Interim results

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Green Dragon Gas Ltd
17 August 2015

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**GREEN DRAGON GAS LTD.**
("Green Dragon" or the "the Company")

**Interim results for the six months ended 30 June 2015**

Green Dragon Gas Ltd. (LSE:GDG), the leading independent gas producer with operations in China, is pleased to announce its unaudited interim results for the six months ended 30 June 2015.

**Financial Highlights**

- Revenue increased 8% to US$ 16.8m (H1 2014: US$ 15.5m)
  - *follows an increase in Piped Natural Gas (PNG) and Compressed Natural Gas (CNG) sales, and in the weighted average CNG price in Greka retail stations, as previously announced*
- Gross profit increased 121% to US$ 11.9m (H1 2014: US$ 5.4m)
  - *increased gas sale volumes at stable prices, while costs lower due to fixed costs spread over larger volumes*
- Cash of US$ 49.4m at 30 June 2015 (US$ 80.0m at 31 December 2014)
- Capital expenditure increased to US$ 19.4m (H1 2014: US$ 7.8m)
  - *in accordance with this year's objective and focus on infrastructure investment and drilling to deliver increased production*
- Net loss from continuing operations decreased by 98% to US$ 1.4m (H1 2014: US$ 69.3m)

**Outlook**

- Continued focus on infrastructure investment to enable production and sales from drilled wells
- 30 well LiFaBriC drilling programme on track:
  - *18 wells drilled and 8 LiFaBriCs connected to infrastructure in H1, with a further 14 wells planned for H2 2015*
- Exit rate at end of H1 of 10.15 Bcf per year and on track to reach 12 Bcf per year annual production target
- Gas pricing to remain unaffected by any Chinese market volatility or potential future Chinese Yuan devaluation

**Randeep S. Grewal, Chairman and Founder of Green Dragon, commented:**

"We are pleased to announce another set of strong financial results from Green Dragon Gas, following the gradual ramp-up in our production and sales through the first six months of 2015. In addition, we have continued to benefit from a uniquely strong pricing position environment in the context of the on-going volatility in the sector, due to our strategic position in the high demand Chinese gas market. The increase in capital expenditure in the first half reflects the progress in our current continuing drilling campaign. A significant number of vertical wells were drilled during H1 and we are excited to commence our LiFaBriC drilling campaign in H2. In addition we have benefitted from investment in infrastructure allowing us to sell gas produced by existing wells, increasing production to achieve an H1 exit rate of 10.15 Bcf per year and giving us full confidence in achieving our year end exit rate target of 12 Bcf per year. In parallel, as reflected in our capital expenditure, we have pursued infrastructure investment and well connection together with our partners to boost our sales and production, as well as the first phase of vertical drilling at our operations, which will be followed by LiFaBriC completion in the second half of the year. With a solid cash position and a funded drilling programme, we look forward to delivering on our commitment to reach a 12 Bcf per year exit rate by the end of 2015."

**Enquiries:**

For further information on the Company and its activities, please refer to the website at www.greendragongas.com or contact:

David Simonson / Anca Spiridon +44 20 7457 2020
**Instinctif Partners - Investor Relations**

**Chairman's Statement**

During the first six months of 2015, our investment and work along with our partners have built a strong operational and financial foundation for a significant ramp-up in production to a targeted exit rate of 12 Bcf per year by the end of 2015.

Key to this has been a two-pronged strategy of investing in infrastructure and well connection, as well as continuing the first phase of our drilling programme. This consisted of vertical well drilling prior to the LiFaBriC completions which will follow over the next few months. This has resulted in a significant upswing in our capital expenditure in this half of the year, compared to the equivalent period in 2014, which is in line with our commitment to realise the significant potential of our assets and deliver shareholder value. This substantial infrastructure investment will lead to monetising a uniquely impressive portfolio of more than 2,111 wells across all blocks, drilled by us and by our partners. Of the LiFaBriC wells alone, 34 are in production and connected to infrastructure, a significant increase from 18 in H1 2014. Of the total number of wells at the most advanced GSS and GCZ Blocks, 83 and 88 wells respectively are in production and connected to infrastructure.

We expect our sales to production ratio to continue to improve at our GSS block, which is particularly significant to monetise our investments. Sales prices in the Chinese gas market have more than held up in what has been an otherwise very volatile period for the global oil and gas industry. Moreover, in the context of a government policy which is strongly supportive of increasing the proportion of domestic gas production in the energy mix, and of continuing demand on the domestic and industrial energy market, we see strong fundamentals in place which ensure that this strong pricing trend will continue.

This favourable context has been reflected in the increase in both our revenues and gross profit during the last six months, but also in our strong overall financial position. In addition to our US$ 49.4m cash position at the end of H1, we are also capitalized and fully funded to execute on-schedule our 30 LiFaBriC well drilling programme for the year. This is in addition to the financial commitment of our partners, who are continuing to focus on infrastructure investment to further monetise the increase in production from our operations.

With an annual production exit rate of 10 Bcf achieved by the end of this half, of which 6.07 Bcf from GSS and 4.09 from GCZ, we are extremely well placed to benefit from the results of our H1 investment. We continue to pursue the LiFaBriC completion of our wells together with further well connections over the next six months, and are on track to deliver on all our production and financial targets by year end.

This is an exciting time for Green Dragon Gas as we begin our transition from a pure exploration company into a profitable production company with a vast portfolio of exploration assets. I look forward to updating our shareholders on the continued progress and thank our hard working employees who have diligently made this transition a reality.

