No options have been granted to Directors since the year end and none has lapsed.

The market price of the shares during the year ranged between Stg6.48p/€0.075 and Stg16.61p/€0.188 and at 31 December 2010 was Stg8.43p/€0.100.

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 parent Company financial statements in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts, 1963 to 2009.

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 2009 provide in relation to such financial statements that references in the relevant part of those 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 judgements 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 2009; 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 2009 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 12, 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 2010 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 2009, give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2010; 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

M.C.P. Rego
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 2010 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statements of Cashflows, the Group and Company Statement of Changes in Equity 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 22.

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 2009, and in the case of the Group financial statements, Article 4 of the IAS Regulation. We also report to you in our opinion 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 are required by law to report to you as to whether the description of the main features of the internal control and risk management systems in relation to the process for preparing the consolidated Group financial statements, set out in the annual Corporate Governance statement, is consistent with the consolidated financial statements. In addition, we review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2008 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 2010 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 2009, of the state of the Company's affairs as at 31 December 2010;
- the Group financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and Article 4 of the IAS Regulation; and
- the Company financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

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 and the description in the annual Corporate Governance statement of the main features of the internal control and risk management systems in relation to the process for preparing the consolidated Group financial statements is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet on page 26 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 2010 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
15 April 2011

Group Income Statement

for the year ended 31 December 2010

	Notes	2010 US$'000	2010 US$'000	2009 US$'000	2009 US$'000
Revenue	2		**7,081**		7,848
Cost of sales		**(5,174)**		(5,387)	
Depletion, depreciation and decommissioning of oil and gas interests	12	**(1,194)**		(1,590)	
Impairment provision against producing assets	12	**(550)**		-	
Total cost of sales			**(6,918)**		(6,977)
Gross profit			**163**		871
Administrative expenses		**(4,652)**		(3,586)	
Depreciation of other assets	12	**(79)**		(50)	
			(4,731)		(3,636)
Loss from operating activities			**(4,568)**		(2,765)
Gain on disposal of exploration asset	6		**238**		-
Finance income	7		**3**		7
Finance costs	8		**(168)**		(137)
Loss before tax	5		**(4,495)**		(2,895)
Income tax expense	9		**-**		-
Loss for the financial year attributable to equity holders of the Company			**(4,495)**		(2,895)
Basic and diluted loss per Ordinary Share (in US cents)	10		**(1.06)**		(0.92)

Group Statement of Comprehensive Income

for the year ended 31 December 2010

	2010 US$'000	2009 US$'000
Loss for the financial year	**(4,495)**	(2,895)
Other comprehensive income:		
Currency translation differences	**(40)**	235
Net change in fair value of available for sale financial asset	**(22)**	-
Total comprehensive income for the year attributable to the equity holders of the Company	**(4,557)**	(2,660)

On behalf of the Board

B.A. Hall
Director

M.C.P. Rego
Director

15 April 2011

Group and Company Balance Sheets

at 31 December 2010

	Notes	Group 2010 US$'000	Group 2009 US$'000	Company 2010 US$'000	Company 2009 US$'000
ASSETS					
Exploration and evaluation assets	11	**39,404**	33,682	**-**	-
Property, plant and equipment	12	**18,048**	11,718	**-**	-
Investments in subsidiary undertakings	13	**-**	-	**6,976**	6,980
Loans to subsidiary undertakings	14	**-**	-	**40,858**	35,520
Other investments	13	**532**	374	**532**	374
Total non-current assets		**57,984**	45,774	**48,366**	42,874
Available for sale financial asset	13	**356**	-	**356**	-
Trade and other receivables	15	**1,715**	2,628	**21**	37
Loans to subsidiary and joint venture undertakings	14	**-**	-	**18,901**	14,551
Cash and cash equivalents	16	**2,905**	11,689	**1,073**	8,843
Total current assets		**4,976**	14,317	**20,351**	23,431
Total assets		**62,960**	60,091	**68,717**	66,305
LIABILITIES					
Current liabilities					
Loans and borrowings	19	**(53)**	(64)	**-**	-
Trade and other payables	17	**(4,128)**	(2,515)	**(167)**	(102)
Decommissioning provision	18	**(206)**	(109)	**-**	-
Total current liabilities		**(4,387)**	(2,688)	**(167)**	(102)
Non-current liabilities					
Loans and borrowings	19	**(44)**	(71)	**-**	-
Decommissioning provision	18	**(2,116)**	(1,565)	**-**	-
Total non-current liabilities		**(2,160)**	(1,636)	**-**	-
Total liabilities		**(6,547)**	(4,324)	**(167)**	(102)
NET ASSETS		**56,413**	55,767	**68,550**	66,203
Equity					
Issued capital	21	**35,611**	32,399	**35,611**	32,399
Share premium		**67,228**	60,463	**67,228**	60,463
Capital conversion reserve fund		**234**	234	**234**	234
Share option reserve		**3,620**	2,729	**3,620**	2,729
Share warrant reserve		**-**	5,665	**-**	5,665
Fair value reserve		**(22)**	-	**(22)**	-
Foreign currency translation reserve		**(659)**	(619)	**-**	-
Retained earnings		**(49,599)**	(45,104)	**(38,121)**	(35,287)
TOTAL EQUITY		**56,413**	55,767	**68,550**	66,203

On behalf of the Board

B.A. Hall
Director

M.C.P. Rego
Director

15 April 2011

Group Statement of Changes in Equity

for the year ended 31 December 2010

	Attributable to equity shareholders of the Company								
	Share capital US$'000	Share premium US$'000	Capital conversion reserve fund US$'000	Share option reserve US$'000	Share warrant reserve US$'000	Fair value reserve US$'000	Foreign currency translation reserve US$'000	Retained earnings US$'000	Total US$'000
Transactions with shareholders recognised directly in equity									
At 1 January 2009	17,844	59,768	234	2,538	5,665	-	(854)	(42,209)	42,986
Shares issued	14,555	695	-	-	-	-	-	-	15,250
Share based payment charge	-	-	-	191	-	-	-	-	191
Comprehensive income:									
Currency translation differences	-	-	-	-	-	-	(235)	-	(235)
Loss for the financial year	-	-	-	-	-	-	-	(2,895)	(2,895)
Transactions with shareholders recognised directly in equity									
At 1 January 2010	32,399	60,463	234	2,729	5,665	-	(619)	(45,104)	55,767
Shares issued	3,212	1,100	-	-	-	-	-	-	4,312
Share based payment charge	-	-	-	-	891	-	-	-	891
Released on exercise/(lapsing) of share warrants	-	5,665	-	-	(5,665)	-	-	-	-
Comprehensive income:									
Currency translation differences	-	-	-	-	-	-	(40)	-	(40)
Loss for the financial year	-	-	-	-	-	-	-	(4,495)	(4,495)
Net change in fair value of available for sale financial asset	-	-	-	-	-	(22)	-	-	(22)
At 31 December 2010	**35,611**	**67,228**	**234**	**3,620**	**-**	**(22)**	**(659)**	**(49,599)**	**56,413**

