Isle of Man Company Number 010493V

ANDALAS ENERGY AND POWER PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

CORPORATE INFORMATION

Directors	David Whitby Paul Warwick Daniel Jorgensen Simon Gorringe Ross Warner Graham Smith Dr Robert Arnott
Company Number	010493V
Registered Office	IOMA House Hope Street Douglas Isle of Man IM1 1AP
Independent Auditors	BDO LLP 55 Baker Street London W1U 7EU
Solicitors	Watson Farley & Williams Asia Practice LLP 6 Battery Road #28-00 Singapore 049909
Nominated Advisor	Cantor Fitzgerald Europe One Churchill Place London E14 5RB

ANDALAS ENERGY AND POWER PLC
CHAIRMAN'S REPORT

Andalas' vision is to be the leading developer of wellhead located, independent power producers ("wellhead IPPs") in our target market of Indonesia. We aim to secure low cost, reliable and sustainable gas supplies and to deliver low-cost, reliable and sustainable power from wellhead IPPs in a way that adds value to all stakeholders.

Our strategy is to:
- identify and secure gas resources suitable for supplying gas to a wellhead IPP;
- create a buyer for those gas resources by developing wellhead IPPs;
- acquire and develop gas resources as part of an integrated upstream and IPP project if it enables the IPP project to proceed, or de-risks delivery of the gas to the IPP or enhances returns to Andalas; and
- sell interests in the IPPs and the upstream developments.

Andalas is making material progress in delivering this strategy.

In August 2017, Andalas announced that it had executed a consortium agreement with PT PP Energi ("PPE"), a subsidiary of the state-owned enterprise, PT PP (Persero) Tbk, for the development of a wellhead IPP in Sumatra known as Jambi-1 and in October 2017 announced it had entered a memorandum of understanding with PT Pertamina Power Indonesia ("PPI"), a wholly owned subsidiary of the state-owned oil company, PT Pertamina (Persero) ("Pertamina"), and Siemens AG for the development of a further wellhead IPP also in Sumatra.

These agreements are the culmination of a considerable amount of work undertaken by Andalas to identify gas resources suitable for development as wellhead IPPs. This work has been undertaken more recently in conjunction with PT Pertamina EP, another wholly owned subsidiary of Pertamina, and will continue as we seek to identify further IPP projects. These agreements are expected to enable the project partners to undertake the further work required to bring the projects to first power.

In addition, the Company is continuing to progress wellhead IPP and associated upstream opportunities operated by non-Pertamina third parties.

The board believes that Indonesia presents an excellent opportunity for Andalas. Indonesia's power generation infrastructure will need substantial investment if it is not to inhibit Indonesia's economic growth. The current generation capacity of approximately 55.5 GW is insufficient to meet the demand for electricity from all sectors of Indonesia's growing population and its buoyant manufacturing industries.

The Government has announced ambitious electrification targets. To achieve these targets, the national electricity company, PT Perusahaan Listrik Negara ("PLN") and the independent power producers will need to construct material additional generating capacity. PwC estimates in its "Power in Indonesia" guide that this will require further investment of US$110 billion and that, over the next 10 years, the private sector will play a significant in the Indonesian power sector.

The Government's legislative initiatives continue to promote investment in the sector. In July 2017 the Minister of Energy and Mineral Resources issued regulation number 45 of 2017 which promotes the development of generating capacity situated at the wellhead by defining the conditions which a project must meet in order to permit PLN to procure the generating capacity by direct appointment rather than public tender.

Overview of the year and financial review

The Group made a loss for the year US$4,601,000 (2016: US$4,673,000), including significant expenditure incurred in pursuing the Group's strategy in Indonesia that has been categorised as business development costs totalling US$2,481,000 (2016: US$3,195,000).

This work included the completion of a comprehensive analysis of potential gas fields that could be suitable for an integrated gas to power development. The due diligence work delivered the Pertamina

Overview of the year and financial review (continued)
cooperation agreement in September 2016 and furthermore the work undertaken on the potential gas supplies in Indonesia culminated in the identification of the first potential project, that envisaged sourcing gas from fields included within the Pertamina owned MJ Cluster.

During the period the Group incurred US$173,000 (2016: US$Nil) (included within the business development cost in the period) in respect of the Tuba Obi East ("TOE") planned workover programme. In April 2017 the project was returned to Pertamina by the operator upon expiry of the KSO licence. TOE now comprises part of the MJ Cluster and is under consideration for further development. Andalas believes that developing TOE as part of the MJ Cluster is likely to lead to a better outcome for the Company because it enables a larger integrated project and puts the development of the upstream element in the hands of Pertamina, which has the resources and technical capability to fully develop it.

During the period and principally in conjunction with the readmission to AIM on 13 May 2016, the Company issued a total of 1,775,020,674 shares at a price of 0.2 pence in settlement of the convertible loan note (£600,000 (US$856,000)), settlement of certain share issue costs and corporate finance fees and a further placing to raise cash of £1.72million (US$2.513million).

The period under review also included a number of one-off expenses relating to the readmission of the Company to AIM that completed in May 2016. The loss, thereby, included a share based payment charge totalling US$464,000 (30 April 2016: US$347,000) in respect of consideration payable (included in business development costs) and US$446,000 (30 April 2016: US$Nil) relating to IPO costs expensed following the completion of the Company's readmission to AIM in May 2016. Adjusting for these one-off costs the Group generated a loss in the period of US$3,691,000 (2016: US$4,326,000), Including all charges the loss for the period was US$4,601,000 (30 April 2016: US$4,673,000).

The Group held a cash balance of US$8,000 at 30 April 2017 (US$290,000 at 30 April 2016). In addition the Company had trade and other payables of US$1,546,000 at 30 April 2017 (US$1,799,000 at 30 April 2016), included in this amount is a total of US$1,261,000, (2016: US$Nil) of payables totalling US$461,000 (2016: $Nil) to Directors, US$395,000 (2016: US$Nil) due to key consultants and US$405,000 (2016: US$Nil) due to third parties, where each party has either agreed to either receive equity settlement or cash at such time as the Company has greater cash resources at its disposal.