Randeep S. Grewal
Founder & Chairman

**Condensed Consolidated Statement of Comprehensive Income**
Six months ended 30 June 2015

| | Notes | Six months ended 30 June 2015 US$'000 unaudited | Six months ended 30 June 2014 US$'000 unaudited | Year ended 31 December 2014 US$'000 audited |
|---|---|---|---|---|
| Revenue | 3 | **16,783** | **15,483** | 33,787 |
| Cost of sales | | **(4,869)** | **(10,089)** | (19,104) |
| Gross profit | | **11,914** | **5,394** | 14,683 |
| Selling and distribution costs | | **(668)** | **(680)** | (1,829) |
| Litigation interest and penalty written back | | **-** | **6,937** | 6,937 |
| Other administrative expenses | | **(5,783)** | **(11,974)** | (13,935) |
| Total administrative expenses | | **(5,783)** | **(5,037)** | (6,998) |
| Profit / (loss) from operations | | **5,463** | **(323)** | 5,856 |
| Other income and finance income | | **476** | **1,615** | 105 |
| Change in fair value of financial derivative | 11 | **-** | **(65,382)** | (30,096) |
| Other finance costs | | **(7,495)** | **(5,133)** | (12,128) |
| Total finance costs | | **(7,495)** | **(70,515)** | (42,224) |
| Loss before income tax | | **(1,556)** | **(69,223)** | (36,263) |
| Income tax credit / (charge) | | **110** | **(44)** | 450 |
| **Loss for the period** | | **(1,446)** | **(69,267)** | (35,813) |
| **Other comprehensive expense, net of tax:** | | | | |
| Exchange differences arising on translating foreign operations | | **(397)** | **(1,499)** | (1,652) |
| **Total comprehensive expense for the period** | | **(1,843)** | **(70,766)** | (37,465) |
| | | | | |
| **Loss attributable to:** | | | | |
| Owners of the company | | **(1,446)** | **(69,267)** | (35,813) |
| | | **(1,446)** | **(69,267)** | (35,813) |
| | | | | |
| **Total comprehensive expense attributable to:** | | | | |

| | | | | |
|---|---|---|---|---|
| Owners of the company | | **(1,843)** | **(70,766)** | (37,465) |
| | | **(1,843)** | **(70,766)** | (37,465) |
| **Basic and diluted loss per share (US$)** | 4 | **(0.01)** | **(0.504)** | (0.229) |

**Condensed Consolidated Statement of Financial Position**
At 30 June 2015

| | Notes | **As at 30 June 2015 US$'000 unaudited** | As at 31 December 2014 US$'000 audited |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 6 | **158,022** | 157,627 |
| Gas exploration and appraisal assets | 7 | **1,174,212** | 1,157,915 |
| Other intangible assets | | **2,704** | 3,108 |
| Long term prepaid expenses | | **-** | 275 |
| Deferred tax asset | | **2,272** | 2,241 |
| | | **1,337,210** | 1,321,166 |
| **Current assets** | | | |
| Inventories | | **326** | 112 |
| Trade and other receivables | 8 | **33,091** | 23,053 |
| Cash and cash equivalents | | **49,405** | 80,037 |
| | | **82,822** | 103,202 |
| **Total assets** | | **1,420,032** | 1,424,368 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 9 | **14,334** | 22,103 |
| Current tax liabilities | | **364** | 143 |
| | | **14,698** | 22,246 |
| **Non-current liabilities** | | | |
| Convertible notes | 10 | **47,788** | 47,243 |
| Bonds | 11 | **85,871** | 85,072 |
| CUCBM provision | 16 | **370,690** | 367,027 |
| Deferred tax liability | | **163,526** | 163,478 |
| | | **667,875** | 662,820 |
| **Total liabilities** | | **682,573** | 685,066 |
| **Net assets** | | **737,459** | 739,302 |

| | Notes | **As at 30 June 2015 US$'000 unaudited** | As at 31 December 2014 US$'000 audited |
|---|---|---|---|
| **Capital and reserves** | | | |
| Share capital | 13 | **16** | 16 |
| Share premium | 13 | **808,981** | 808,981 |
| Convertible note equity reserve | 13 | **3,756** | 3,756 |
| Share based payment reserve | 13 | **12,743** | 12,743 |
| Other reserve | 13 | **19** | 19 |
| Foreign exchange reserve | 13 | **63,537** | 63,934 |
| Retained deficit | 13 | **(151,593)** | (150,147) |
| **Total equity** | | **737,459** | 739,302 |

**Condensed Consolidated Statement of Changes in Equity**
Six months ended 30 June 2015

| | Share capital US$'000 | Share premium US$'000 | Convertible note equity reserve US$'000 | Share based payment reserve US$'000 | Other reserves US$'000 | Foreign exchange reserve US$'000 | Retained deficit US$'000 | Total US$'000 |
|---|---|---|---|---|---|---|---|---|
| At 1 January 2014 | 14 | 681,031 | 1,746 | 12,743 | 30 | 65,575 | (114,334) | 646,805 |
| Loss for the period | - | - | - | - | - | - | (69,267) | (69,267) |
| Exchange differences on translating foreign operations | - | - | - | - | (11) | (1,488) | - | (1,499) |
| Total comprehensive expense for the period | - | - | - | - | (11) | (1,488) | (69,267) | (70,766) |
| Conversion of convertible notes | - | 35,000 | (1,746) | - | - | - | - | 33,254 |
| Issue of convertible note | - | - | 3,760 | - | - | - | - | 3,760 |
| At 30 June 2014 | 14 | 716,031 | 3,760 | 12,743 | 19 | 64,087 | (183,601) | 613,053 |
| At 1 January 2015 | 16 | 808,981 | 3,756 | 12,743 | 19 | 63,934 | (150,147) | 739,302 |
| Loss for the period | - | - | - | - | - | - | (1,446) | (1,446) |
| Exchange differences on translating foreign operations | - | - | - | - | - | (397) | - | (397) |
| Total comprehensive expense for the period | - | - | - | - | - | (397) | (1,446) | (1,843) |
| At 30 June 2015 (unaudited) | 16 | 808,981 | 3,756 | 12,743 | 19 | 63,537 | (151,593) | 737,459 |