Company Statement of Changes in Equity

for the year ended 31 December 2010

	Attributable to equity shareholders of the Company							
	Share capital US$'000	Share premium US$'000	Capital conversion reserve fund US$'000	Share option reserve US$'000	Share warrant reserve US$'000	Fair value reserve US$'000	Retained earnings US$'000	Total US$'000
Transactions with shareholders recognised directly in equity								
At 1 January 2009	17,844	59,768	234	2,538	5,665	-	(32,519)	53,530
Shares issued	14,555	695	-	-	-	-	-	15,250
Share based payment charge	-	-	-	191	-	-	-	191
Comprehensive income:								
Loss for the financial year	-	-	-	-	-	-	(2,768)	(2,768)
Transactions with shareholders recognised directly in equity								
At 1 January 2010	32,399	60,463	234	2,729	5,665	-	(35,287)	66,203
Shares issued	3,212	1,100	-	-	-	-	-	4,312
Share based payment charge	-	-	-	891	-	-	-	891
Released on exercise/(lapsing) of share warrants	-	5,665	-	-	(5,665)	-	-	-
Comprehensive income:								
Loss for the financial year	-	-	-	-	-	-	(2,834)	(2,834)
Net change in fair value of available for sale financial asset	-	-	-	-	-	(22)	-	(22)
At 31 December 2010	**35,611**	**67,228**	**234**	**3,620**	**-**	**(22)**	**(38,121)**	**68,550**

Group and Company Statements of Cashflows

for the year ended 31 December 2010

	Notes	Group 2010 US$'000	Group 2009 US$'000	Company 2010 US$'000	Company 2009 US$'000
Operating activities					
Loss for the financial year		**(4,495)**	(2,895)	**(2,834)**	(2,768)
Depletion, depreciation and decommissioning		**1,273**	1,640	**-**	-
Impairment provision against producing assets		**550**	-	**-**	-
Foreign exchange (gains)/losses		**(41)**	215	**-**	(8)
Finance income		**(3)**	(7)	**(3)**	-
Finance costs		**168**	137	**-**	-
Gain on disposal of exploration and evaluation assets		**(238)**	-	**(234)**	-
Gain on sale of financial investment		**-**	20	**-**	20
Impairment provision against intercompany loans		**-**	-	**2,489**	2,450
Equity-settled share-based payment charge		**891**	191	**59**	-
Decrease in inventory		**-**	385	**-**	-
Decrease in trade and other receivables		**913**	1,282	**16**	22
Increase/(decrease) in trade and other payables		**721**	(2,635)	**65**	(85)
Net cash absorbed by operations		**(261)**	(1,667)	**(442)**	(369)
Cost of decommissioning		**(135)**	-	**-**	-
Interest paid		**(11)**	(13)	**-**	-
Net cash outflows from operating activities		**(407)**	(1,680)	**(442)**	(369)
Investing activities					
Acquisition of property, plant and equipment		**(5,789)**	(1,360)	**-**	-
Expenditure on exploration and evaluation assets		**(6,955)**	(5,918)	**-**	-
Increase in intercompany loans		**-**	-	**(11,733)**	(8,884)
Contribution from Ruvuma farm-in partner		**-**	1,250	**-**	-
Proceeds from sale of assets available for sale		**90**	-	**90**	-
Proceeds from sale of financial investments		**-**	91	**-**	91
Interest received		**3**	7	**3**	7
Net cash outflows from investing activities		**(12,651)**	(5,930)	**(11,640)**	(8,786)
Financing activities					
Proceeds from the issue of share capital		**4,647**	16,920	**4,647**	16,920
Payment of transaction costs on issue of share capital		**(335)**	(1,670)	**(335)**	(1,670)
Loans repaid		**(70)**	(61)	**-**	-
Loans received		**32**	13	**-**	-
Net cash inflows from financing activities		**4,274**	15,202	**4,312**	15,250
Net (decrease)/increase in cash and cash equivalents		**(8,784)**	7,592	**(7,770)**	6,095
Cash and cash equivalents at 1 January		**11,689**	4,097	**8,843**	2,748
Cash and cash equivalents at 31 December	15	**2,905**	11,689	**1,073**	8,843

Notes Forming Part of the Financial Statements

for the year ended 31 December 2010

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 2010 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, following the placing and open offer completed in March 2011 which raised US$39 million net of transaction costs, the Group has sufficient ongoing operating cash flows to continue as a going concern. The Group's ability to continue to make planned capital expenditure, in particular in its areas of interest in Africa and the USA, can be assisted if necessary by the successful sale of assets, deferral of planned expenditure or an alternative method of raising capital. The Directors have a reasonable expectation that the Group will be able to implement this strategy.

The Financial Statements are presented in US dollars, rounded to the nearest thousand (US$'000) except when otherwise indicated. The Financial Statements are prepared on a historical cost basis except for share options which are measured at the fair value on the date of grant and available for sale financial assets which are held at fair value. The preparation of Financial Statements requires management to use judgments, 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, except as otherwise stated below.

The Financial Statements were approved for issuance by the Board on 15 April 2011.

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 2009 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.

i) New accounting standards and interpretations adopted

From 1 January 2010, the Group applied IFRS 3 "Business Combinations (2008)" and IAS 27 "Consolidated and Separate Financial Statements (2008)" in accounting for business combinations and the accounting for controlling and non-controlling interests. The change in accounting policy has been applied prospectively.

ii) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing the financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group.

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 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 statutory individual financial statements of subsidiary companies have been prepared 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.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

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 managed on an individual basis. 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 Group 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 by the Company 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 unwinding of the discount on the decommissioning 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.

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 current tax expense and deferred tax expense.

Tax currently payable is based on taxable profit for the year and any adjustments to tax payable in respect of previous years.

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 in other comprehensive income directly in equity.

Deferred tax is provided, using the liability method, on all temporary 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 based on laws that have been enacted or substantially enacted at the balance sheet date.

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 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 recognised in other comprehensive income 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 assets and liabilities (including goodwill and fair value adjustments) 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. Proceeds from the issue of share capital are recognised at the prevailing exchange rate on the date that the Board of Directors ratifies such issuance, any foreign exchange movement arising between the date of issue and the date of receipt of funds is charged or credited to the income statement.

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	**2010**	2009	**2010**	2009
Pound sterling	**0.6474**	0.6408	**0.6387**	0.6193
Australian dollar	**1.0896**	1.2795	**0.9755**	1.1121

On loss of control of a foreign operation, 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 to IFRSs of 1 January 2004 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.

Exploration and 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 (stated at cost)

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, the entire carrying amount of related assets 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. The carrying amounts of 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. Where non-cash consideration is received, for instance where the Group enters an asset swap agreement, the fair value of the asset disposed of represents the consideration. 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 carrying amounts of the assets disposed of.

Depletion

The Group depletes capitalised costs together with anticipated future development costs calculated at price levels ruling at the balance sheet date 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.

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 at each reporting date for indicators of impairment and tested for impairment where such indicators exist. If the test indicates that the carrying value might not be recoverable the asset is written down to its recoverable amount. Any such impairment arising is recognised in the income statement for the year. 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 inflows 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 the 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. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated asset.

