

aminex PLC

annual report and accounts 2006



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chairman's statement

Dear Shareholder,

Overview

During 2006 the Aminex Group consolidated its exploration programmes in Tanzania and Madagascar, finalised its exploration licence in Egypt, continued to make progress in North Korea under exceptionally difficult political circumstances, further developed its US oil and gas operations and positioned itself for major drilling initiatives over a broad front in 2007.

Drilling is planned during the current year at the following locations:

- Nyuni (Tanzania)
- West Esh el Mellahah (Egypt);
- Alta Loma and South Weslaco (Texas).

Depending on progress, drilling may also commence in the Ruvuma Basin (Tanzania) towards the end of 2007, although this now seems more likely to start in 2008.

Progress in finalising a Production Sharing Agreement in Kenya has been slow, but we have recently been assured by the Kenyan Energy Minister that we may expect a satisfactory conclusion shortly.

A new reserves report for our US properties shows greatly enhanced value, following development drilling and a period of stronger commodity prices, underpinning our current market capitalisation.

Two farm outs have now been successfully concluded on the Tanzanian Nyuni licence while our farm-in partner in the Ruvuma area, Hardman Resources Ltd. ("Hardman"), has been acquired by Tullow Oil PLC. The takeover of Hardman slowed down the work programme over Ruvuma in late 2006, but its conclusion leaves us in a 50-50 partnership with Tullow, one of the largest and most successful independent oil companies operating on the African continent today.

Operations Review

Tanzania – Nyuni

We have now signed a contract for the use of the Caroil-6 rig to drill at Nyuni this year. This rig has recently drilled Maurel & Prom's gas discovery well at the nearby Mkuranga licence in Tanzania and will drill a development well in the Songo Songo gas field before delivery to Aminex and partners, anticipated for late in the second quarter. Aminex plans two wells at Nyuni, the first of which will be directionally drilled from the small Kiliwani island, which lies one kilometre to the south west of Songo Songo Island. The drilling objective is a prospect known as Songo Songo South. The second well location has yet to be finalised.

During the last three months Aminex has conducted an extremely complex "transition zone" seismic programme over the numerous

reefs and islands which overlie the licence's leads and prospects. In 2005 a relatively simple marine seismic survey was carried out in navigable waters and the seismic lines in the transition zones, now tied in to the marine lines, provide a far more comprehensive result than has previously been achieved. The Company's partners are Bounty Oil (6%), East Africa Exploration (10%) and Key Petroleum (20%).

Tanzania – Ruvuma

Further onshore seismic is planned for Spring 2007 and a contract has now been signed for the acquisition programme. The results will help to determine drilling locations. Our initial assessment of Ruvuma concludes that this licence area contains several sizeable oil and gas prospects. In the Mozambique part of the Ruvuma Basin the licensing round completed last year has brought in a number of well-known oil companies, including ENI, Anadarko, Norsk-Hydro, Petrobras and others, which have made material financial commitments to exploration of the basin. Exploration acreage on the Tanzanian side of the basin is exclusively in our hands. Partners are Aminex (50%) and Tullow (50%).

Madagascar

Aminex and its 50-50 partner Moco Resources Ltd., operating through a joint company known as Amico Resources Ltd., completed a gravity survey over the 10,725 square kilometre onshore Manja concession, Block 3108, earlier in the year and have subsequently reprocessed approximately 2,000 line kilometres of 2D seismic acquired by previous licensees Chevron and Amoco some years ago. The first year work programme has been completed on schedule and a new 500 kilometre 2D seismic survey is scheduled to commence in the third quarter. Since we applied for Manja in early 2005, onshore Madagascar has become a focus of industry interest and Aminex is therefore pleased to have acquired an excellent licence on favourable terms prior to a surge of exploration activity.

USA

Aminex USA, Inc., a wholly-owned subsidiary, has interests in four principal producing locations, being Alta Loma, Shoats Creek, South Weslaco and Somerset. A new reserves report recently completed by Oilfield Production Consultants Ltd. attributes a 2P (proved and probable) valuation to all Aminex's properties in the USA of US\$84.5 million.

Alta Loma produces from a single gas well which was intermittently shut-in for some time as a result of hurricane damage and a subsequent major accident at BP's Texas City Refinery, the sole customer for its production. However production has now resumed at Alta Loma and the drilling of a second well is planned for the

second half of 2007. Aminex and its partners drilled a third well in the South Weslaco field during the year, in addition to two gas wells drilled in 2005 which are now on production. The third well was designed to test a deeper Lower Frio sand. So far it has not been possible to flow gas from the deeper formation despite repeated efforts and the well may now be plugged off at the deeper zone and completed for production higher up the formation.

Initial well workovers have been carried out at Shoats Creek, Louisiana, and facilities reconstructed and upgraded. The Shoats Creek field has long been considered very promising but the surface terrain is difficult and the underlying geology highly complex. The field lends itself to 3D seismic but this would be a very costly undertaking for a relatively small area. Therefore we can be very encouraged that Forest Oil is conducting extensive 3D seismic over a large area including our property. In consideration for allowing Forest access to our acreage, Forest will make the results of its survey available to us. Thus, after several years of work, we shall finally have a clearer picture of this promising field which will enable us to develop it with greater confidence.