**Condensed Consolidated Statement of Cash Flows**
Six months ended 30 June 2015

| | Notes | **Six months ended 30 June 2015 US$'000 unaudited** | **Six months ended 30 June 2014 US$'000 unaudited** | Year ended 31 December 2014 US$'000 audited |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Loss after tax | | **(1,446)** | **(69,267)** | (35,813) |
| **Adjustments for:** | | | | |
| Depreciation | | **1,295** | **5,721** | 4,867 |
| Amortisation of leasehold land held for own use under operating leases | | **-** | **171** | - |
| Amortisation for intangible assets | | **356** | **356** | 713 |
| Loss on disposal of property, plant and equipment | | **-** | **-** | 848 |
| Finance income | | **(64)** | **(2)** | (4) |
| Change in fair value of derivative | | **-** | **65,382** | 30,096 |
| Other finance costs | | **7,495** | **5,133** | 12,128 |
| Litigation interest and penalties written back | | **-** | **(6,937)** | (6,937) |
| Taxation | | **(110)** | **44** | (450) |
| **Cash generated from operating activities before changes in working capital** | | **7,526** | **601** | 5,448 |
| Movement in inventory | | **(214)** | **(238)** | (26) |
| Movement in trade and other receivables | | **(4,348)** | **(3,679)** | 2,015 |
| Movement in trade and other payables | | **(4,144)** | **(352)** | (6,655) |
| **Net cash (used in)/generated from operations** | | **(1,180)** | **(3,668)** | 782 |
| Income tax | | **348** | **(133)** | (99) |

| | | | | |
|---|---|---|---|---|
| **Net cash (used in)/generated from operating activities** | | **(832)** | **(3,801)** | 683 |

| | Notes | **Six months ended 30 June 2015 US$'000 unaudited** | **Six months ended 30 June 2014 US$'000 unaudited** | Year ended 31 December 2014 US$'000 audited |
|---|---|---|---|---|
| **Investing activities** | | | | |
| Payments for purchase of property, plant and equipment | | **(284)** | - | (369) |
| Cash paid to settle provision | 12 | - | - | (40,000) |
| Payments for long-term prepaid expenses | | - | - | (58) |
| Payments for development activities in the GCZ block | | **(755)** | **(12,288)** | (13,300) |
| Payments for exploration activities | | **(19,407)** | **(7,831)** | (39,836) |
| Movement in restricted cash | | - | **(8,000)** | - |
| Interest received | | **64** | **2** | 4 |
| **Net cash (used in)/generated from investing activities** | | **(20,382)** | **(28,117)** | (93,559) |
| **Financing activities** | | | | |
| Cash paid to redeem bonds and convertibles | | - | - | (35,000) |
| Cash received from issuing convertible notes | | - | **50,000** | 50,000 |
| Cash received from issuing bonds | | - | - | 84,042 |
| Cash received from exercise of warrant | | - | - | 42,446 |
| GCZ block finance (repaid to)/provided by PetroChina | | **(2,645)** | - | 2,942 |
| Other interest paid | | **(6,151)** | **(2,522)** | (5,425) |
| **Net cash (used in)/generated from financing activities** | | **(8,796)** | **47,478** | 139,005 |
| Net (decrease)/increase in cash and cash equivalents | | **(30,010)** | **15,560** | 46,129 |
| Cash and cash equivalents at beginning of period | | **80,037** | **34,642** | 34,642 |
| | | **50,027** | **50,202** | 80,771 |
| Effect of foreign exchange rate changes | | **(622)** | **1,770** | (734) |
| **Cash and cash equivalents at the end of period** | | **49,405** | **51,972** | 80,037 |

**Notes to Condensed Interim Financial Statements**

## 1 GENERAL INFORMATION

The condensed financial information for the six months ended 30 June 2015 and 30 June 2014 is unaudited and does not constitute a set of statutory financial statements. The consolidated unaudited interim financial information set out in this report represents the consolidated financial statements of Green Dragon Gas Ltd. and its subsidiary companies (together referred to as the 'Group'). The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRSs as adopted by the European Union. The comparative financial information for the full year ended 31 December 2014 is not the Group's full annual accounts for that period but has been derived from the annual financial statements for that period. The auditors' report on those accounts was unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report.

## 2 ACCOUNTING POLICIES

The interim results, which are unaudited, have been prepared in accordance with the requirements of International Accounting Standard 34. This condensed interim report does not include all the notes of the type normally included in an annual financial report. This condensed report is to be read in conjunction with the Annual Report for the year ended 31 December 2014, and any public announcements made by the Group during the interim reporting period. The annual financial report for the year ended 31 December 2014 was prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS's") and the accounting policies applied in this condensed interim report are consistent with the polices applied in the annual financial report for the year ended 31 December 2014 unless otherwise noted.

**Basis of preparation**

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed financial statements.

The interim financial statements are presented in United States Dollars and all values are rounded to the nearest thousand dollars (US$'000) except when otherwise indicated.

The consolidated interim financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

**Critical accounting estimates and judgments**

The estimates and assumptions that have a significant risk or cause a material adjustment to the carrying amounts of assets and liabilities within the period are as follows.

*PetroChina GCZ block interest*

Under IFRS 11, the Group's agreement with PetroChina represents a joint arrangement as the Group shares joint control with PetroChina. Under the terms of the Cooperation Agreement the decisions about significant activities of the arrangement require the unanimous consent of both parties. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement. In joint operations, the parties have rights to the assets and obligations for the liabilities relating to the arrangement, whereas in joint ventures, the parties share rights to the net assets of the arrangement. Under IFRS 11, joint arrangements that are not structured through a separate vehicle are always joint operations. The joint arrangement is not structured through a separate vehicle. Therefore the Group considers their arrangement to represent a joint operation and has recognised its share of 47% in the assets, liabilities, revenue and expenses of the GCZ block.

Judgment has been required in the recognition of the Group's attributable share of the results and assets of the GCZ block.