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	25-50 years
Plant and equipment	3-5 years
Motor vehicles	5 years

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 generating 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 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. 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 as the fair value of consideration transferred; plus the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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 in other comprehensive income. The fair value of investments is their quoted market price at the balance sheet date. When fair values for investments cannot be measured reliably, 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. It is probable that an outflow of economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of 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 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

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

2 Segmental Information

The Group considers that its operating segments consist of (i) Producing Oil and Gas Properties, (ii) Exploration Activities and (iii) Oilfield Services and Supplies. These segments are those that are reviewed regularly by the Executive Chairman (Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. However it further analyses these by region for information purposes. Segment results include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses, cash balances and certain other items.

Segmental revenue – continuing operations

	Producing oil and gas properties USA		Provision of oilfield goods and services Europe		Total	
	2010 US$'000	2009 US$'000	**2010 US$'000**	2009 US$'000	**2010 US$'000**	2009 US$'000
Country of destination						
America	**4,456**	4,247	**1,366**	109	**5,822**	4,356
Africa	**-**	-	**858**	505	**858**	505
Asia	**-**	-	**141**	2,714	**141**	2,714
Europe	**-**	-	**260**	273	**260**	273
Revenue	**4,456**	4,247	**2,625**	3,601	**7,081**	7,848

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

	2010 US$'000	2009 US$'000
Segment profit/(loss) for the financial year		
US – producing assets	**(984)**	(317)
Africa and Asia – exploration assets	**(997)**	(550)
Europe – oilfield services and supplies assets	**(37)**	170
Europe – Group costs (*)	**(2,477)**	(2,198)
Total Group net loss for the financial year	**(4,495)**	(2,895)
Segment assets		
US – producing assets	**19,448**	12,572
Africa and Asia – exploration assets	**40,544**	36,669
Europe – oilfield services and supplies assets	**631**	1,013
Europe – Group assets (**)	**2,337**	9,837
Total assets	**62,960**	60,091

* Group costs primarily comprise salary and related costs.
** Group assets primarily comprise cash and working capital.

	2010 US$'000	2009 US$'000
Segment liabilities		
US – producing assets	**(4,809)**	(2,296)
Africa and Asia – exploration assets	**(1,170)**	(1,080)
Europe – oilfield services and supplies	**(164)**	(476)
Europe – Group activities	**(404)**	(472)
Total liabilities	**(6,547)**	(4,324)
Capital expenditure		
US – producing assets	**7,463**	945
Africa and Asia – exploration assets	**6,156**	5,663
Europe – Group assets	**18**	8
Total capital expenditure	**13,637**	6,616

Other non-cash items:		
US: depletion and decommissioning charge	**1,194**	1,590
US: Impairment charge against producing assets	**550**	-
Europe: depreciation – Group assets	**79**	50
Europe: impairment charge against other investments held	**374**	-
Europe: loss on disposal of other investments	**-**	20
Europe: fair value adjustment against current asset investments	**22**	-

3 Employment

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

	2010 US$'000	2009 US$'000
Salaries and wages	**2,474**	2,543
Social security costs	**278**	296
Other pension costs	**298**	308
Share based payment charge	**891**	191
	3,941	3,338
Employment costs capitalised	**(264)**	(341)
Employment costs charged against the Group operating loss	**3,677**	2,997

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:

	2010 Number	2009 Number
Europe	**14**	14
USA	**19**	17
Tanzania	**8**	8
	41	39

Average numbers of employees in USA operations include 15 (2009:15) relating to production activities.

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

	2010 US$'000	2009 US$'000
Share based payment charge	**59**	-

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 20 to 21.

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 granted to employees generally vest if employees remain in service for 3 years from the date of grant. Directors' options vest immediately. All options are equity settled.

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

	2010 US$'000	2009 US$'000
Share based payment charge on vesting of share options	**891**	191

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

Date of grant	15 December 2010	4 January 2010
Contractual life	10 years	10 years
Exercise price*	Stg 9p	Stg 8.5p
Number of options granted (immediate vesting)	-	8,800,000
Number of options granted (vesting period of 3 years)	250,000	3,450,000
Expected volatility	70%	70%
Vesting conditions – immediate	-	-
Vesting conditions – vesting period	36 months service	36 months service
Fair value per option – immediate	-	Stg 4.6p
Fair value per option – vesting period	Stg 6.2p	Stg 6.2p
Expected dividend yield	-	-
Risk-free rate	3.5 %	3.5%

*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 1 January 2010	15,625,000	Stg21.39p
Exercised	-	-
Granted	12,500,000	Stg8.51p
Expired and forfeited	(410,000)	Stg35p
Outstanding at 31 December 2010	27,715,000	Stg15.82p
Exercisable at 31 December 2010	23,465,000	Stg16.5p

On 31 December 2010, there were options over 27,715,000 (2009: 15,625,000) Ordinary Shares outstanding which are exercisable at prices ranging from Stg8.5 pence to Stg29.75 pence per share and which expire at various dates up to 15 December 2020. The weighted average remaining contractual life of the options outstanding is 7.37 years.

5 Loss before tax

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

	2010 US$'000	2009 US$'000
Depletion, depreciation and decommissioning on oil and gas interests	**1,194**	1,590
Depreciation of other property, plant and equipment	**79**	50
Impairment provision against producing assets	**550**	-
Auditor's remuneration – audit	**100**	104
Auditor's remuneration – tax advisory services	**12**	13
Auditor's remuneration – other non audit services	**10**	61
Loss on disposal of unlisted investment	**-**	20
Provision against other investments	**374**	395
Operating lease payments land and buildings	**184**	182

6 Gain on disposal of exploration asset

During the period the Group disposed of 50% of its 100% shareholding in the wholly owned subsidiary, Korex Limited which holds exploration rights in the Korean East Sea. The interest was sold for a consideration of US$500,000 and the profit on disposal amounted to US$306,000. In line with IAS 27, the remaining investment of Korex Limited was adjusted to its fair value at the date of the change in control which resulted in an additional revaluation of US$306,000. In conjunction with this transaction the Directors have concluded that the investment in Kobril Limited, a related Korean financial asset, of US$374,000 is impaired and have therefore made full provision against this balance. The total impact on the income statement from the disposal is set out below:

	2010 US$'000
Proceeds from disposal of shares in Korex Limited	**500**
Fair value of interest retained in Korex Limited	**500**
Amounts written off exploration and evaluation assets	**(388)**
Gain on disposal of 50% shareholding	**612**
Impairment of investment in Kobril Limited	**(374)**
Gain on disposal of exploration asset	**238**

7 Finance income

	2010 US$'000	2009 US$'000
Deposit interest income	**3**	7

8 Finance costs

	2010 US$'000	2009 US$'000
Other finance costs – decommissioning provision interest charge (see Note 18)	**157**	124
Bank loans	**1**	1
Other finance charges	**10**	12
	168	137

9 Income tax expense

The components of the income tax expense for the years ended 31 December 2010 and 2009 were as follows:

	2010 US$'000	2009 US$'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 benefit is as follows:

	2010 US$'000	2009 US$'000
Loss before tax	**(4,495)**	(2,895)
Irish standard tax rate	**12.5%**	12.5%
Taxes at the Irish standard rate	**(562)**	(362)
Expenses not deductible for tax purposes	**467**	262
Unutilised losses and income taxed at different rates in foreign jurisdictions	**95**	100
	-	-

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.

