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Paternoster Resources PLC
28 September 2015

PATERNOSTER RESOURCES PLC
("Paternoster" or the "Company")

Unaudited interim results for the 6 months ended 30 June 2015

Paternoster is pleased to announce its unaudited interim results for the six months ended 30 June 2015.

Chairman's review

The Company made profits after tax of £274,270 for the six months ended 30 June 2015 compared to a loss of £178,281 for the same period in 2014. Paternoster's investment portfolio continues to make good progress with net assets at 30 June 2015 increasing by 10% to £3,040,522 or 0.44p per share, compared to £2,758,784 at 31 December 2014. The Company's share price at 30 June 2015, however, was 0.21p, which represents a 52% discount to the Company's underlying net asset value at that date and a 37% discount to the value of the Company's portfolio of listed investments and cash and cash equivalents (excluding the Company's other assets).

The key unaudited performance indicators are set out below.

COMPANY STATISTICS	30 June 2015	31 December 2014	Change %
Net asset value	£3,040,522	£2,758,784	+10%
Net asset value - fully diluted per share	0.442p	0.404p	+9%
Closing share price	0.21p	0.245p	-14%
Share price premium/(discount) to net asset value	(52%)	(39%)	-13%
Market capitalisation	£1,413,000	£1,648,500	-14%

Category	Principal investments	Cost or valuation (£)
Unlisted/pre IPO	Bison Energy Services Limited, Andiamo Exploration Limited and Elephant Oil Limited	674,692
Listed special situations	Metal Tiger plc, MX Oil plc, Plutus Powergen plc, Shumba Coal Limited and Northcote Energy plc	1,813,238

Investment portfolio		2,487,930
Cash and highly liquid listed investments	Cash and highly liquid listed investments in highly liquid companies	424,003
Total		2,911,933

During the period under review, there have been developments with a number of the company's investments:

Metal Tiger plc

In January 2015, Metal Tiger revised its strategy and established two distinct investment divisions: the Direct Equities Investment division; and the Direct Projects Investment division. The Direct Equities Investment division is focused on taking advantage of the low valuations of many listed junior resource companies. This division has made investments in companies such as Kibo, Eurasia, Ariana and New World Oil and Gas and has already realised some significant profits. The Direct Projects Investment division will continue to invest directly in projects in the natural resources sector. This division has been making good progress on a number of fronts. The results of the drilling at its Lagrosan gold and tungsten project in Spain have demonstrated significant tungsten mineralization. The work programme at the company's gold project in Morogoro, Tanzania has now commenced and an interim report from its operations at Chanthaburi in Thailand suggests the presence of both gold and antimony. Also, in April 2015, the company raised additional funding at the prevailing market price underpinning its current valuation.

MX Oil plc

MX Oil has recently invested in a Nigerian oil and gas asset called OML 113. This asset is offshore Lagos with production scheduled to commence in January 2016 when it is expected to start generating significant cash flow. The drilling of the first well in a two well first phase programme is in progress - the well has now been drilled and is in the process of being completed. The terms of the investment were extremely attractive compared to the level of funds already invested and the net present value of expected cash flows, even with the oil price at its current level. As part of this transaction, the company raised around £6 million before expenses.

The company also continues to work towards securing onshore conventional acreage in Mexico. The process, known as Bid Round 1, for mature onshore conventional fields in the states of Tabasco, Veracruz and Tamaulipas is underway. The company is currently in the process of preparing bids.

Plutus PowerGen plc

Plutus PowerGen is continuing to make excellent progress in developing flexible energy generation capacity in the UK. In January 2015, the company raised £500,000 in new funding and in February 2015 it closed a £3.4 million direct equity financing with Rockpool Investments LLP ("Rockpool") to fund the development of its first power generation site. In May 2015, the company received planning permission for its first 20MW flexible stand-by power generation plant in Plymouth which is expected to be generating power in 2016. The company has also now secured connection agreements for 260MW of capacity which exceeds the company's three-year target set out at the time of its re-listing. It also has five management contracts for the construction and operation of 20MW flexible stand-by electricity plants which will generate income for the company in the short term. The company has also entered into a partnership with the newly established funding provider, Reliance Energy Limited, a developer of renewable energy and flexible generation projects in

the UK, for the development of further individual 20MW flexible power generation sites. This is complementary to its existing arrangements with Rockpool.