*CUCBM Framework Agreement*

Judgment has been exercised in the recognition of the Group's share of the ongoing and historic expenditure incurred by China United Coalbed Methane Gas ("CUCBM") on the Group's blocks.
The Group's arrangement with CUCBM represents a joint arrangement as the Group shares joint control with CUCBM. As with the PetroChina transaction, the Group accounts for the arrangement as a joint operation and therefore has recognised its share of the relevant assets and liabilities which reflects the structure of the arrangement and the joint control conferred by the PSC and the Joint Management Committee.

*Depreciation of the gas production assets*

The Group has exercised judgment in depreciating its property, plant and equipment associated with GCZ. These assets have been depreciated on a unit of production basis. Judgement was required in determining the reserves used in this calculation and the Group considers 2P reserves to be capable of extraction using the assets and therefore an appropriate estimate of the asset's life. No future capital expenditure is included in the depreciable asset base as the impact is immaterial. It is noted that significant 3P reserves have been estimated to exist and such reserves would significantly extend the estimate useful life. However, 3P reserves are not included until such time as they are transferred to 2P reserves as part of the Group's independent reserves audit.

*Determination of commercial production*

Judgment has been exercised in determining whether the Group's exploration assets have achieved technical feasibility and commercial production. The Group's definition of technically feasible and commercially viable reserves ('commercial reserves') for such purpose are those which are classified as proven and probable reserves on an entitlement basis for which approval has been obtained from the PRC Government in respect of the "overall development program" related to the relevant license and thus commercial production commenced as defined in the production sharing agreements. In certain circumstances, delays obtaining the overall development program approval can be encountered. As a result, the Group also considers factors such as the extent to which infrastructure is in place to process the gas and the levels of production. As such, the Group only considers the PetroChina operated GCZ block to currently be in commercial production for the period as the remaining blocks are yet to obtain overall development program approvals and commercial production period has not commenced as per the production sharing contracts.

*Impairment reviews*

Exploration and appraisal costs are assessed for indicators of impairment. The assessment by the Board requires judgement and is dependent upon an assessment of the rights to the Group's assets and renewal of such rights, expected levels of expenditure, interpretation of exploration and appraisal activity in the year and future intentions. No impairment indicators were noted. These assessments are inherently judgemental and require estimation and therefore may change over time resulting in significant charges to profit or loss.

The Group tests its property, plant and equipment assets, which include gas development and production assets for impairment when circumstances suggest that the carrying amount may exceed its recoverable value. This assessment involves judgement as to the level of reserves that are capable of being extracted commercially and which are technically viable with reference to the Group's independent competent person's report, estimates of future gas prices, operating costs, capital expenditure necessary to extract those reserves and the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value. The Group uses proven (1P) and probable (2P) reserves in such impairment tests. The impairment tests on the Group's producing gas development and production assets were performed based on the GCZ block to which they related.

## 3 REVENUE AND SEGMENTAL INFORMATION

The Group's reportable segments are as set out below. The operating results of each of these segments are regularly reviewed by the Group's chief operating decision maker in order to make decisions about the allocation of resources and assess their performance.

During the period revenue of US$7,527,000(30 June 2014: US$8,404,000; 31 December 2014: $17,279,000) was recognised by the

Sale of CBM gas segment in respect of 1 (30 June 2014: 1; 31 December 2014: 1) customer representing 10% or more of the Group's total revenue for the period.

**For the period ended 30 June 2015 - unaudited**

| | Sale of CBM gas US$'000 | Retailing gas station sales US$'000 | Corporate US$'000 | Sub-total US$'000 | Eliminations US$'000 | Consolidated US$'000 |
|---|---|---|---|---|---|---|
| Segment revenue: | | | | | | |
| Sales to external customers | 11,912 | 4,871 | - | 16,783 | - | 16,783 |
| Inter-segment sales | 5,111 | - | - | 5,111 | (5,111) | - |
| | 17,023 | 4,871 | - | 21,894 | (5,111) | 16,783 |
| Depreciation | (1,149) | (138) | (8) | (1,295) | - | (1,295) |
| Amortisation | - | (356) | - | (356) | - | (356) |
| Profit/(loss) from operations | 10,056 | (1,276) | (3,317) | 5,463 | - | 5,463 |
| Other income and finance income | 3 | 2 | 471 | 476 | - | 476 |
| Other finance costs | - | - | (7,495) | (7,495) | - | (7,495) |
| Income tax credit | 21 | 89 | - | 110 | - | 110 |
| Profit/(loss) for the period | 10,080 | (1,185) | (10,341) | (1,446) | - | (1,446) |
| Assets | 1,350,398 | 23,571 | 1,046,588 | 2,420,557 | (1,000,525) | 1,420,032 |
| Liabilities | 887,937 | 3,613 | 654,913 | 1,546,463 | (863,890) | 682,573 |

**For the year ended 31 December 2014 - audited**

| | Sale of CBM gas US$'000 | Retailing gas station sales US$'000 | Corporate US$'000 | Sub-total US$'000 | Eliminations US$'000 | Consolidated US$'000 |
|---|---|---|---|---|---|---|
| Segment revenue: | | | | | | |
| Sales to external customers | 17,757 | 16,030 | - | 33,787 | - | 33,787 |
| Inter-segment sales | 6,048 | - | - | 6,048 | (6,048) | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 23,805 | 16,030 | - | 39,835 | (6,048) | 33,787 |
| Depreciation | (4,165) | (662) | (40) | (4,867) | - | (4,867) |
| Amortisation | - | (713) | - | (713) | - | (713) |
| Litigation interest and penalties written back | - | - | 6,937 | 6,937 | - | 6,937 |
| Profit/(loss) from operations | 6,193 | (1,065) | 728 | 5,856 | - | 5,856 |
| Other income and finance income | - | 103 | 2 | 105 | - | 105 |
| Change in fair value derivative | - | - | (30,096) | (30,096) | - | (30,096) |
| Other finance costs | - | - | (12,128) | (12,128) | - | (12,128) |
| Income tax credit | 293 | 157 | - | 450 | - | 450 |
| Profit/(loss) for the year | 6,486 | (805) | (41,494) | (35,813) | - | (35,813) |
| Assets | 1,321,850 | 15,799 | 1,081,985 | 2,419,634 | (995,266) | 1,424,368 |
| Liabilities | 554,014 | 5,497 | 636,476 | 1,195,987 | (510,921) | 685,066 |