	2010 US$'000	2009 US$'000
Net operating losses	**10,725**	11,679

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

	Ireland 2010 US$'000	**US 2010 US$'000**	**UK 2010 US$'000**	**ROW 2010 US$'000**	**Total 2010 US$'000**
One year	-	49	-	-	49
Two years	-	203	-	-	203
Three years	-	1,019	-	-	1,019
Four years	-	-	-	-	-
Five years	-	-	-	-	-
More than five years	2,898	10,729	12,802	9,422	35,851
Total	**2,898**	**12,000**	**12,802**	**9,422**	**37,122**

	Ireland 2009 US$'000	**US 2009 US$'000**	**UK 2009 US$'000**	**ROW 2009 US$'000**	**Total 2009 US$'000**
One year	-	1,016	-	-	1,016
Two years	-	49	-	-	49
Three years	-	203	-	-	203
Four years	-	1,019	-	-	1,019
Five years	-	-	-	-	-
More than five years	2,696	9,219	16,800	8,335	37,050
Total	**2,696**	**11,506**	**16,800**	**8,335**	**39,337**

At 31 December 2010, the US subsidiary undertaking had net operating losses available to be carried forward for income tax purposes of approximately US$12 million (2009: US$11.5 million). The net operating losses will expire from 31 December 2010 through to 31 December 2025.

At 31 December 2010, 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$2.9 million, US$12.8 million and US$9.4 million respectively (2009: Ireland US$2.7 million, UK US$16.8 million, Australia US$8.3 million). These losses can be carried forward indefinitely but may only be offset against taxable profits earned from the same trade or trades.

10 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 loss per share for the years ended 31 December 2010 and 2009 are as follows:

	2010	2009
Loss for the financial year (US$'000)	**(4,495)**	(2,895)
Weighted average number of Ordinary Shares ('000)	**425,738**	315,176
Basic and diluted loss per Ordinary Share (US cents)	**(1.06)**	(0.92)

There is no difference between the basic loss per Ordinary Share and the diluted loss per Ordinary Share for the years ended 31 December 2010 and 2009 as all potentially dilutive Ordinary Shares outstanding are anti-dilutive. There were 27,715,000 (2009: 15,625,000) anti-dilutive share options and no anti-dilutive share warrants in issue as at 31 December 2010 (2009: 36,423,689).

11 Exploration and evaluation assets

Group

	Tanzania US$'000	Kenya US$'000	Asia US$'000	Total US$'000
Cost				
At 1 January 2009	32,404	644	388	33,436
Additions	5,272	50	-	5,322
Employment costs capitalised	329	12	-	341
Increase in decommissioning provision (see Note 18)	17	-	-	17
Released by disposal	-	(706)	-	(706)
At 1 January 2010	38,022	-	388	38,410
Additions	5,892	-	-	5,892
Employment costs capitalised	264	-	-	264
Decrease in decommissioning provision	(46)	-	-	(46)
Released by disposal	-	-	(388)	(388)
At 31 December 2010	**44,132**	**-**	**-**	**44,132**
Provisions for impairment				
At 1 January and 31 December	**4,728**	**-**	**-**	**4,728**
Net book value				
At 31 December 2010	**39,404**	**-**	**-**	**39,404**
At 31 December 2009	33,294	-	388	33,682

The Group does not hold any property, plant and equipment within 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 exceptions of the partial write down of the Nyuni-1 well in Tanzania, 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 current Nyuni exploration licence is due to expire in May 2011 and the Directors are currently negotiating with the Tanzanian authorities who have expressed willingness to renew the licence. The Directors are satisfied that there are no further indicators of impairment but recognise that future realisation of these oil and gas assets is dependent on further successful exploration and appraisal activities and the subsequent economic production of hydrocarbon reserves.

12 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 2009	16,574	354	16,928
Additions in the year	945	8	953
Increase in decommissioning provision (see Note 18)	265	-	265
Exchange rate adjustment	-	52	52
At 1 January 2010	17,784	414	18,198
Additions in the year	7,463	18	7,481
Increase in decommissioning provision (see Note 18)	672	-	672
Exchange rate adjustment	-	(9)	(9)
At 31 December 2010	**25,919**	**423**	**26,342**
Depreciation			
At 1 January 2009	4,582	227	4,809
Charge for the year	1,590	50	1,640
Exchange rate adjustment	-	31	31
At 1 January 2010	6,172	308	6,480
Charge for the year	1,194	79	1,273
Impairment write down	550	-	550
Exchange rate adjustment	-	(9)	(9)
At 31 December 2010	**7,916**	**378**	**8,294**
Net book value			
At 31 December 2010	**18,003**	**45**	**18,048**
At 31 December 2009	11,612	106	11,718

As at 31 December 2010, "Other assets" included leasehold premises US$13,000 (2009: US$39,000), and plant and equipment US$27,000 (2009: US$66,000).

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

	2010 US$'000	2009 US$'000
Net book value	**97**	135
Depreciation charge for the year	**31**	65

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 proven and probable reserves at each field. At 31 December 2010, an independent valuation was carried out based on estimated future discounted cash flows of each producing property at the Shoats Creek, South Weslaco and Alta Loma fields, as set out in more detail in the Operations Review. The South Weslaco field was considered to be impaired and its carrying value written down by $550,000. The Directors are satisfied that no further impairment of the property, plant and equipment is considered to have occurred.

13 Investment in subsidiaries and other investments

	Shares in subsidiary Undertakings US$'000	Total 2010 US$'000	2009 US$'000
Company			
At 1 January	6,980	**6,980**	6,980
Disposal of interest in subsidiary	(4)	**(4)**	-
At 31 December	6,976	**6,976**	6,980

Subsidiary undertakings

During the year, the company disposed of 50% of its interest in its subsidiary undertaking, Korex Limited. See note 6 for further details. As at 31 December 2010 the Company had the following principal subsidiary undertakings, in which the Company held ordinary shares:

	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
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.

Other investments – Group and Company

Cost	**Group 2010 US$'000**	**Company 2010 US$'000**
At 1 January 2010	418	418
Acquisition of non-quoted financial instruments	32	32
Fair value of interest retained in Korex Limited (Note 6)	500	500
At 31 December 2010	**950**	**950**
Adjustments to fair value		
At 1 January 2010	44	44
Provided during the year (Note 6)	374	374
At 31 December 2010	**418**	**418**
Fair value		
At 31 December 2010	**532**	**532**
At 31 December 2009	374	374

Other investments at 31 December 2010 comprise of 150,000 shares in an unlisted company, Triton Petroleum Pte Limited ("Triton") with a valuation US$32,000, 50 shares in Korex Limited with a valuation of US$500,000 and 10 shares in Kobril Limited with a valuation of nil. Aminex does not have a controlling or significant influence over any of these entities by virtue of its shareholding and consequently accounted for these interests as investments. In conjunction with the disposal of exploration rights, the Directors have concluded that the investment in Kobril Limited is impaired and have therefore made full provision of US$374,000 against the investment (see note 6). The Directors have considered the carrying value of the non-quoted financial assets and consider that these are worth at least the value stated above.