Since the year end the Company has strengthened its balance sheet having raised a total of US$2.2m (£1.65m) and it has now fully settled the loan note liability (yearend balance $649,000). The key stakeholders believe in the future of the Company and the opportunities that the Company is developing, accordingly they recognise that preserving its cash whilst continuing to make operational progress is the best way to secure the long term supportive capital that the Company will require to fully realise its strategy.

The Company's principal cost is its people, therefore to preserve cash the Company's Directors and key consultants ("key stakeholders") continued post year end to receive no or partial remuneration. The agreement of the key stakeholders to defer all or part of their remuneration alongside the support of existing shareholders has been vital whilst Andalas worked to secure the recently announced operational achievements; this support is expected to continue as the Company progresses its project offering. Eventually the outstanding remuneration to key stakeholders will either be settled in part or in full in exchange for equity and/or it will be deferred until such time as the Company is generating cash flow or has sufficient resources to afford settlement in part or in full.

The Directors believe that the establishment of the two project development agreements, the first with PPE and the second with PPI and Siemens, alongside the deep inventory of project opportunities that the Group has developed with Pertamina and third parties, has created a platform to make Andalas successful.

Overview of the year and financial review (continued)

The Group actively explores financing and funding opportunities at both the project and corporate level to support its ongoing operational and project requirements. Naturally we are disappointed that we have to date been unable to secure sufficient equity to meet the Company's investment objectives over a longer time horizon. However, notwithstanding the capital raising challenges of the past year, the Directors remain confident that the significance of the opportunity being pursued, together with the current and expected material progress in creating two project consortiums with strong partners, will enable the Group to raise the financing required for it to be able to finance its future working capital and development cost requirements beyond the period of twelve months from the date of this report.

Board changes

In securing agreements with credible partners in Indonesia, we believe we are transitioning from a Company that has been focussed on business development to a Company focussed on project execution. Today we therefore announce changes to our board. Having now secured PPE, PPI and Siemens, as partners, I intend to step down as Chairman with immediate effect to be replaced by David Whitby, who will lead the Company's efforts in maintaining and strengthening its relationships with our core partners. Alongside this Dr Robert Arnott will assume the role of senior non-executive Director.

We also announce that Simon Gorringe, formerly COO, has been appointed CEO, Simon's experience and track record of delivering international energy projects makes him the ideal candidate to lead the next phase of the Company's journey.

Outlook

We believe that we have a business that is now entering an exciting period as we seek to execute the work necessary for each of the Company's projects to reach final investment decision ("FID"), a process against which we continue to announce progress. Furthermore the Company anticipates growing the number of projects under development steadily as it converts its opportunity pipeline into live projects.

PAUL WARWICK

Non-Executive Chairman
30 October 2017

ANDALAS ENERGY AND POWER PLC
DIRECTORS' REPORT
YEAR ENDED 30 April 2017

The Directors present their report and the audited financial statements for the year ended 30 April 2017.

Principal activities, business review and future developments

The Company was readmitted to AIM following shareholder approval on 13 May 2016. The principal activity of Andalas Energy and Power PLC during the year was as a gas to power developer in the Republic of Indonesia.

Further details on the activities of the Group are provided in the Chairman's Statement.

Results and dividends

Loss on ordinary activities after taxation amounted to $4,601,000 (30 April 2016: $4,673,000). The Directors do not recommend the payment of a dividend (30 April 2016: $Nil).

Key Performance Indicators ('KPIs')

The Board monitors the activities and performance of the Group on a regular basis. During the year the principal focus of the Group was to develop a gas to power business in the Republic of Indonesia. The KPIs being monitored by the Group as at the date of this report were as follows:

- Cash management; and
- Project development

Risks and uncertainties

The principal risks and uncertainties inherent in an Andalas' business strategy are summarised below:

- Volatility of commodity prices which may impact investment decisions taken. The Group monitor price forecasts in Board meetings and reacts accordingly.
- Foreign currency volatility impacts the potential cost base of projects and the Group monitor and assess, as far as practicable, the impact on budgets and cash flows.
- Availability of finance and funding is key to ensuring that there are funds available for working capital and to allow the Group to make strategic investment decisions. The Board are responsible for monitoring the cash flows and cash forecasts of the business.

Financial Risk Management

The Group's operations expose it to a variety of financial risks that include the effect of changes in debt market prices, movements in foreign currency exchange rates, credit risk and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate or foreign exchange costs and, as such, no hedge accounting is applied. Details of the Group's financial risk management policies are set out in Note 8 to the Financial Statements.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented.

Events after the reporting date

See note 19 for details of events after the reporting date.

Going Concern

The financial statements have been prepared on a going concern basis. The Company raises money to support its corporate overheard, its operations and capital projects as and when required. The Group requires additional funding to meet its daily working capital needs, to settle its outstanding liabilities and in order to fund the development of its projects. As additional funding is required in order to settle

Going concern (continued)

outstanding liabilities, to meet on going working capital needs and to raise finance to fund project development there can be no assurance that the Group's projects will be developed in accordance with current plans or completed on time or to budget. Therefore future work on the development of the Group's projects and financial returns arising therefrom may be adversely affected by factors outside the control of the Group which are inherently linked to the availability of funding for the Group.

The Directors remain confident that the potential income stream from the development of its independent power projects and its agreements to develop projects under two consortiums, the continued deferral of remuneration by the Directors and senior consultants, together with the Directors historic ability to raise additional funds will enable the Group to settle its outstanding liabilities, finance its future working capital and fund the development cost requirements of its projects beyond the period of twelve months from the date of approval of this report. However, there are no confirmed funding arrangements in place at present; as such there can be no guarantee that the required funds to settle current liabilities, meet future working capital requirements and fund future development costs will be available to the Group within the necessary timeframe. Consequently a material uncertainty exists that may cast significant doubt on the Group's ability to fund this cash shortfall and therefore be able to meet its commitments and discharge its liabilities in the normal course of business for a period not less than twelve months from the date of approval of this report. The financial statements do not include the adjustments that would result if the Group were unable to continue in operation.