**For the period ended 30 June 2014 - unaudited**

| | Sale of CBM gas US$'000 | Retailing gas station sales US$'000 | Corporate US$'000 | Sub-total US$'000 | Eliminations US$'000 | Consolidated US$'000 |
|---|---|---|---|---|---|---|
| Segment revenue: | | | | | | |
| Sales to external customers | 8,404 | 7,079 | - | 15,483 | - | 15,483 |
| Inter-segment sales | 2,827 | - | - | 2,827 | (2,827) | - |
| | 11,231 | 7,079 | - | 18,310 | (2,827) | 15,483 |
| Depreciation | (5,372) | (320) | (29) | (5,721) | - | (5,721) |
| Amortisation | - | (356) | - | (356) | - | (356) |
| Litigation interest and penalties written back | - | - | 6,937 | 6,937 | - | 6,937 |
| (Loss)/profit from operations | (1,485) | (1,350) | 2,512 | (323) | - | (323) |
| Other income and finance income | 1,613 | - | 2 | 1,615 | - | 1,615 |
| Change in fair value of derivative | - | - | (65,382) | (65,382) | - | (65,382) |
| Other finance costs | - | (71) | (5,062) | (5,133) | - | (5,133) |
| Income tax (charge) /credit | (127) | 83 | - | (44) | - | (44) |
| Profit/(loss) for the period | 1 | (1,338) | (67,930) | (69,267) | - | (69,267) |
| Assets | 907,616 | 14,725 | 725,294 | 1,647,635 | (628,911) | 1,018,724 |
| Liabilities | 179,829 | 3,041 | 384,749 | 567,619 | (161,948) | 405,671 |

## 4 LOSS PER SHARE

| | **Six months ended 30 June 2015 US$'000 unaudited** | Six months ended 30 June 2014 US$'000 unaudited | Year ended 31 December 2014 US$'000 audited |
|---|---|---|---|
| Loss for the period | **(1,446)** | (69,267) | (35,813) |
| Weighted average number of ordinary shares for the basic and diluted loss per share | **156,072,289** | 137,439,134 | 156,072,289 |

Loss per share is based on the loss attributable to ordinary equity holders of the Company of divided by the weighted average of ordinary shares in issue during the corresponding period.

Due to the loss during the period ended 30 June 2015, 30 June 2014 and for the year ended 31 December 2014, the diluted loss per share is considered to be the same as the basic loss per share. Potential ordinary shares arising from warrants and convertible bonds have been excluded from the calculation above as they are considered to be anti-dilutive.

## 5 DIVIDENDS

The directors do not recommend the payment of an interim dividend during the period ended 30 June 2015 and year ended 31 December 2014.

## 6 PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred US$261,000 additions to other property, plant and equipment (30 June 2014 Nil; 31 December 2014 US$369,000) and US$755,000 on additions to the Group's interest in GCZ block assets (30 June 2014 US$12,288,000; 31 December 2014 US$13,300,000) as part of the final agreement with CNPC and US$651,000 (30 June 2014 US$ Nil; 31 December 2014 US$121,484,000) on additions to the Group's share of CUCBM assets. The depreciation charge for the period on the Group's property, plant and equipment was US$1,295,000.

## 7 GAS EXPLORATION AND APPRAISAL ASSETS

| | **US$'000** |
|---|---|
| **Cost** | |
| At 1 January 2014 | 902,537 |
| Additions | 27,346 |
| Share of gas exploration and appraisal assets from CUCBM | 232,543 |
| Reversal of PSC partner contribution written back | (2,600) |
| Revenue adjustment | (1,036) |
| Exchange differences | (875) |
| At 31 December 2014 - audited | 1,157,915 |
| Additions | 15,856 |
| Revenue adjustment | (3,119) |
| Share of gas exploration and appraisal assets from CUCBM | 3,012 |
| Exchange differences | 548 |
| At 30 June 2015 | 1,174,212 |
| **Net book value** | |
| At 30 June 2015 - unaudited | 1,174,212 |
| At 31 December 2014 - audited | 1,157,915 |
| At 1 January 2014 | 902,537 |

Revenues of US$3.1m (31 December 2014: US$1.0m) arising on blocks included in exploration and appraisal assets represents pre-commercial production pilot gas production and is considered to form part of continued evaluation of the Group's assets. As such, an amount equal to the margin on such revenues is deducted from the exploration and evaluation asset expenditure in the period.

## 8 TRADE AND OTHER RECEIVABLES

| | **As at 30 June 2015 US$'000 unaudited** | As at 31 December 2014 US$'000 audited |
|---|---|---|
| Trade receivables | **1,408** | 1,537 |
| Other receivables | **11,052** | 10,076 |
| Amount due from related parties | **20,631** | 11,440 |
| | **33,091** | 23,053 |

## 9 TRADE AND OTHER PAYABLES

| | **As at 30 June 2015 US$'000 unaudited** | As at 31 December 2014 US$'000 audited |
|---|---|---|
| Trade payables | **7,307** | 6,302 |
| Other payables | **4,885** | 7,505 |
| Amounts due to related parties | **2,142** | 8,296 |
| | **14,334** | 22,103 |

## 10 CONVERTIBLE NOTES

| | **As at 30 June 2015 US$'000** unaudited | **As at 31 December 2014 US$'000** audited |
|---|---|---|
| Brought forward from prior year | 47,243 | 33,383 |
| Additional finance charge | - | 3,459 |
| Issue of share capital upon conversion of convertible notes | - | (33,253) |
| Issue of convertible notes | - | 46,186 |
| Accrued interest | 2,295 | 443 |
| Interest payment | (1,750) | (2,975) |
| | 47,788 | 47,243 |

As at 30 June 2015, the Company had one (31 December 2014: one) convertible note in issue.