Available for sale financial asset – Group and Company

	2010 US$'000
At 1 January 2010	-
Fair value as at acquisition date	468
Released by disposal	(90)
Change in fair value	(22)
At 31 December 2010	**356**

The available for sale financial asset relates to 665,661 shares held in Kulczyk Oil Ventures Inc ("Kulczyk"), a company listed on the Warsaw Stock Exchange, which were valued at US$356,000 at 31 December 2010 based on its market price on the Warsaw Stock Exchange at that date. During the year the Company acquired 823,650 shares in Kulczyk for a fair value of US$468,000. The Company subsequently sold 157,989 Kulczyk shares for a consideration of US$90,000. In line with IAS 39, the net change in fair value of US$22,000 has been recorded in other comprehensive income.

14 Loans to subsidiary undertakings

Company	**2010 US$'000**	2009 US$'000
Balance at 1 January	**50,071**	43,446
Loans advanced to subsidiary undertakings during the year	**11,733**	8,884
Share based payments charged to subsidiary undertakings	**832**	191
Provision against carrying value	**(2,489)**	(2,450)
Loan reclassified to other investment	**(388)**	-
	59,759	50,071
Included in non-current assets	**40,858**	35,520
Included in current assets	**18,901**	14,551
Balance at 31 December	**59,759**	50,071

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

The balance of US$40,858,000 (2009: US$35,520,000) 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. At the reporting date, following a review of the recoverability of each loan to subsidiaries, a provision of US$2,489,000 was made against these loans. 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.

15 Trade and other receivables

	Group		Company	
	2010 US$'000	2009 US$'000	**2010 US$'000**	2009 US$'000
Trade receivables	**999**	1,180	**-**	-
Amounts due from joint venture partners	**-**	595	**-**	-
Other receivables	**517**	547	**-**	-
Prepayments and accrued income	**199**	306	**21**	37
	1,715	2,628	**21**	37

All amounts fall due within one year.
Included in other receivables is US$312,000 which has been outstanding for greater than a year. However, the Directors believe that these should be recovered within the next twelve months.

16 Cash and cash equivalents

	Group		Company	
	2010 US$'000	2009 US$'000	**2010 US$'000**	2009 US$'000
Cash in hand	**2,745**	9,421	**913**	6,575
Short term deposits	**160**	2,268	**160**	2,268
	2,905	11,689	**1,073**	8,843

Included in cash and cash equivalents is an amount of US$440,000 (2009: US$205,000) held on behalf of the non-operating joint venture partners where the Aminex Group acts as operator of the joint venture.

17 Trade and other payables

	Group		Company	
	2010 US$'000	2009 US$'000	**2010 US$'000**	2009 US$'000
Trade payables	**2,863**	2,058	**87**	24
Overseas employment-related taxes	**51**	77	**-**	-
Amounts due to joint venture partners	**805**	-	**-**	-
Other payables	**69**	8	**-**	-
Accruals	**340**	372	**80**	78
	4,128	2,515	**167**	102

18 Provisions – decommissioning

Group	**US$'000**
At 1 January 2009	1,268
Increase in decommissioning provision in exploration and evaluation assets	17
Increase in decommissioning provision on property, plant and equipment	265
Discount unwound in the year (see Note 8)	124
At 1 January 2010	1,674
Decrease in decommissioning provision in exploration and evaluation assets (see Note 11)	(46)
Increase in decommissioning provision on property, plant and equipment (see Note 12)	672
Discount unwound in the year (see Note 8)	157
Payments made in the year	(135)
At 31 December 2010	**2,322**

	2010 US$'000	2009 US$'000
Current	**206**	109
Non-current	**2,116**	1,565
Total decommissioning provision	**2,322**	1,674

Decommissioning costs are expected to be incurred over the remaining lives of the fields, which are estimated to be between 2010 and 2020. The original provision for decommissioning was set up in 2005 and it is reviewed annually. Following an instruction from the Texas Rail Road Commission the programme for decommissioning wells on the Somerset field has been revised, with more wells to be plugged and abandoned in earlier years. The provision which relates to wells in the US has been increased by US$672,000 and the provision which relates to wells in Tanzania has been reduced by US$46,000. 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.

19 Loans and borrowings

	Group		Company	
	2010	2009	**2010**	2009
	US$'000	US$'000	**US$'000**	US$'000
Obligations under finance leases	**97**	135	**-**	-
Comprising:				
Current liabilities	**53**	64	**-**	-
Non-current liabilities	**44**	71	**-**	-
	97	135	**-**	-

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

20 Financial instruments and risk management

(a) The Group

Financial Risk Management

The Group's financial instruments comprise bank, finance leases available for sale financial assets, non-current investments, working capital and 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. There were no derivatives held at 31 December 2010.

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, finance lease borrowings and working capital. Board approval is required for all new borrowing facilities. 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:

2010	Available for sale 2010 US$'000	Loans and receivables 2010 US$'000	Liabilities at amortised cost 2010 US$'000	Total carrying amount 2010 US$'000	Fair value 2010 US$'000
Other investments	356	-	-	356	356
Trade receivables	-	999	-	999	999
Other receivables	-	517	-	517	517
Cash and cash equivalents	-	2,905	-	2,905	2,905
Loans and borrowings	-	-	(97)	(97)	(95)
Trade payables	-	-	(2,863)	(2,863)	(2,863)
Amounts due to joint venture partners	-	-	(805)	(805)	(805)
Other payables	-	-	(69)	(69)	(69)
Accruals	-	-	(340)	(340)	(340)
	356	**4,421**	**(4,174)**	**603**	**605**

2009	Available for sale 2009 US$'000	Loans and receivables 2009 US$'000	Liabilities at amortised cost 2009 US$'000	Total carrying amount 2009 US$'000	Fair value 2009 US$'000
Other investments	374	-	-	374	374
Trade receivables	-	1,020	-	1,020	1,020
Amounts due from joint venture partners	-	595	-	595	595
Other receivables	-	707	-	707	707
Cash and cash equivalents	-	11,689	-	11,689	11,689
Loans and borrowings	-	-	(134)	(134)	(132)
Trade payables	-	-	(2,058)	(2,058)	(2,058)
Other payables	-	-	(8)	(8)	(8)
Accruals	-	-	(371)	(371)	(371)
	374	14,011	(2,571)	11,814	11,816

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 receivables/payables

For the receivables and payables with a remaining maturity of less than six months or demand balances, the contractual amount payable 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 than three months, the nominal value is deemed to reflect the fair value.

Loans and borrowings

Loans and borrowings relate 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.

Any derivatives held by the Group would be revalued at the year end. At 31 December 2010 the Group held no relevant derivatives.

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, as presented within the fair value table set out on page 44, 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 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:

	2010	2009
	US$'000	US$'000
America	**872**	317
Africa	**18**	45
Asia	**109**	658
Europe	**-**	-
	999	1,020

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.