Directors and directors' interests

The following Directors held office during the year:

David Whitby
Paul Warwick
Daniel Jorgensen
Ross Warner
Simon Gorringe
Graham Smith
Dr Robert Arnott (appointed 19 September 2016)

Directors' interests

The beneficial and non-beneficial interests in the Company's shares of the Directors (who remain in office at the respective reporting dates) and their families, as at the date of approval of the financial statements that are as follows:

	2017 **Ordinary shares**	2016 Ordinary shares	**2017** **Options** [1]	2016 Options [1]
David Whitby	77,983,109	7,812,500	24,900,828	24,900,828
Paul Warwick	13,783,109	-	6,868,972	6,868,972
Daniel Jorgensen	48,366,281	-	6,868,972	6,868,972
Ross Warner	71,485,738	7,812,500	24,900,828	24,900,828
Simon Gorringe	71,875,153	7,812,500	24,900,828	24,900,828
Graham Smith	-	-	-	-
Dr Robert Arnott	-	-	-	-

(1) These relate to 0.4pence options were allocated to a number of Directors, employees and consultants of the Company on 27 April 2016. At both 2016 and 2017 year end the first of four equal tranches of the options had vested with the remaining three equal tranches being subject to conditions based on certain performance criteria being achieved.

Details of the Directors' remuneration are given in note 7 to the Financial Statements.

Directors' third-party indemnity provisions

During the year under review the Group provided third party indemnity insurance to the Directors for a total cost of $12,000 (2016:$12,000).

Provision of information to auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

BDO LLP has signified its willingness to continue in office.

This report was approved by the Board and signed on its behalf by:

David Whitby
Chief Executive Officer
30 October 2017

ANDALAS ENERGY AND POWER PLC
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Directors are required to prepare financial statements for each financial year. The Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and currently explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and which allow financial statements to be prepared. They are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of 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. The Group is compliant with AIM Rule 26 regarding the Group's website.

David Whitby
Chief Executive Officer
30 October 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANDALAS ENERGY AND POWER PLC

We have audited the financial statements of Andalas Energy and Power plc for the year ended 30 April 2017 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body in accordance with our engagement letter dated 3 October 2017. Our audit work has been undertaken so that we might state to the company's directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with the applicable Isle of Man company law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 30 April 2017 and of its loss for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Emphasis of matter – going concern

In forming our opinion of the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.7 to the financial statements concerning the Group's ability to continue as a going concern.

Within a period of less than three months from the date of approval of the financial statements the Company and Group will require further funding to settle outstanding liabilities, meet their on-going working capital requirements and in order to fund the development of the Group's projects. There are no confirmed funding arrangements in place at present and this condition indicates the existence of a material uncertainty which may cast significant doubt about the Company and Group's ability to continue as going concerns. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

BDO LLP

BDO LLP
Chartered Accountants
London
United Kingdom
30 October 2017
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ANDALAS ENERGY AND POWER PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 APRIL 2017

	Note	2017 $'000s	2016 $'000s
Impairment of financial assets	10	-	(179)
Asset evaluation and gas to power expenses	4	**(2,481)**	(3,195)
Readmission costs	4	**(446)**	-
Other administrative expenses	4	**(1,390)**	(970)
Total administrative expenses	4	**(4,317)**	(4,344)
Operating loss		**(4,317)**	(4,344)
Finance income	3	-	4
Finance costs	3	**(284)**	(333)
Loss before tax		**(4,601)**	(4,673)
Tax expense	9	-	-
Loss after tax attributable to owners of the parent		**(4,601)**	(4,673)
Total comprehensive loss for the year attributable to owners of the parent		**(4,601)**	(4,673)
Basic and diluted loss per share attributable to owners of the parent during the year (expressed in US cents per share)	6	**(0.19)**	(0.69)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing.

The accounting policies and notes on pages 16 to 33 form part of these Financial Statements.

ANDALAS ENERGY AND POWER PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2017

Isle of Man Company Number 010493V

	Note	**2017** **$'000s**	2016 $'000s
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	10	**-**	-
Total non-current assets		**-**	-
Current assets			
Other receivables	11	158	885
Cash and cash equivalents		8	290
Total current assets		**166**	1,175
Total assets		**166**	1,175
Liabilities			
Current liabilities			
Trade and other payables	12	(1,546)	(1,799)
Borrowings	15	(649)	(876)
Total liabilities		**(2,195)**	(2,675)
Net (liabilities)		(2,029)	(1,500)
Equity attributable to the owners of the parent			
Share premium	14	10,084	6,124
Accumulated deficit		(12,113)	(7,624)
Total (deficit)		**(2,029)**	(1,500)

The Financial Statements were approved and authorised for issue by the Board of Directors on 30 October 2017 and were signed on its behalf by

David Whitby
Chief Executive Officer

The accounting policies and notes on pages 16 to 33 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 APRIL 2017

	Share premium $'000s	Accumulated deficit $'000s	Total equity $'000s
Balance at 1 May 2015	3,616	(3,104)	512
Loss for the year	-	(4,673)	(4,673)
Total comprehensive income	**-**	**(4,673)**	**(4,673)**
Transactions with equity shareholders of the parent			
Proceeds from shares issued	2,681	-	2,681
Cost of share issue	(173)	-	(173)
Share warrants issued	-	153	153
Balance at 30 April 2016	**6,124**	**(7,624)**	**(1,500)**
Loss for the year	-	(4,601)	(4,601)
Total comprehensive income	**-**	**(4,601)**	**(4,601)**
Transactions with equity shareholders of the parent			
Proceeds from shares issued	2,513	-	2,513
Share based payments and other share issues	1,749	-	1,749
Settlement of loan note	856	-	856
Cost of share issues	(1,158)	-	(1,158)
Share warrants issued	-	112	112
Balance at 30 April 2017	**10,084**	**(12,113)**	**(2,029)**

The accounting policies and notes on pages 16 to 33 form part of these Financial Statements.