Northcote Energy plc

Northcote Energy completed the acquisition of North American Petroleum's oil assets and raised over £4 million in new funds. Paternoster will be receiving shares in Northcote Energy in exchange for the shares it holds in North American Petroleum. The company has now commenced drilling at its Shoats Creek prospect and initial results are encouraging. In addition to its exploration and production operations in the USA, Northcote has also been increasing its exposure to the oil and gas sector in Mexico. In particular, it is now in the process of developing a waste remediation facility in the city of Comalcalco, which is in the heart of on-shore oil and gas activity between the city of Villahermosa, Mexico and the nearby port facility. This facility is expected to be generating cash within six months of work commencing on the site. The company is also preparing to participate in the current licensing round for onshore conventional fields in Mexico which is now in progress.

Shumba Coal Limited

The company has recently reached an agreement to acquire the Mabesekwa Prospecting Licence in Botswana. The estimated JORC in-situ coal resource is over 800 million tonnes, predominately contained in one coal seam, with an average seam thicknesses of greater than 18 metres with a flat and consistent profile with the coal found at average depths of 50-60 metres, to be accessed by open strip mining. Shumba Coal has also executed an agreement with Mulilo Renewable Project Developments for the joint development of the Mabesekwa Export Independent Power Plant at the Mabesekwa Coal Project. The company has also just renewed its 1.1 billion tonne Sechaba coal license and this now runs to 31 March 2017. The company has also raised US\$2.75 million to finance its various projects at a 27% premium to the prevailing share price from various Botswana institutions, demonstrating a good level of support from investors and so remains well funded to continue the development of its assets.

Atlas Oil and Gas Limited

Atlas was created to evaluate, acquire and develop oil and gas assets, initially in Algeria, jointly with Littoral Oil and Gas Limited. Littoral is an oil and gas investment company whose principals are experienced in North Africa. Littoral has already spent the past 12 months evaluating existing subsurface data for assets in known, hydrocarbon-producing basins.

Algeria has been selected as an initial focus in North Africa on the basis of its stability, contract terms and excellent infrastructure. Atlas will focus on undeveloped discoveries and shut-in fields within proven petroleum basins. The operational emphasis will be on leveraging technology to keep production costs low, with a quick path to production and revenues.

The company has already begun discussions with possible joint venture partners in preparation for bidding on specific blocks.

Andiamo Exploration Limited

Work on the development of the Yacob Dewar deposit is progressing well. Following the completion of the systematic trenching over the deposit in 2014, representative samples of both the copper and gold mineralisation have been collected and sent for metallurgical testwork with results expected in Q3. In addition, work is currently on-going to estimate a maiden JORC compliant mineral resource estimate for the Yacob Dewar deposit. Following successful stream sediment sampling, ground mapping, surface sampling and a hand-dug trenching programme conducted in the Hoba area over the last year, Andiamo has decided to commence a 1,000m diamond drill campaign on the Hoba prospect, located in the Haykota Exploration Licence area to test volcanogenic massive sulphide style mineralisation in the north of the concession area. This area is being explored under an agreement with Environminerals East Africa Limited who may earn a 50% interest in discoveries in the northern part of the licence area by spending a total of US\$2.0 million by the end of 2015.

Elephant Oil Limited

Elephant Oil continues to progress its work programme on Block B in Bénin. The company has recently begun the Environmental Impact Assessment covering the area of interest where future surveys and drilling are to be targeted. This assessment is a prerequisite to the new seismic acquisition programme planned in 2016. The company has also identified further potential acquisitions in West Africa and due diligence is being carried out on selected assets.

Bison Energy Services Limited

This company is currently in the process of being reorganised in order to be better positioned to explore the various options available to it in order to capitalise on its deposit of frac sand and associated permits in the US.

Nicholas Lee, Chairman of Paternoster, commented:

"The company's investment portfolio continues to make good progress, notwithstanding the general downturn in the natural resources sector and current market conditions are creating many investment opportunities. The Company is actively reviewing a number of interesting opportunities with a focus on creating shareholder value".