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 have given careful consideration to the Group's ability to continue as a going concern. The Directors have concluded that, following the placing and open offer in 2011 which raised US$39 million net of transaction costs, the Group has sufficient ongoing operating cash flows to continue as a going concern. The Group's ability to continue to make planned capital expenditure, in particular in its areas of interest in Africa and the USA, can be assisted if necessary by the successful sale of assets, deferral of planned expenditure or an alternative method of raising capital. The Directors have a reasonable expectation that the Group will be able to implement this strategy.

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

2010	Carrying amount 2010 US$'000	Contractual cashflows 2010 US$'000	6 months 2010 US$'000	6-12 months 2010 US$'000	1-2 years 2010 US$'000	2-5 years 2010 US$'000	More than 5 years 2010 US$'000
Finance lease liabilities	97	100	27	27	26	18	2
Trade payables	2,863	2,863	2,863	-	-	-	-
Amounts due to joint venture partners	805	805	805	-	-	-	-
Other payables	69	69	69	-	-	-	-
Accruals	340	340	340	-	-	-	-
	4,174	**4,177**	**4,104**	**27**	**26**	**18**	**2**

2009	Carrying amount 2009 US$'000	Contractual cashflows 2009 US$'000	6 months 2009 US$'000	6-12 months 2009 US$'000	1-2 years 2009 US$'000	2-5 years 2009 US$'000	More than 5 years 2009 US$'000
Finance lease liabilities	135	143	35	35	48	25	-
Trade payables	2,058	2,058	2,058	-	-	-	-
Other payables	8	8	8	-	-	-	-
Accruals	372	372	372	-	-	-	-
	2,573	2,581	2,473	35	48	25	-

The Group's only borrowings relate to hire purchase financing agreements which are secured against the asset purchased for each agreement and amount to US$97,000 at 31 December 2010 (2009: US$135,000).

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 in respect of assets which are available for sale as 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, for amounts included in trade receivables, cash and cash equivalents and trade and other payables (as shown on the balance sheet), is as follows:

	2010 Sterling US$'000	2010 Euro US$'000	2010 US dollars US$'000	2009 Sterling US$'000	2009 Euro US$'000	2009 US dollars US$'000
Trade receivables	-	178	160	-	620	45
Cash and cash equivalents	1,876	263	105	1,489	28	469
Trade payables	(61)	(236)	(112)	-	(19)	(112)
	1,815	**205**	**153**	1,489	629	402

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 2010 (2009: 15%), 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 2010 US$'000	15% increase profit 2010 US$'000	15% decrease profit 2010 US$'000	Carrying value 2009 US$'000	15% increase profit 2009 US$'000	15% decrease profit 2009 US$'000
Trade receivables	338	51	(51)	665	86	(86)
Cash and cash equivalents	2,244	337	(337)	1,984	157	(157)
Trade payables	(409)	61	(61)	(131)	14	(14)
	2,173	**449**	**(449)**	2,518	257	(257)
Tax impact		**-**	**-**		-	-
After tax		**449**	**(449)**		257	(257)

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. The Group has only finance lease borrowings and no bank borrowings or overdraft facility at year end. 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 2010 was as follows:

	Fixed rate 2010 US$'000	Floating rate 2010 US$'000	Total 2010 US$'000	Fixed rate 2009 US$'000	Floating rate 2009 US$'000	Total 2009 US$'000
Cash and cash equivalents	-	160	160	-	2,268	2,268
US dollars	(97)	-	(97)	(135)	-	(135)
Sterling	-	-	-	-	-	-
	-	**160**	**63**	(135)	2,268	2,133

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 2009 the analysis was performed on the basis of a 500 basis point increase/decrease:

	Carrying value 2010 US$'000	500 bps increase profit 2010 US$'000	500 bps decrease profit 2010 US$'000	Carrying value 2009 US$'000	500 bps increase profit 2009 US$'000	500 bps decrease profit 2009 US$'000
Cash and cash equivalents	160	8	-	2,268	113	-
Tax impact		-	-		-	-
After tax		**8**	-		113	-

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

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows i) Level 1; quoted prices (unadjusted) in active markets for identical assets or liabilities ii) Level 2; inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) iii) Level 3; inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 2010 US$'000	Level 2 2010 US$'000	Level 3 2010 US$'000	Total 2010 US$'000
2010				
Other investments	-	-	532	532
Available for sale financial asset	356	-	-	356
	356	**-**	**532**	**888**

During the year the Company recognised a fair value loss of US$22,000 in other comprehensive income on Level 3 assets (see note 13). Level 3 assets are initially measured at cost as best estimate of fair value. Once audited accounts are available the fair value is adjusted to value on an earnings basis or similar appropriate basis.

The Group held no financial instruments at 31 December 2009.

(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:

2010	Available for sale 2010 US$'000	Loans and receivables 2010 US$'000	Liabilities at amortised cost 2010 US$'000	Total carrying amount 2010 US$'000	Fair value 2010 US$'000
Other investments	356	-	-	356	356
Loans to subsidiary and joint venture undertakings	-	59,758	-	59,758	59,758
Cash and cash equivalents	-	1,073	-	1,073	1,073
Trade payables	-	-	(90)	(90)	(90)
Accruals	-	-	(77)	(77)	(77)
	356	**60,831**	**(167)**	**(61,020)**	**(61,020)**

2009	Available for sale 2009 US$'000	Loans and receivables 2009 US$'000	Liabilities at amortised cost 2009 US$'000	Total carrying amount 2009 US$'000	Fair value 2009 US$'000
Other investments	374	-	-	374	374
Loans to subsidiary and joint venture undertakings	-	50,071	-	50,071	50,071
Cash and cash equivalents	-	8,843	-	8,843	8,843
Trade payables	-	-	(24)	(24)	(24)
Accruals	-	-	(78)	(78)	(78)
	374	58,914	(102)	59,186	59,186

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 is 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$167,000 (2009: US$102,000) 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.

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:

	2010 Sterling US$'000	2010 Euro US$'000	2009 Sterling US$'000	2009 Euro US$'000
Cash and cash equivalents	868	27	1,489	21

Sensitivity analysis

A 15% strengthening or weakening in the value of sterling or the euro against the US dollar (2009: 15%), based on the outstanding financial assets and liabilities at 31 December 2010, 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 2010 US$'000	15% increase profit 2010 US$'000	15% decrease profit 2010 US$'000	Carrying value 2009 US$'000	15% increase profit 2009 US$'000	15% decrease profit 2009 US$'000
Cash and cash equivalents	895	134	(134)	1,510	223	(223)
Tax impact	-	-	-	-	-	-
After tax	**895**	**134**	**(134)**	1,510	223	(223)

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 2009 was as follows:

	Fixed rate 2010 US$'000	Floating rate 2010 US$'000	Total 2010 US$'000	Fixed rate 2009 US$'000	Floating rate 2009 US$'000	Total 2009 US$'000
Cash and cash equivalents	**-**	**1,703**	**1,703**	-	2,268	2,268

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.