ANDALAS ENERGY AND POWER PLC
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 APRIL 2017

	Note	2017 $'000s	2016 $'000s
Cash flows from operating activities:			
Net loss for the year		**(4,601)**	(4,673)
Adjustments for:			
Share-based payment		**464**	527
Finance cost	3	**284**	333
Finance income	3	**-**	(4)
IPO costs		**230**	-
Unrealised loss/ (gain) from financial assets at fair value through profit or loss		**-**	179
Change in working capital items:			
Decrease/(Increase) in other receivables	11	**619**	(863)
Increase in trade and other payables	12	**294**	1,576
Net cash used in operations		**(2,710)**	(2,925)
Cash flows from investing activities			
Finance income	3	**-**	4
Net cash from investing activities		**-**	4
Cash flows from financing activities			
Proceeds from issue of share capital	14	**2,513**	2,487
Share issue costs	14	**(495)**	(173)
Proceeds from borrowings	15	**502**	704
Cost of borrowings	15	**(37)**	(87)
Finance costs		**(7)**	(10)
Net cash generated by financing activities		**2,476**	2,921
Net decrease in cash and cash equivalents		**(234)**	-
Cash and cash equivalents, at beginning of the year		**290**	354
Effect of foreign exchange rate changes	3	**(48)**	(64)
Cash and cash equivalents, at end of the year		**8**	290

Major Non Cash Transactions

Details of major non-cash transactions are described in note 13 share based payments, in note 14 share capital and note 15 borrowings.

The accounting policies and notes on pages 16 to 33 form part of these Financial Statements.

1 General information

The principal activity of Andalas Energy and Power PLC ('the Company') during the year was as an energy business focussed on the Republic of Indonesia. As at the year end, the Company was domiciled in the Isle of Man and listed on the AIM market of the London Stock Exchange.

1.1 New standards, interpretations and amendments not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, were in issue but not yet effective, and have not been early adopted by the Group:

- IFRS 15, Revenue from contracts with customers
- IFRS 16, Leases*
- IFRS 9, Financial instruments
- Amendments to IAS 12, recognition of deferred tax assets for unrealised losses*
- Amendments to IFRS 2, classification and measurement of share-based payment transactions

* not yet endorsed by the EU

Whilst the Directors do not anticipate the adoption of these standards and interpretation in future reporting periods will have a material impact on the Group's financial statements, they have yet to complete their full assessment in relation to the impact of IFRS 9, IFRS 15 and IFRS 16.

1.2 New standards, interpretations and amendments effective in year

There were no new standards adopted by the Group during the year. As the Group does not have any revenue at present or any material leases the Directors do not consider there will be any impact of IFRS 15 and IFRS 16 respectively. The Group will continue to assess the impact of IFRS 9 on its financial assets and financial liabilities however, note the Directors do not consider there will be a material impact of the new standard.

2 Summary of significant accounting policies

2.1. Basis of Preparation

The Consolidated Financial Statements have been prepared under the historical cost convention, as modified for financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, as adopted by the EU. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The consolidated financial statements are presented in thousands of US Dollars ($'000).

2.2. Basis of Consolidation

The consolidated Financial Statements consolidate the Financial Statements of Andalas Energy and Power PLC (the “Company” or “Andalas”) and its subsidiary undertakings made up to 30 April 2017.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the Statement of Comprehensive Income. Any investment retained is recognised at fair value at the date when control is lost.

The parent of the Group has shareholdings in the following entities;

Name	Interest 2017	Interest 2016	Country of incorporation	Nature of business
Corvette Energy Services (Singapore) Pte. Ltd	100%	100%	Singapore	Trading subsidiary
Corvette Energy Services Limited	100%	100%	UK	Dormant
Peelwood Pty Ltd	20%	20%	Australia	Mineral Exploration

2.3. Interest Income

Interest income is recognised using the effective interest method.

2.4. Interest Expense

Interest expense on borrowings is recognised within "finance costs" in the Statement of Comprehensive Income using the effective interest rate method.

2.5. Investments

Investments are entities over which the Group does not have significant influence or control, generally accompanied by a shareholding giving rise to voting rights of 20% or less. Investments in these companies are carried at cost less accumulated impairment losses in the Group’s Statement of Financial Position. On disposal of these investments the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.6. Intangible assets

Pre-licence costs incurred prior the acquisition of a licence or asset are expensed as incurred.

2.7. Going Concern

The financial statements have been prepared on a going concern basis. The Company raises money to support its corporate overheard, its operations and capital projects as and when required. The Group requires additional funding to meet its daily working capital needs, to settle its outstanding liabilities and in order to fund the development of its projects. As additional funding is required in order to settle outstanding liabilities, to meet on going working capital needs and to raise finance to fund project development there can be no assurance that the Group's projects will be developed in accordance with current plans or completed on time or to budget. Therefore future work on the development of the Group's projects and financial returns arising therefrom may be adversely affected by factors outside the control of the Group which are inherently linked to the availability of funding for the Group.

The Directors remain confident that the potential income stream from the development of its independent power projects and its agreements to develop projects under two consortiums, the continued deferral of remuneration by the Directors and senior consultants, together with the Directors historic ability to raise additional funds will enable the Group to settle its outstanding liabilities, finance its future working capital and fund the development cost requirements of its projects beyond the period of twelve months from the date of approval of this report. However, there are no confirmed funding arrangements in place at present; as such there can be no guarantee that the required funds to settle current liabilities, meet future working capital requirements and fund future development costs will be available to the Group within the necessary timeframe. Consequently a material uncertainty exists that may cast significant doubt on the Group's ability to fund this cash shortfall and therefore be able to meet its commitments and discharge its liabilities in the normal course of business for a period not less than twelve months from the date of approval of these financial statements. The financial statements do not include the adjustments that would result if the Group were unable to continue in operation.

2.8. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments and make strategic decisions, has been identified as the Directors of the Group.

2.9. Financial assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

2.9 Financial assets (Continued)

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:
- significant financial difficulty of the issuer or obligor; and
- a breach of contract, such as a default or delinquency in interest or principal repayments.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income ("SOCI")

2.10. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash.

2.11. Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group classifies financial liabilities into one of two categories. The accounting policy for each category is as follows:

2.12. Borrowings

Borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

2.13. Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

2.14. Convertible loan notes

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debt option reserve" within shareholders' equity, net of income tax effects.

2.15. Equity

Equity comprises the following:

- "Share premium" represents the premium paid on Ordinary Shares issued of no par value.
- "Accumulated deficit" represents retained losses.

Equity instruments issued to a creditor to extinguish all or part of a financial liability are recognised at their fair value.

2.16. Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

2.17. Foreign Currency Translation

- **Functional and presentational currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Financial Statements are presented in US Dollars ($). The parent company's functional currency is US Dollars (US$) and the subsidiary entities functional currency is US Dollars (US$).