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Unaudited 6 months ended 30 June 2015 £	Unaudited 6 months ended 30 June 2014 £	Audited Year ended 31 December 2014 £
Consultancy income	3,000	–	4,000
Net gains/(losses) on investments	391,522	(115,779)	91,981
Investment income	2,806	51,895	25,263
Total income	397,328	(63,884)	121,244
Administration expenses	(115,590)	(114,397)	(241,616)
Profit/(loss) before taxation	274,240	(178,281)	(120,372)
Taxation	–	–	–
Profit/(loss) for the period and total comprehensive income	274,240	(178,281)	(120,372)
Basic earnings/(loss) per share			
Continuing and total operations	0.041p	(0.031p)	(0.021p)
Fully diluted earnings/(loss) per share			
Continuing and total operations	0.038p	(0.031p)	(0.021p)

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Called up share capital £	Share premium account £	Other reserves £	Retained deficit £	Total equity £
Balance at 1 January 2014	3,830,796	2,774,849	91,182	(4,052,559)	2,644,268
Loss for the year and total comprehensive expense	–	–	–	(120,372)	(120,372)
Share issue	95,000	147,250	–	–	242,250
Share issue costs	–	(20,592)	–	–	(20,592)
Share based payment costs	–	–	13,230	–	13,230
Transactions with owners	95,000	126,658	13,230	–	234,888
Balance at 31 December 2014	3,925,796	2,901,507	104,412	(4,172,931)	2,758,784
Profit for the period and total comprehensive income	–	–	–	274,240	274,240
Share based payments costs	–	–	7,498	–	7,498
Transactions with owners	–	–	7,498	–	7,498
Balance at 30 June 2015	3,925,796	2,901,507	111,910	(3,898,691)	3,040,522

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Unaudited 6 months ended 30 June 2015 £	Unaudited 6 months ended 30 June 2014 £	Audited Year ended 31 December 2014 £
ASSETS			
Non-current assets			
Available for sale investments	2,683,283	1,924,005	2,291,761
Total non-current assets	2,683,283	1,924,005	2,291,761
Current assets			
Trade and other receivables	176,723	288,764	172,626
Cash and cash equivalents	228,650	322,794	359,094
Total current assets	405,373	611,558	531,720
Total assets	3,088,656	2,535,563	2,823,481
LIABILITIES			
Current liabilities			
Trade and other payables	48,134	65,431	64,697
Total current liabilities	48,134	65,431	64,697
Net assets	3,040,522	2,470,132	2,758,784
EQUITY			
Share capital	3,925,796	3,830,796	3,925,796
Share premium account	2,901,507	2,774,849	2,901,507
Capital redemption reserve	27,000	27,000	27,000
Share option reserve	84,910	68,327	77,412
Retained losses	(3,898,691)	(4,230,840)	(4,172,931)
Total equity	3,040,522	2,470,132	2,758,784

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	Unaudited 6 months ended 30 June 2015 £	Unaudited 6 months ended 30 June 2014 £	Audited Year ended 31 December 2014 £
Cash flows from operating activities			
Profit/(loss) before tax	274,240	(178,281)	(120,372)
Net (gains)/losses on investments	(391,522)	115,779	(91,981)
Share based payment expense	7,498	4,145	13,230
Investment income	(2,806)	(51,895)	(25,263)
	(112,590)	(110,252)	(224,386)
(Increase)/decrease in trade and other receivables	(4,097)	4,275	12,855
(Decrease)/increase in trade and other payables	(16,563)	34,656	33,922
Net cash used by operating activities	(133,250)	(71,321)	(177,609)
Cash flows from investing activities			
Purchase of investments	–	(147,434)	(722,826)
Proceeds from disposal of investments	–	136,634	552,030
Repayment of loans and receivables	–	–	60,000
Investment income received	2,806	4,337	25,263
Net cash from/(used in) investing activities	2,806	(6,463)	(85,533)
Financing activities			
Gross proceeds of share issues	–	–	242,250
Share issue expenses	–	–	(20,592)
Net cash from financing activities	–	–	221,658
Net decrease in cash and cash equivalents	(130,444)	(77,784)	(41,484)
Cash and cash equivalents at beginning of period	359,094	400,578	400,578
Cash and cash equivalents at end of period	228,650	322,794	359,094

NOTES TO THE INTERIM REPORT

1. The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The group's statutory financial statements for the period ended 31 December 2014, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2014. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

2. The calculation of basic earnings per share is based on the profit for the period of £274,240 (2014: Loss £178,281) and a weighted average number of ordinary shares of 672,857,956 (2013: 577,857,956). The fully diluted earnings per share for the 6 months to 30 June 2015 is based on a weighted average number of ordinary shares of 672,857,956. For the comparative periods the fully diluted loss per share is based on the same weighted average number of ordinary shares as the basic loss per share, as the exercise of options would be anti-dilutive.
3. No interim dividend will be paid.
4. Copies of the interim report can be obtained from: The Company Secretary, Paternoster Resources plc, 30, Percy Street, London W1T 2DB and are available to view and download from the Company's website : www.paternosterresources.com

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