21 Issued capital

Authorised	Number	Value €
Ordinary Shares of €0.06 each:		
At 1 January 2010	500,000,000	30,000,000
Increase in authorised share capital	250,000,000	15,000,000
At 31 December 2010	750,000,000	45,000,000

At the Annual General Meeting held on 9 June 2010, the Shareholders approved a special resolution to increase the authorised share capital of the Company from €30 million to €45 million by the creation of 250,000,000 new Ordinary Shares of €0.06 carrying rights and being subject to the restrictions set out in the Articles of Association of the Company.

Allotted, called up and fully paid	Number	€	US$
Ordinary Shares of €0.06 each:			
At 1 January 2009	242,134,731	14,528,084	17,843,642
Issued during 2009	170,597,839	10,235,870	14,555,368
At 31 December 2009	412,732,570	24,763,954	32,399,010
Issued during 2010	41,274,391	2,476,463	3,212,471
At 31 December 2010	**454,006,961**	**27,240,417**	**35,611,481**

The increase during the year in the issued Ordinary Share capital and share premium (net of issue costs) of the Company related to the following:

Details	Date of issue/lapse	Price Stg pence per share	Number	Issued capital US$'000	Share premium US$'000	Total US$'000
Placing	9 June 2010	7.00	17,200,000	1,233	401	1,634
Exercise of share warrants	20 October 2010	22.00	1,141	-	-	-
Lapse of share warrants	31 August 2010	22.00	-	-	5,665	5,665
Placing	12 November 2010	7.50	24,073,250	1,979	699	2,678
At 31 December 2010			**41,274,391**	**3,212**	**6,765**	**9,977**

The amounts shown under share premium are net of issue expenses incurred in the current year amounting to US$335,000.

On 9 June 2010, the Company issued 17,200,000 Ordinary Shares of €0.06 each for cash. On 20 October 2010, the Company issued 1,141 shares pursuant to the exercise of share warrants in accordance with the Placing and Rights issue completed in July 2007. On 12 November 2010, the Company issued 24,073,250 Ordinary Shares at €0.06 each for cash. The reason for the issue of Ordinary Shares was to facilitate group exploration and development and to supplement working capital.

22 Loss for the financial year

The loss for the financial year arises as follows:

	2010 US$'000	2009 US$'000
In Aminex PLC	**(2,834)**	(2,768)
In subsidiary companies	**(1,661)**	(127)
	(4,495)	(2,895)

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 2009, 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$2,834,000 (2009: loss US$2,895,000) is dealt with in the company income statement of Aminex PLC.

23 Share warrants

	Number
At 1 January 2009 and 1 January 2010	36,423,689
Exercised during year	(1,141)
Lapsed during the year	(36,422,548)
At 31 December 2010	**-**

During the prior year a resolution to amend the Warrant Instrument created by the Company on 23 May 2007 was passed at an extraordinary general meeting of the warrant holders of the Company. The resolution provided for the extension of the Subscription period from 31 August 2009 to 31 August 2010 for the warrants which are exercisable at Stg22 pence. On 31 August 2010, 36,422,548 warrants had not been exercised and as a result lapsed.

24 Commitments, guarantees and contingent liabilities

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 Nyuni Exploration Licence, Tanzania: to drill two wells during the period ending May 2011. The Company is holding advanced negotiations with the Tanzanian authorities regarding a new Nyuni PSA and deferment of the second well commitment beyond the current Nyuni PSA. The Company is preparing to spud the first of the two well commitment, Nyuni-2.

(b) On the Ruvuma PSA, Tanzania: to drill the second of two wells by December 2011.

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

Commitments under operating leases are as follows:

	Land and buildings		Other	
	2010	2009	**2010**	2009
Group	**US$'000**	US$'000	**US$'000**	US$'000
Operating leases which expire:				
Within one year	**129**	132	**1**	3
In two to five years	**430**	55	**4**	11
	559	187	**5**	14

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 time as it becomes probable that the Company will be required to make payment under the guarantee in which case a liability is recognised.

Contingent liabilities

The Group has contingent liabilities as at 31 December 2010 in respect of certain claims made against a subsidiary company. The Directors believe that these claims will be successfully defended and will not result in a material liability for the Group.

25 Pension arrangements

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, which are charged to the Group income statement as incurred, amounted to US$298,000 for 2010 (2009: US$308,000).

26 Analysis of net funds

Group	At 1 January 2010 US$'000	Cash flow US$'000	**At 31 December 2010 US$'000**
Cash at bank	11,689	(8,784)	**2,905**
Finance leases	(135)	38	**(97)**
Total	11,554	(8,746)	**2,808**

	At 1 January 2009 US$'000	Cash flow US$'000	At 31 December 2009 US$'000
Cash at bank	4,097	7,592	11,689
Finance leases	(183)	48	(135)
Total	3,914	7,640	11,554

At 31 December 2010 the Company had net funds of US$1,073,000 (2009: US$8,843,000). The net funds were wholly comprised of cash at bank.

27 Related party transactions

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

	2010 US$'000	2009 US$'000
Transactions during the year		
Interest receivable from subsidiary undertakings	**-**	1
Balances at 31 December		
Amounts owed by subsidiary undertakings	**59,759**	50,071

Details of loans advanced to subsidiary undertakings during the year are set out in Note 14.

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 20 to 21.

	2010 US$'000	2009 US$'000
Short-term employee benefits	**945**	1,054
Pension contributions	**157**	181
Share-based payments	**593**	-
	1,695	1,235

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

Consultancy fees were paid to Storm Petroleum Limited, a company connected with Mr. D. S. Hooker, amounting to US$31,000 (2009: US$31,000). Corporate finance advisory fees amounting to US$46,000 (2009: US$62,000) were paid to LCF Edmond de Rothschild Securities Limited, of which Mr. A.N.J. Hay is a director.

28 Litigation

There were no material matters of litigation requiring disclosure at 31 December 2010.

The Group has contingent liabilities as at 31 December 2010 in respect of certain claims made against a subsidiary company. The Directors believe that these claims will be successfully defended and will not result in a material liability for the Group.

29 Post balance sheet events

On 4 February 2011 the Company acquired an additional 15% working interest from Key Petroleum Limited in the Nyuni East Songo-Songo Production Sharing Agreement offshore Tanzania. The Company acquired the additional 15% through undertaking to pay 20% of the costs of drilling the Nyuni-2 well, due to be spudded later in April this year.

At an Extraordinary General Meeting held on 25 February 2011, shareholders approved the increase in the authorised share capital by €9,000,000 to €54,000,000 comprising 900,000,000 Ordinary Shares of €0.06 each. At the same meeting the Company raised proceeds of US$29.5 million following a placing of 250 million new Ordinary Shares of nominal value €0.06 each at 8 pence per Ordinary Share.

On 14 March 2011 the Company raised additional proceeds of US$9.5 million on the completion of an Open Offer the terms of which permitted existing shareholders to subscribe for one share for every six shares held. The Company issued 75,667,727 new Ordinary Shares of nominal value €0.06 each at 8 pence per Ordinary Share under the Open Offer.

In April 2011, the Company was granted the Kiliwani North Development Licence by the Government of Tanzania for a period of 25 years and was also granted a six-month extension to the Nyuni PSA.