***Convertible loan note issued 2014***

**(a) US$50 million 7% coupon convertible note due 2017**

On 2 June 2014 ("Issue Date"), the Company issued a three year convertible note having a face value of US$50,000,000 with a maturity date of 1 June 2017 ("Maturity Date"). The note bears interest at 7% per annum, payable on a semi-annual basis. At the Maturity Date, the total sum of 100% of the outstanding principal amount of the convertible note and the accrued interest shall become payable, unless previously converted or redeemed.

The convertible note can be converted into ordinary shares of the Company at the note holder's option at any time prior to the Maturity Date at US$9.34 per share.

**(b) Accounting for convertible notes**

On initial recognition, the fair value of the liability component of the convertible loan note was determined using the prevailing market interest rate of similar debts without conversion option. For notes issued during 2014, the rate considered to be comparable was 10%. The loans are subsequently carried at amortised cost.

The equity element arising from the conversion options of their convertible notes, being the residual value at initial recognition, is presented in the equity heading "convertible note equity reserve".

***Convertible loan note issued 2013 and converted 2014***

**(a) US$35 million 7% coupon convertible note due 2015**

On 11 December 2013 ("Issue Date"), the Company issued a two year convertible note having a face value of US$35,000,000 with a maturity date of 16 December 2015 ("Maturity Date"). The note bore interest at 7% per annum, payable on a semi-annual basis. At the Maturity Date, the total sum of 100% of the outstanding principal amount of the convertible note and the accrued interest would have become payable, unless previously converted or redeemed.

The convertible note could be converted into ordinary shares of the Company at the note holder's option at any time from 11 December 2013 to the 14 days prior to the Maturity Date at US$6.06 per share.

On 3 June 2014, this convertible note was converted into 5,775,578 ordinary shares of the Company at US$6.06 per share.

## 11 BONDS AND DERIVATIVE FINANCIAL INSTRUMENT

(a) On 3 June 2013, the Company issued an 18 month bond of US$35,000,000 with a maturity date of 3 December 2014 ("Maturity Date"). The bond bore interest at 7% per annum, payable semi-annually. At the Maturity Date, the bonds were due to be redeemed at their principal amount, unless purchased and cancelled or redeemed.

The Company issued 13,756,000 warrants at the same date to the bondholder under a separate warrant agreement with an exercise price fixed at GBP1.97216, which were exercisable in the exercise period up to 3 December 2014. The holder was entitled to require repurchase of the warrants at any time during the 30-day period preceding the exercise date of 3 December 2014 at a US Dollar amount equal to the aggregate interest payable on the Principal amount, equivalent to US$ 2.54 per warrant, at an annualised interest rate of 15% from the date of issue, representing a put option.

The bond was initially recorded at fair value and is subsequently carried at amortised cost.

The fair value of the warrants and the put option were initially calculated as at the date of inception using appropriate valuation models. The fair value of the instruments was considered to represent a transaction cost of the bond and the inception value of US$7,142,000 was initially set off against the principal amount of the bond of US$35m and was thereafter amortised as part of the effective interest rate charge to the maturity date.

At 3 December 2014, the bond was fully repaid at its principal amount. The warrant and the put option were exercised as at 3 December 2014 at an exercise price of GBP 1.97216, which resulted in an increase in share capital of US$1,257, an increase in share premium of US$92,951,000 and a cash in-flow of US$42,446,000 to the Group. The warrants were re-valued as at the exercise date of 3 December 2014 and subsequently derecognised from the statement of financial position, with the fair value movement of $30.1m being recognised as a finance expense in the income statement.

(b) On 8 December 2014, Green Dragon Gas issued its first public corporate bond ("the Bond") into the debt capital markets and closed this initial issue at US$88m. The bond was issued at a discount of 2.5% and is senior secured three year paper, is due on 20 November 2017, carries a 10% cash payment and is redeemed at 102% of par. The Company has a right to redeem the Bond early for 107%,105%,103% of par at the 12, 18, 24 and 30 month anniversaries. The Bond is secured by a pledge over the shares of Greka Gas China, a wholly owned subsidiary of Green Dragon Gas. The bond was initially recorded at fair value and is subsequently carried at amortised cost. Issue fees of US$1,893,000 were set off against the principal amount of the bond and will be amortised as part of the effective interest rate charge to the maturity date. The redemption premium is amortised as part of the effective interest rate charge to the maturity date. As at 30 June 2015 and 31 December 2014, the bond had accrued interest of US$978,000 and US$1,166,000 respectively.

## 12 PROVISIONS

As disclosed previously in the 31 December 2014 annual report, the Group had litigation with ConocoPhillips China Inc ("COPC") arising from a farm-out agreement. COPC paid US$42.6 million to the Group under the farm-out agreement. On 8 November 2010, the Group terminated the farm-out agreement as COPC had not made the required payments under the funding arrangements. COPC have demanded full repayment of the US$42.6 million. The dispute was subject to arbitration in Singapore and, on 10 July 2013, the arbitration tribunal ruled in COPC's favour. The arbitration tribunal had awarded US$42.6 million plus fees and interest of approximately US$6.9 million against the Group.

Whilst the Directors' remained confident of a successful appeal, in 2013 a provision was prudently made in the financial statements. The original US$ 42.6 million received was set against the exploration assets and, consequently, this was reversed. Full interest and penalties were provided for.

On 14 August 2014, the Group entered into a full and final settlement agreement with COPC and paid US$40 million to COPC to settle this case on 15 August 2014. The provision was reduced by US$9.5 million, the amount set off against exploration assets has been reduced by US$2.6 million and previously recognized fees and interest of US$6.9 million has been reversed and shown in separate line item in the consolidated statement of comprehensive income.