- **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period-end of monetary assets and liabilities denominated in foreign currencies, are recognised in the Consolidated SOCI.

2.18. Share Based Payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant with the charge being spread over the vesting period or over the period the goods and services are received. Where share based payments are contingent on a future event the share based payment charge is not recognised until the event is considered probable. The equity-settled share-based payments are expensed to the consolidated statement of comprehensive income. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received when the goods are received or the service is delivered, except where it is in respect to costs associated with the issue of securities, in which case it is charged to the share premium account.

2.19. Taxation

Tax expense represents the sum of the current tax payable and deferred tax. The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

2.19. Taxation (continued)

Tax is charged or credited in the consolidated statement of comprehensive income, except when it relates to items charged or credited directly to equity or in other comprehensive income, in which case the tax is also dealt with in equity or other comprehensive income respectively. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates and laws substantively enacted by the reporting date. Deferred tax assets and liabilities are offset when there exists a legal and enforceable right to offset and they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.20. Critical Accounting Estimates and Judgements

Use of Estimates and Judgements

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Share based payments (note 13)
The Group has made awards of options and warrants over its un-issued capital. The valuation of these options and warrants involves making a number of estimates relating to price volatility, future dividend yields, expected life and forfeiture rates.

b) Borrowings (note 15)
The Group issued a loan note in the period that would become convertible should it not be repaid before the maturity date. For the purposes of these financial statements the loan has been treated as a financial liability recorded at fair value.

c) Going concern (note 2.7)
The Group made a loss in the year and has a net liability position at the year end. The board has prepared a budget and considered its ability to continue as a going concern, the progress being made as evidenced by the recent agreements with PPE, PPI and Siemens, together with the Directors historic ability to raise additional funds will enable the Group to finance its future working capital and development cost requirements beyond the period of twelve months from the date of this report.

2.20 Critical Accounting Estimates and Judgements (continued)

d) Share issue costs (note 14)
The Directors have allocated costs associated with the readmission and associated fundraise as cost of share issues. The treatment of certain costs that related directly or indirectly to the readmission to AIM and the associated fund raise have been treated as direct costs and charged to share premium.

3. Finance income and Finance costs

	Year ended 30 April 2017	Year ended 30 April 2016
Finance income	**$'000**	**$'000**
Income on cash and cash equivalents	**-**	4
	-	4
Finance expense	**$'000**	**$'000**
Bank charges and finance expense on borrowings	**173**	236
Foreign exchange loss	**111**	97
	284	333

4. Administration expenses

Administration fees and expenses consist of the following:

	2017	2016
	$'000	$'000
Audit fees	34	20
Professional fees	360	306
Administration costs	42	34
Share based payment expense (Note 7)	-	180
Sundry expenses	26	60
Directors' fees (Note 7)	928	370
Total corporate overhead	**1,390**	**970**
Sundry expenses	-	44
Office costs	80	40
Professional fees	51	68
Consulting expenses	1,439	2,051
Travel and accommodation	447	645
Share based payment expense (Note 13 and 14)	464	347
Asset evaluation and gas to power business expenses	**2,481**	3,195
Readmission costs	446	-
Impairment – Peelwood (Note 10)	**-**	179
Total	**4,317**	4,344

Share based payment expense includes $112,457 (2016: Nil) relating to options granted to advisors as described in note 13 and $351,040 (2016: Nil) relating to the issue of shares in settlement of Corsair carried interest as described in note 14 and $Nil (2016: $347,000) relating to option charge and shares granted under Corsair assignment agreement as disclosed in the prior year notes 13 and 14.

5. Segmental analysis

In the opinion of the Directors, the operations of the Group comprise one single operating segment comprising that of developer of gas to power projects in the Republic of Indonesia. The Group only has one reportable segment and the Directors consider that the primary financial statements presented substantially reflect all the activities of this single operating segment.

6. Loss per Share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2017	2016
	$'000s	$'000s
Loss attributable to owners of the Group	**(4,601)**	(4,673)
Weighted average number of ordinary shares in issue (thousands)	**2,420,989**	678,188
Loss per share (US cents)	**($0.19)**	($0.69)

In accordance with International Accounting Standard 33 'Earnings per share', no diluted earnings per share is presented as the Group is loss making. Details of potentially dilutive share instruments are detailed in notes 13, 14 and 15. Details of shares issued post year end are disclosed in note 19.

7. Staff Costs (including Directors)

The group employed an average of 6 individuals during the year, including the directors (2016: 3).

	2017	2016
	$'000	$'000
Directors' remuneration	**928**	370
Share based payments	**-**	180
	928	550

Key management of the Group are considered to be the Directors and the remuneration of those in office during the year was as follows:

	Short term employee benefits $'000	**Social security payments $'000**	**Total 2017 $'000**	**Short term employee benefits $'000**	**Share based payments $'000**	**Total 2016 $'000**
David Whitby [(2)]	240	-	**240**	263	74	**337**
Paul Warwick [(1)]	60	8	**68**	-	24	**24**
Daniel Jorgensen [(1)]	180	25	**205**	-	82	**82**
Ross Warner [(2)]	180	-	**180**	-	-	**-**
Simon Gorringe [(2)]	180	-	**180**	-	-	**-**
Graham Smith [(1)]	13	-	**13**	-	-	**-**
Robert Arnott [(1)]	37	5	**42**	-	-	**-**
Cameron Pearce [(3)]	-	-	**-**	89	-	**89**
Jeremy King [(3)]	-	-	**-**	18	-	**18**
Total Key Management	**890**	**38**	**928**	**370**	**180**	**550**
Analysis of contractual entitlement:						
Cash settled in period	459	-	459	370	-	370
Outstanding at year end	431	38	469	-	180	180
Total Key Management	**890**	**38**	**928**	**370**	**180**	**550**

(1) Certain Directors elected to defer settlement of 100% of their 2017 salary during the year.
(2) Certain Directors elected to defer settlement of 25% of their 2017 salary during the year.
(3) Resigned 8 December 2015

As at the 30 April 2016 the Company had agreed, that subject to shareholder approval, it would issue shares equivalent to the share based payments disclosed above, at a price of 0.2pence per share. On 13 May 2016 the resolutions were passed and the shares were issued as disclosed in note 14.

8. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Board of Directors seek to identify and evaluate financial risks.

Market risk

(a) Foreign currency exchange risk

Foreign exchange risk arises because the Group entities enter into transactions in currencies that are not the same as their functional currencies, resulting in gains and losses on retranslation into US Dollars. It is the Group's policy to ensure that individual Group entities enter into local transactions in their functional currency wherever possible and that only surplus funds over and above working capital requirements should be transferred to the treasury of the Parent Company. The Group and Company considers this policy minimises any unnecessary foreign exchange exposure. Despite this policy the Group cannot avoid being exposed to gains or losses resulting from foreign exchange movements, at the reporting date a 10% increase (decrease) in the strength of the US Dollar would result in a corresponding reduction of $160,000 (2016: $179,000) in the net liabilities of the Group.

(b) Cash flow interest rate risk

The Group's cash and cash equivalents are invested at short term market interest rates. As market rates are low the Group is not subject to significant cash flow interest rate risk and no sensitivity analysis is provided. The Group is also not subject to significant fair value interest rate risk. No interest rate sensitivity has been presented in respect of the outstanding convertible loan note as it is considered not material.

8. Financial Risk Management (continued)

	2017 $'000	2016 $'000
Cash & Cash Equivalents		
USD	**7**	99
GBP	**1**	191
	8	290
Total Financial Assets	**8**	290
Borrowings		
GBP	**649**	876
	649	876
Trade & other payables		
USD	**683**	881
AUD	**86**	-
GBP	**758**	918
Other	**19**	-
	1,546	1,799
Total Financial Liabilities	**2,195**	2,675

8. Financial risk management (continued)

(c) Credit risk

Credit risk arises on investments, cash balances and receivable balances. The amount of credit risk is equal to the amounts stated in the Statement of Financial Position for each of these assets. Cash balances and transactions are limited to high-credit-quality financial institutions. There are no impairment provisions as at 30 April 2017 (2016: nil).

Credit risk also arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Group will only keep its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'B'.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group has adopted a policy of maintaining surplus funds with approved financial institutions.

Management of liquidity risk is achieved by monitoring budgets and forecasts against actual cash flows. Where the Group entered into borrowings during the year management monitor the repayment and servicing of these arrangements against the contractual terms and reviewed cash flows to ensure that sufficient cash reserves were maintained. Further detail on liquidity risk is set out in note 2.7

Residual undiscounted contractual maturities of financial liabilities:

	0-3 months $'000	No stated maturity $'000
30 April 2017		
Trade and other payables	1,546	-
Borrowings	726	-
Total	**2,272**	-
30 April 2016		
Trade and other payables	1,799	-
Borrowings	-	876
Total	**1,799**	876

Capital Risk Management

The Directors determine the appropriate capital structure of the Group, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt), in order to finance the Group's business strategy.

The Group's policy in the long term is to seek to maintain the level of equity capital and reserves is to maintain an optimal financial position and gearing ratio which provides financial flexibility to continue as a going concern and to maximise shareholder value. The capital structure of the Group consists of shareholders' equity together with net debt (where relevant). The Group's funding requirements are met through a combination of debt, equity and operational cash flow. As at 30 April 2017 the Group was in a net liability position, since the year end the Group settled the outstanding loan note and raised further equity as described in note 19.

9. Taxation

The Company is resident for tax purposes in the Isle of Man and is subject to Isle of Man tax at the current rate of 0% (2016: 0%). The Company has a subsidiary in Singapore and also has an investment in Peelwood Pty Ltd (a company resident in Australia) will be subject to tax on distributions and gains levied by those jurisdictions.

	2017 $'000	2016 $'000
Current tax charge	-	-
Deferred tax charge	-	-
Total taxation charge	-	-

Taxation reconciliation
The charge for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	2017 $'000	2016 $'000
Loss before income tax	**(4,601)**	(4,673)
Tax on loss at the weighted average Corporate tax rate of 0% (2016: 0%)	-	-
Total income tax expense	-	-

The deferred tax asset has not been recognised for in accordance with IAS 12. The Group does not have a material deferred tax liability at the year end.

10. Financial assets at fair value through profit or loss

	30 April 2017 US$'000	30 April 2016 US$'000
Fair value at beginning of year	**-**	179
Impairment	**-**	(179)
Fair value at year end	**-**	-

On 18 December 2013 the Company entered an Option Agreement with ASX-listed Company Balamara Resources to farm into its Peelwood concession located in NSW, Australia. Under the agreement the Company, could earn into 49% of Peelwood. This option was partly exercised on 28 January 2014 earning the Company 20% of the concession at a cost of AUD 200,000 or US$179,000. Further rights to exercise options have now lapsed. The investment was provided for in full during the prior year.

10. Financial assets at fair value through profit or loss (continued)

a) Fair value estimation

Financial instruments held by the Group carried at fair value comprise one unquoted investment, valued in accordance with the accounting policy set out in Note 2.9.

The Group measures fair value by using the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. Where investments have recently been made the cost of the transaction is deemed the best evidence of market value in the absence of any significant changes. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2; otherwise they are classified as level 3.

All the Group's investments are included within level 3 and are designated financial assets at fair value through profit or loss:

Level 3 inputs

The following table gives information about how the fair values of Group's investments are determined (in particular, the valuation techniques and inputs used).

Assets and liabilities	Nature of investment	Fair value as at 30 April 2017	Fair value as at 30 April 2016	Valuation techniques and key inputs	Significant unobservable input
Financial assets at fair value through profit or loss	20% of equity investment in Peelwood Pty Ltd	USD Nil	USD Nil	Purchase price and market knowledge	Expected realisable value from sale

The Directors have considered the carrying value of the Peelwood interest and have decided to provide against it in full being their estimated realisable value from sale.

11. Other receivables

	2017 $'000	2016 $'000
Other receivables and prepayments	**158**	885

The fair values are as stated above equate to their carrying values as at the year end. The financial assets were not past due and were not impaired and were all denominated in US$. Included in other receivables and prepayments is an amount of $Nil (2016: $698,760) in connection with prepaid expenses relating to the publication of the AIM re-admission document.