30 Critical accounting policies, use of estimates and judgment

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Directors believe that the Group's critical judgments, which are those that require management's most subjective and complex judgments, are those described below. These critical accounting judgments and other uncertainties affecting application of the group's accounting 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 judgements in applying accounting policies to be related to the impairment of exploration and evaluation assets and the depletion 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 11 and 12 to these financial statements.

31 Approval of financial statements

These financial statements were approved by the Board of Directors on 15 April 2011.

Reserves and resources

Resources in Tanzania

Contingent Resources Well name	Pmean basis BCF GIIP Albian/Aptian	BCF GIIP Neocomian	BCF GIIP Total	P10 basis BCF GIIP Albian/Aptian	BCF GIIP Neocomian	BCF GIIP Total
Nyuni-1 & 1A	233		233	418		418
Kiliwani North-1		45	45		70	70
Total Contingent	**233**	**45**	**278**	**418**	**70**	**488**
Contingent Resources Well name	**BCF GIIP Albian/Aptian**	**BCF GIIP Neocomian**	**BCF GIIP Total**	**BCF GIIP Albian/Aptian**	**BCF GIIP Neocomian**	**BCF GIIP Total**
Nyuni E& W		1,309	1,309		2,503	2,503
Okuza	222	640	862	413	1,292	1,705
Fanjove North	40	254	294	74	488	562
Fanjove South	21	62	83	39	119	158
Total Prospective	**283**	**2,265**	**2,548**	**562**	**4,402**	**4,928**
Total both categories	**516**	**2,310**	**2,826**	**944**	**4,472**	**5,416**

IMPORTANT NOTES:
The volumes shown to the left were independently assessed by ISIS Petroleum Consultants in 2010
They are defined as resources and cannot be categorised as reserves
BCF GIIP = billions of cubic feet of natural gas initially in place but not "risked"
P_{mean} refers to the average probability of the existence of the volumes reported
P_{10} refers to a 10% probability of the existence of the volumes reported
Contingent resources are those defined by drilling
Prospective resources are those defined by mapping based on seismic surveys

Reserves in the USA

1P Case (proved)	Net Oil mmbbl	Net Gas bcf	Net BOE mmboe	PV10 value $mm
Shoats Creek	606	6,237	1,646	26,604
Alta Loma	124	3,535	713	18,274
South Weslaco	2	778	132	1,559
TOTALS	**732**	**10,550**	**2,490**	**46,437**

2P Case (proved + probable)	Net Oil mmbbl	Net Gas bcf	Net BOE mmboe	PV10 value $mm
Shoats Creek	3,348	18,517	6,434	111,927
Alta Loma	157	4,461	900	21,089
South Weslaco	2	894	151	1,709
TOTALS	**3,507**	**23,872**	**7,486**	**134,725**

Principal operating companies

Registered Office:
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Tanzanian Operations
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Oilfield Services & Supply
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Fax: +44 (0)20 7631 4293

Company Secretary, Senior Personnel

Max Williams ACA Chief Financial Officer & Company Secretary
Max Williams joined the Aminex Group in 1994 as Financial Controller at the time that it acquired its first Russian assets and was fully involved with its Russian development and production operations. He was appointed Chief Financial Officer of the Company in January 2010. Max Williams is a Chartered Accountant who joined Aminex directly from the accountancy profession.

David Warwick General Manager for Operations
David Warwick is a petroleum geologist with over thirty years experience in the oil & gas industry. He began his career with Hamilton Brothers (now part of BHP Billiton) and subsequently spent 15 years with Phillips Petroleum Company (now Conoco-Phillips) where he became Head of UK exploration with a department of 40 geoscientists. He was in charge of the re-assessment of a major North Sea acreage portfolio, which led to the discovery of 2 Central North Sea oil fields and to the key discovery well on one of the Armada gas fields. Prior to joining Aminex he was General Manager for Burren Energy's Egyptian operations.

Amos Ofori Quaah Geophysicist
Amos Ofori Quaah joined Aminex in 2006 as Senior Geophysicist. He holds a PhD in geophysics from the University of London and has previously worked for Phillips Petroleum Company (now Conoco-Phillips) in the UK and for Ghana National Petroleum Corporation in Accra, during which time he served for one year as Acting Director-General.

Jonathan Major Manager, Supply & Logistics
Jonathan Major has worked for the Aminex group since 1995 and manages its AMOSSCO subsidiary. As well as third party business, he is responsible for supply and logistics for all the group's operated projects outside the USA, including transporting drilling rigs and other equipment to remote locations. Before joining Aminex he was with BP in Aberdeen as Deputy Manager for North Sea supply vessel operations.

Ambassador I. Chialo Director Ndovu Resources Limited
Ambassador Chialo retired from a distinguished career in the Tanzanian Diplomatic Service where he was latterly Tanzania's Ambassador to Japan and surrounding nations in the region. He is Resident Director of the group's Tanzanian operating subsidiary Ndovu Resources Ltd. and Chairman of the Oil & Gas Association of Tanzania ('OGAT'), an organisation which represents the rapidly-expanding interests of oil companies with government.

Thierry Murcia Country Manager, Tanzania
Thierry Murcia has spent his career in commercial management and administration, primarily in Western Australia. Prior to joining Aminex and relocating to Tanzania, he worked for BP in various commercial and administrative capacities. Prior to BP he was an executive with Caltex Australia. Thierry Murcia holds an MBA from The University of Western Australia. He is currently resident in Dar es Salaam where he has day-to-day responsibilities for all Aminex's activities.

Nicholas Cameron Exploration Adviser
Nick Cameron is a Petroleum Geologist retained by Aminex to support its exploration activities. During his career he has been active throughout Africa and has worked for oil companies, governments and service companies. Nick Cameron is a well-known industry expert who is a frequent speaker at international technical conferences in addition to his active exploration work. From 1982 to 1993 he held senior posts with Conoco (now Conoco-Phillips).

Registrars and Advisers

Registrars	Computershare Investor Services (Ireland) Limited Heron House, Corrig Road Sandyford Industrial Estate, Dublin 18	
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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
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Auditor	KPMG, Chartered Accountants	Dublin
Bankers	Bank of Ireland	Dublin
Solicitors	Ashurst	London
	Eversheds O'Donnell Sweeney	Dublin
Financial Advisers	LCF Edmond de Rothschild Securities Limited	London
Stockbrokers	Davy Stockbrokers Limited	Dublin
	Shore Capital Stockbrokers Limited	London

Glossary of terms used

PSA or PSC:	Production Sharing Agreement or Contract
MCF:	Thousands of cubic feet of natural gas
BCF:	Billions of cubic feet of natural gas
TCF:	Trillions of cubic feet of natural gas
BBLS:	Barrels of oil
BOPD:	Barrels of oil per day
BOED:	Barrels of oil equivalent per day
MMcfd	Millions of cubic feet per day of natural gas
Pmean:	The average (mean) probability of occurrence
P90:	90% probability of occurrence
P50:	50% probability of occurrence
P10:	10% probability of occurrence
Contingent Resources:	Discovered sub-commercial resources
Prospective Resources:	Undiscovered resources mapped with seismic
JOA:	Joint Operating Agreement
WTI:	West Texas Intermediate, a 'marker price' for American oil

Design and production: rekreation.co.uk