## 13 SHARE CAPITAL AND RESERVES

| | Authorised Number of shares | US$ | Issued and fully paid Number of shares | US$ |
|---|---|---|---|---|
| At 1 January 2014ordinary shares of US$0.0001 each | 500,000,000 | 50,000 | 136,540,711 | 13,654 |
| Issue of shares | - | - | 5,775,578 | 578 |
| At 30 June 2014 ordinary shares | | | | |

| | | | | |
|---|---|---|---|---|
| of US$0.0001 each | 500,000,000 | 50,000 | 142,316,289 | 14,232 |
| Issue of shares | - | - | 13,756,000 | 1,375 |
| At30 June 2015 and 31 December 2014 ordinary shares of US$0.0001 each | 500,000,000 | 50,000 | 156,072,289 | 15,607 |

***Nature and purpose of reserves***

*(i) Share premium*

The amount relates to subscription for or issue of shares in excess of nominal value. The application of the share premium account is governed by the Companies Law of the Cayman Islands.

*(ii) Convertible note equity reserve*

The amount represents the value of the unexercised equity component of the convertible note issued by the Company recognised in accordance with the Group's accounting policy.

*(iii) Share based payment reserve*

The amount relates to the fair value of the share options that have been expensed through the income statement less amounts, if any, that have been transferred to the retained earnings/deficit upon exercise.

*(iv) Other reserve*

In accordance with the regulations of the State Administration of Work Safety, the Group's share of subsidiaries and JCEs has a commitment to provide reserve for enhancement of safety production environment and improvement of facilities ("Work Safety Cost"). In prior years, the work safety expenditures are recognized only when acquiring the fixed assets or incurring other work safety expenditures.

*(v) Foreign exchange reserve*

The amount represents gains/losses arising from the translation of the financial statements of foreign operation the functional currency of which is different from the presentation currency of the Group.

*(vi) Retained deficit*

The amount represents cumulative net gains and losses recognised in consolidated profit or loss less any amounts reflected directly in other reserves.

## 14 RELATED PARTY TRANSACTIONS

Saved as disclosed in notes 8, 9, 11 and 16, there were no other related party transactions that are required to be disclosed. Transactions between the company and its subsidiary undertakings, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The related party transactions of the Group during the period include the following

- Amounts due from related parties of US$17,190,000 (31 December 2014: $11,440,000) and amounts due to related parties of US$2,142,000 (31 December 2014: $3,889,000) are companies that are subsidiaries of Greka Drilling Ltd. and Greka Engineering & Technology Ltd. which are companies under common control. The Group has contracts with both companies at arm's length regarding drilling services and gas processing respectively.
- Amounts due from CNPC of US$3,441,000 (31 December 2014: Amounts due to CNPC of US$4,407,000), which is a party to the production sharing contracts on the activities of exploration, development and production of coal bed methane, in respect of exploration costs incurred. The balance is unsecured and interest-free.
- Amounts due to CUCBM under the Framework Agreement. These are detailed in Note 16.

## 15 EVENTS AFTER REPORTING DATE

There were no significant events that happened after 30 June 2015 up to the date of the Group's interim report for the period ended 30 June 2015.

## 16 JOINT ARRANGEMENTS

The Group currently has six (2014: six) production sharing contracts ("PSCs") in the PRC.

**Background**

On 8 January 2003, the Group entered into four PSCs with CUCBM to explore, develop and produce coal bed methane in five blocks in the locations of Shizhuang South ('GSS'), Chengzhuang, Shizhuang North ('GSN'), Qinyuan and Panxie East. Shizhuang South, Chengzhuang, Shizhuang North and Qinyuan are located in Shanxi Province, the PRC, while Panxie East is located in Anhui Province, the PRC.

Also during 2003, the rights as a foreign contractor to another PSC, which was originally entered into between CUCBM and Saba Petroleum Inc., a related company with common controlling shareholder, Mr. Randeep Grewal, to the Group, on 13 August 1999, to explore, develop and produce coal bed methane in a block in Fengcheng, Jiangxi Province, the PRC, was assigned to the Group.

Pursuant to these five PSCs, the Group, as the operator, agreed to provide funds and apply its technology and managerial experience to co-operate with CUCBM, which is eligible to apply for exclusive right to exploitation of coal bed methane in the areas as defined in the contracts, to explore, develop and produce coal bed methane.

In addition, pursuant to these five PSCs, all the costs incurred in the exploration stage shall be borne by the Group. Upon submission of the overall development programme and approval by the relevant Chinese authorities, the operation shall enter the stage of development and since then, all the development and operating costs were to be borne in the proportion of 60% by the Group and 40% by CUCBM, except for the Fengcheng Block in the proportion of 49% by the Group and 51% by CUCBM. Share in the production output shall be allocated (after deduction of value-added tax and royalty payable to the Chinese tax authority) firstly towards operating costs recovery in the proportion abovementioned (the "Sharing Proportion"), secondly towards exploration costs recovery solely by the Group and thereafter in the Sharing Proportion towards development costs recovery and profit. Refer below for revisions to the proportionate interests in the PSCs as a result of the Framework Agreement.

These five PSCs each have a term of thirty years, with production period not more than twenty consecutive years commencing on a date determined by the Joint Management Committee which was set up by the Group and CUCBM, pursuant to the PSCs, to oversee the operations in the contracted area. Currently all the six blocks covered by these five production sharing contracts are in the exploration stage.

**Framework Agreement with CUCBM**

On 31 March 2014, the Group finalised its Framework Agreement with China United Coalbed Methane Gas ("CUCBM") further to the identification of drilling activities across several of the Group's blocks by third parties. Under the terms of the Framework agreement, the Group's percentage share in the relevant blocks were updated as follows:

- Shizhuang South PSC 60% (increasing to 70% upon discharging of the US$13m detailed below)
- Shizhuang North PSC 50% (see below)
- Qinyuan PSC Area A 10%
- Qinyuan PSC Area B 60%
- Fengcheng PSC unchanged
- Panxie East PSC unchanged

The Framework Agreement reaffirmed the status of the PSC's. Under the PSC, the exploration costs were due to be incurred by the Group, with the Group carrying the exploration risk and the costs being recovered from future production. Notwithstanding the PSC, CUCBM undertook significant exploration work within the licence area and incurred gross expenditure of $611.3m of exploration costs in drilling wells and establishing certain infrastructure across the PSC blocks. The Group's share of the historic costs totalled US$354.0m as at 31 December 2014. During the period, CUCBM have incurred an additional costs and the Group's share of these un-audited costs is US$ 3.7m approximately.