12. Trade and other payables

	2017 $'000	2016 $'000
Trade payables	**1,012**	1,202
Accruals and other payables	**534**	597
Trade payables and accruals	**1,546**	1,799

13. Share based payments

The following is a summary of the share options and warrants outstanding and exercisable as at 30 April 2017 and 30 April 2016 and the changes during each year:

	Number of options and warrants	Weighted average exercise price (Pence)
Outstanding and exercisable at 1 May 2015	**68,250,464**	**0.945**
Options granted as consideration	**34,344,865**	**0.400**
Outstanding and exercisable at 30 April 2016	**102,595,329**	**0.762**
Options granted as consideration	**66,666,666**	**0.220**
Lapsed options	**(25,000,000)**	**(0.175)**
Outstanding and exercisable at 30 April 2017	**144,261,995**	**0.612**

The above weighted average exercise prices have been expressed in pence and not cents due to the terms of the options and warrants. The following share options or warrants were outstanding and exercisable in respect of the ordinary shares:

Grant Date	Expiry Date	1 May 2015	Issued	30 April 2016	Issued	Expired	30 April 2017	Exercise Price
Warrants								
07.12. 13	07.12.18	10,839,750	-	10,839,750	-	-	10,839,750	2.00p
24.01.14	24.01.19	26,410,714	-	26,410,714	-	-	26,410,714	1.00p
13.05.16	13.05.21	-	-	-	42,000,000	-	42,000,000	0.20p
31.01.17	31.01.22	-	-	-	10,000,000	-	10,000,000	0.20p
31.01.17	31.01.22	-	-	-	8,000,000	-	8,000,000	0.25p
31.01.17	31.01.22	-	-	-	6,666,666	-	6,666,666	0.30p
Options								
07.12.13	07.12.18	6,000,000	-	6,000,000	-	-	6,000,000	2.00p
04.02.15	04.02.17	25,000,000	-	25,000,000	-	(25,000,000)	-	0.175p
05.06.15	05.06.18	-	34,344,865	34,344,865	-	-	34,344,865	0.40p
		68,250,464	**34,344,865**	**102,595,329**	**66,666,666**	**(25,000,000)**	**144,261,995**	

13. Share based payments (continued)

The new options and warrants have been valued using the Black-Scholes valuation method and the assumptions used are detailed below. The expected future volatility has been determined by reference to the historical volatility:

Grant date	Share price at grant	Exercise price	Volatility	Option life	Dividend yield	Risk-free investment rate	Fair value per option
Current year							
13.05.16	0.2p	0.2p	124%	5 years	0%	3%	0.241 cents
31.01.17	0.14p	0.2p	40%	5 years	0%	3%	0.049 cents
31.01.17	0.14p	0.25p	40%	5 years	0%	3%	0.037 cents
31.01.17	0.14p	0.30p	40%	5 years	0%	3%	0.030 cents
Prior year							
04.02.15	0.175p	0.175p	119%	2 years	0%	2.5%	0.162 cents
05.06.15	0.4p	0.4p	124%	3 years	0%	3%	0.244 cents

The Group recognised $112,457 (30 April 2016: $153,000) relating to equity-settled share based payment transactions during the year arising from Option or Warrant grants, of which $Nil (30 April 2016: $153,000) was expensed as a pre-licence acquisition cost in connection with the Corsair assignment agreement and with $Nil being expensed in relation to Directors and consultants services (30 April 2016: $Nil). There are 103,034,596 of unvested options at the year end, that are held by certain Directors and consultants, which vest in three equal tranches relating to acquiring an economic interest in a first concession, an interest in a second concession and gross production from its interest in projects exceeding 400BOPED. As the triggers for the grant of the tranches have not occurred at the reporting date no share based payment charge arises. Note 14 includes details of additional share consideration paid in the year.

For the share options and warrants outstanding as at 30 April 2017, the weighted average remaining contractual life is 2.75 years (30 April 2016: 2.02 years).

On 13 May 2016 the Company issued one warrant for every four shares in issue at 11 May 2016. Accordingly the Company issued 179,536,826 warrants on 13 May 2016 that were exercisable at 0.2pence per share on or before 31 May 2016. Prior to maturity 12,007,661 warrants were exercised and issued on 31 May 2016 as disclosed in note 14. The remainder lapsed.

Please refer to the Directors' Report for details of shares, options and warrants held by the Directors at 30 April 2016 and 2017. Details of warrants and options issued post year end are included in note 19.

14. Share capital

All shares are Nil Coupon fully paid and each ordinary share carries one vote. No warrants have been exercised at the reporting date.

Allotted, called-up and fully paid:	Number	Pence per share	Share premium $'000s
Balance at 30 April 2015	**261,897,302**		**3,616**
06/05/2015 – equity placing for cash	50,000,000	0.200	152
Cost of issue	-	-	(9)
05/06/2015 – equity placing for cash	375,000,000	0.400	2,335
Cost of issue	-	-	(164)
11/06/2015 – consideration shares*	31,250,000	0.400	194
Balance at 30 April 2016	**718,147,302**		**6,124**
13/05/2016 – equity placing for cash	825,000,000	0.200	2,405
13/05/2016 – equity placing with directors	25,000,000	0.200	73
Cost of issue	-	-	(1,158)
13/05/2016 – loan note settlement*	300,000,000	0.200	856
13/05/2016 – share based payments*(2)	314,750,000	0.200	898
13/05/2016 – settlement of Director payables (1)	142,834,558	0.200	408
13/05/2016 – issue of shares in respect of Corsair settlement (2)	122,406,940	0.200	349
31/05/2016 – equity placing	12,007,661	0.200	34
07/07/2016 – share based payments*(3)	32,389,530	0.200	93
07/07/2016 – issue of Corsair settlement (4)	631,984	0.200	2
Balance at 30 April 2017	**2,493,167,975**		**10,084**

* Non-cash item per the consolidated cash flow statement.
(1) Issue of shares in settlement of brought forward amounts payable to Directors detailed in note 18.
(2) Issue of shares to advisors in relation to fees related to the equity placing and the readmission.
(3) Issue of shares in relation in relation to settlement of third party liabilities with shares in the company.
(4) Issue of shares in respect of the settlement of the Corsair carried interest as disclosed in the Companies admission document of 27 April 2016.