Under the PSCs, the Group had the legal right to enforce their PSC interest in the asset and benefit from the costs incurred by CUCBM. However, the Group agreed to reimburse CUCBM for the Group's share of the historic expenditure by allowing CUCBM to recover its costs from ring fenced cash flows associated with the relevant wells. A constructive obligation was considered to exist given the nature of the transaction and the negotiation between the parties. The amount to be reimbursed through future cash flows from the relevant wells was considered sufficiently certain given the extent of well development, the levels of in place infrastructure and reserves associated with the wells, although settlement remains dependent upon sufficient future production arising. Accordingly, the Group has recorded its share of the assets and a provision.

The relevant licence areas covered by the Framework Agreement are considered to be in the exploration stage and as such any revenue is treated as test production. The following table summarises the Group's cumulative share of the capital expenditure

| **Capital expenditure (exploration and infrastructure)** | US$'000 |
|---|---|
| Balance as at 1 January 2015 | 354,027 |
| Additions for the period | 3,663 |
| Balance as at 30 June 2015 | 357,690 |

| **Provision for amounts due to CUCBM** | US$'000 |
|---|---|
| Balance as at 1 January 2015 | 354,027 |
| Provision for the period | 3,663 |
| Balance as at 30 June 2015 | 357,690 |

The cumulative expenditure by CUCBM across the PSCs, which the Group is reimbursing through future production, bears interest at 9%. No discounting of the provision applies given the interest bearing nature.

Under the original Shizhuang South PSC and as reaffirmed by the Framework Agreement US$13,000,000 (2014: US$13,000,000) represent amounts payable to CUCBM in respect of exploration costs incurred prior to the original PSC by CUCBM. This amount is to be settled out of the Group's share of future revenue of production from the Shizhuang South Block. The balance is unsecured, interest-free and is not expected to be repayable within the next twelve months. Discounting is considered immaterial. The Group's has the option to increase its interest in the PSC to 70% following settlement of the US$13,000,000, which is classified as a provision given the uncertain nature of its timing.

Shizhuang North PSC

In 2014, under the terms of the Framework Agreement, the Group agreed to reduce its interest in the GSN Block by 10% in return for CUCBM providing the Group with a carried interest for US$100m of exploration and development cost expenditure. No gain in respect of the committed future expenditure as compared to the 10% interest in the Group's existing assets was recognised in 2014 under the Group's accounting policy.

The Group has incurred US$7.7m on the block held as exploration assets to date.

CUCBM is majority owned by China National Offshore Oil Corp and is headquartered in Dongcheng District, Beijing.

**Chengzhuang block ("GCZ")**

In December 2013, the Group entered into a binding Memorandum of Understanding ("MOU") with PetroChina Company Ltd ("PetroChina"), confirming a 47% participating interest by GDG in the Chengzhuang block ("GCZ"), a block included within the Shizhuang South PSC. Under the terms of the MOU, the Group formally acknowledged PetroChina as operators of the GCZ block, are entitled to their share of historic and future revenues arising from the sale of gas and agreed to contribute towards the associated capital and operational costs relating to the GCZ block. Under the terms of the MOU the Group could settle its obligation to PetroChina arising in respect of the MOU in cash or through future production entitlement.

Subsequent to the MOU, in August 2014, the Group finalised and signed the Cooperation Agreement with PetroChina as required by the MOU. The Cooperation Agreement reaffirmed the rights of the Group in the GCZ block and the PSC (47% interest) and noted that the term of the agreement ran from March 2010 to March 2033.

The following table summarises the Group's share of the capital expenditure and net revenues arising from the GCZ block for the current and prior year. Depreciation figures have been excluded

| | Six months ended 30 June 2015 |
|---|---|
| | US$'000 |
| Capital expenditure | 755 |
| Revenue | 7,527 |
| Total operational costs and expenses | (924) |
| Net Profit | 6,603 |

| Amount due from / (to) CNPC | USD'000 |
|---|---|
| Balance as at 1 January 2015 | (4,407) |
| Capital expenditure for GCZ block | (755) |
| Share of profit for GCZ Block | 6,603 |
| Deposit paid for GGZ block | 2,000 |
| Balance as at 30 June 2015 | 3,441 |

In addition, Greka Guizhou E&P Ltd, a subsidiary of the Company, has a PSC with PetroChina CBM to explore for and develop coal bed methane resources in the province of Guizhou, the PRC. It can earn a 60% interest in the property by funding up to US$8,000,000 for an exploration pilot programme. No funding has been provided in the year.

PetroChina is a subsidiary of state-owned China National Petroleum Corporation (CNPC), headquartered in Dongcheng District, Beijing.

**RESPONSIBILITY STATEMENT**

We confirm that to the best of our knowledge:

(a) the Condensed Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a true and fair view of the assets, liabilities, financial position and profit of the Group; and

(b) the Interim Management Report includes a fair review of the information required by FCA's Disclosure and Transparency Rules (DTR 4.2.7 R and 4.2.8 R).

On behalf of the Board

Randeep S. Grewal
Founder & Chairman

15 August 2015

**Interim Review Report for Green Dragon Gas Ltd.**

**Introduction**

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015which comprises the consolidated income statement, consolidated comprehensive statement of income, consolidated statement of changes in equity, condensed consolidated statement of financial position, the condensed consolidated statement of cash-flows and the related notes..

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

**Directors' responsibilities**

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

**Our responsibility**

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

*BDO LLP*
*Chartered Accountants*
*Location*
*United Kingdom*
*15 August 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



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