14. Share capital (continued)

On 4 June 2015, the Company entered into an agreement ("the agreement") with Corsair Petroleum (Singapore) Pte Ltd, ("Corsair"), which was a company in which each of David Whitby, Ross Warner and Simon Gorringe had a 25 per cent. beneficial interest. Following the agreement, David Whitby, previously unconnected to the Company joined the board as Chief executive officer. This arrangement established that Corsair would introduce oil and gas concessions in Indonesia to the Company and also set out the means by which Corsair was to be remunerated for this, which was as follows:

- 31,250,000 Ordinary Shares to be issued on closing of the Assignment Agreement and 34,344,865 Corsair Options which vest on closing of the Assignment Agreement (issued on 06/05/2015)
- up to an additional 93,750,000 Corsair Contingent Consideration Shares in three equal tranches (of 31,250,000 Ordinary Shares) on the occurrence of each of the following three milestones: (i) the acquisition by the Company of one concession in Indonesia; (ii) the acquisition by the Company of a second concession in Indonesia; and (iii) gross production from projects in which the Company has an economic interest exceeding 400 bopd for a period of 30 days (together "the Milestones"); and
- up to an additional 103,034,596 Corsair Options which vest in three equal tranches of 34,344,865 upon the occurrence of each of the milestones.
- The Agreement also contains provisions whereby Corsair will have a carried interest in oil and gas concessions introduced by it and a share of future revenues from these concessions. ("carried right")

On 27 April 2017 it was agreed with Corsair that the carried right arrangement was to be replaced by equity and subsequently on 13 May 2017 and 30 June 2017 the Company issued 123,038,924 (split 122,406,940 and 631,984). Further details of these transactions can be found in the Company's admission document dated 27 April 2016.

At the period end the Company continues to have the obligation under the original Corsair assignment agreement to issue a further 93,750,000 shares subject to the Milestones described above being achieved but as at the reporting date the Company had not recorded these as a liability. Other than the Corsair consideration options (note 13) and the Corsair consideration shares there were no other obligations to Corsair at 30 April 2017.

Subsequent to the year end the Company issued further equity as described in note 19.

15. Borrowings

	Loan note		Convertible Loan	
	2017	2016	2017	2016
	$'000s	$'000s	$'000s	$'000s
Brought forward	-	-	876	-
Converted into equity	-	-	(856)	-
Drawdown	502	-	-	704
Costs of issue	(37)	-	-	(87)
Imputed interest charge	166	-	-	229
Foreign currency effect	18	-	(20)	30
Carried forward	649	-	-	876

The principal terms and the debt repayment schedule of the Group's unsecured loans and borrowings during the year were as follows:

	Currency	Interest rate	Effective interest rate	Date of maturity
Loan note	GBP	Nil coupon	89.06%	28.07.2017
Convertible loan notes	GBP	Nil coupon	n/a	No fixed maturity

16. Capital Commitments

There were no capital commitments authorised by the Directors or contracted other than those provided for in these financial statements as at 30 April 2017 (30 April 2016: None).

17. Ultimate Controlling party

As at the reporting date, the Directors have not identified an ultimate controlling party.

18. Related party transactions

Details of Directors remuneration are disclosed in Note 7 Directors Remuneration. For details of any related party transactions entered into after the year-end please refer to Note 19 Subsequent Events.

As at 30 April 2017 the following balances were included in trade payables and were outstanding in respect of Directors remuneration or remuneration incurred prior to their appointment as a Director at the year end.

	Outstanding at 30 April 2017 $'000	Outstanding at 30 April 2016 $'000
David Whitby	**60**	74
Paul Warwick	**60**	24
Daniel Jorgensen	**180**	82
Ross Warner [1]	**45**	-
Simon Gorringe [1]	**45**	-
Graham Smith [1]	**4**	-
Robert Arnott [1]	**37**	-
Total Key Management	**431**	180

[1] Not a Director in the prior year

During the period to 30 April 2017 Paul Warwick, Robert Arnott and Daniel Jorgensen did not receive any cash remuneration in the period. The balances due to Daniel Jorgensen, Paul Warwick, Robert Arnott were accrued in accordance with their contracts pending full or partial conversion into equity at a future juncture.

The brought forward payable of $180,000 was in respect of remuneration earned whilst Directors. On 13 May 2016, these brought forward payables were settled in full alongside $228,000 of services that were performed by the current Directors prior to their appointment to the board. The total $408,000 was settled in full for shares issued at 0.2pence per share on completion of the readmission to AIM dated 13 May 2016.

Prior year disclosure

On 5 June 2015, Andalas and Corsair entered into an agreement ("Assignment") pursuant to which Andalas agreed, amongst other things, to undertake and fund due diligence in respect of certain oil and gas concessions in Indonesia with a view to making an investment. Initially, for administrative convenience, Andalas and Corsair agreed to structure the funding of the due diligence expenditures as loans ("Loans") to Corsair and, accordingly, advances pursuant to that arrangement were made on 8 May (US$25,000), 10 June (US$250,000) and 15 July 2015 (US$225,000).

On 19 August 2015, Andalas incorporated a subsidiary, Corvette Energy (Singapore) Pte Ltd ("Corvette"). On 26 January 2016, Andalas, Corsair and Corvette entered into a novation agreement pursuant to which the Loans were extinguished and the benefit of the loaned moneys was transferred to Corvette with effect from 30 October 2015.

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19. Events after the reporting date

On 23 May 2017, the Company announced a placing of 600,000,000 shares at a price of 0.1pence per share raising a total of £600,000, of which the Directors subscribed for 168,000,000 shares equating to £168,000.

On 31 July 2017, the Company agreed to extend the term of the loan note for a period of 31 days for a fee of £50,000 alongside the issue of 150,000,000 3 year warrants at a strike price of 0.1pence per share, which was repaid in cash alongside the £550,000 loan on 31 August 2017.

On 14 August 2017, the Company announced that it had conditionally raised £1,050,000 for a total of 1,615,384,615 shares at a price of 0.065pence per share; the first tranche (£585,000) was issued on 17 August 2017.

On 31 August 2017 the company issued the second tranche of 715,384,615 (£465,000) shares was issued and the Company settled the outstanding loan note of £600,000 as above. Furthermore following the passing of the EMG resolutions the Company issued 161,538,462 5 year warrants to third parties in connection with the 14 August 2017 placing.