Kenya

Aminex, with partners Upstream Petroleum Services Ltd. and SomKen, concluded a seismic survey and seabed coring exercise over the near-shore areas of Kenya offshore blocks L9 and L10 in the first half of 2006 under the terms of an informal Technical Evaluation Agreement. These areas have now been redesignated as blocks L17 and L18. Extended negotiations have been taking place to convert this acreage to full Production Sharing Agreement ("PSA") status, expected to be finalised shortly.

North Korea

In North Korea (the Democratic People's Republic of Korea or "DPRK"), progress has been slower than anticipated, mainly on account of a series of bureaucratic delays and a very difficult climate for working. Aminex's area of concentration is the East Sea where a data gathering exercise is under way. It is likely that a new and more comprehensive agreement will be signed with the North Korean authorities which will facilitate the introduction of new industry partners and the commencement of a major work programme, but the timing has yet to be determined. This should facilitate accelerated operations in due course and Aminex has been assured that the timetable for the 2005 PSA will be extended to enable commitments to be met in an orderly manner. Aminex considers the oil and gas potential of the DPRK to be very high.

Egypt

On 17th September 2006, as announced to shareholders, a licence for Block 2 in the onshore West Esh el Mellahah area ("WEEM") was finalised in Cairo with the Minister of Petroleum at a formal

ceremony. This marked the end of lengthy negotiations and the beginning of a first three year work period in which three wells are planned commencing in summer 2007. Plans for this programme are well advanced. The main prospects in Block 2 are already covered by 3D seismic data which means that it will be possible to move straight into the drilling phase. Aminex has an interest of 10% in WEEM and its share of exploration costs will be carried through to first commercial production by partners. WEEM is in a proven oil and gas area and close to major existing production in Lukoil's neighbouring WEEM Block 1. Aminex is reviewing further exploration opportunities in Egypt.

Strategy and Prospects

Aminex is about to embark on an ambitious drilling programme in East Africa and the USA. The Company has a well diversified spread of risk and a balanced portfolio ranging from proved reserves in Texas, upcoming drilling close to established production at Nyuni and in Egypt, two major and prospective licences in industry "hot spots" at Ruvuma and in Madagascar and, at the far end of the spectrum, exclusive rights to all the potentially petroleum-bearing basins of North Korea. Recent highly encouraging political developments in North Korea may serve Aminex's interests well, while the Company's early entry into the East Africa region positions it strategically as a pioneer in an exciting new region.

Board Changes

In April 2007, Mr Andrew Hay was invited to join the Company's Board as a Non-Executive Director. His name is being put forward for election at the Annual General Meeting in June and I recommend you support him. Mr Hay is head of corporate finance at LCF Edmond de Rothschild Securities Ltd and has been advising Aminex since 2002.

In late March 2007, it was with regret that we announced the retirement from the Board of Mr. Andrew Windham, a Non-Executive director. Mr. Windham has recently accepted an appointment as Managing Director – Africa Region for Tullow Oil PLC and his retirement was to avoid a conflict of interest arising in the future as Aminex is both a partner with Tullow in Tanzania and its neighbour in Madagascar. I would like to wish him all success in his challenging new position.

Management and Staff

I would like to pay tribute to the Group's management and staff, who have continued to progress Aminex's various projects.

Derek Tughan

Chairman

United States of America
Production in Texas and Louisiana

Egypt
Under-explored area of a proven petroleum province

North Korea Large basins in undeveloped petroleum province

Kenya Seismic option

Tanzania High impact exploration

Madagascar High impact exploration on trend with East Africa

oil and gas operations report

Aminex is exploring in the frontier areas of Tanzania, Madagascar, Kenya, Egypt and North Korea. International Exploration Activity

AMINEX LICENCES GROSS ACREAGE			
Country		Area	Surface acreage
East Africa	Tanzania	Nyuni Ruvuma	1,303 km 12,361 km
	Madagascar	Manja	10,725 km
	Kenya	L17 & L18	5,000 km approximately
Egypt		West Esh el Mellahah	1,328 km
North Korea			66,000 km approximately
Total			96,717 km

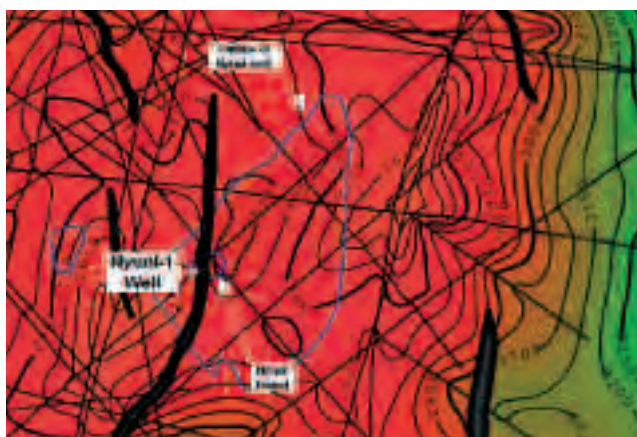
Tanzania

Nyuni/East Songo Songo PSA

The 1,303 square kilometre Nyuni/East Songo Songo licence area is held under a Production Sharing Agreement (the "Nyuni PSA") with Tanzania Petroleum Development Corporation ("TPDC"), the state oil company of the United Republic of Tanzania. Partners are Bounty Oil ("Bounty") (6%), East Africa Exploration Ltd. ("EAX") (10%), and Key Petroleum ("Key") (20%). EAX has earned its 10% through partially financing the acquisition of new seismic in 2006 and 2007. Key will pay 30% of the costs of two exploration wells to earn its 20% interest and is contributing to certain past costs.



Mike Rego:- Group Exploration Director



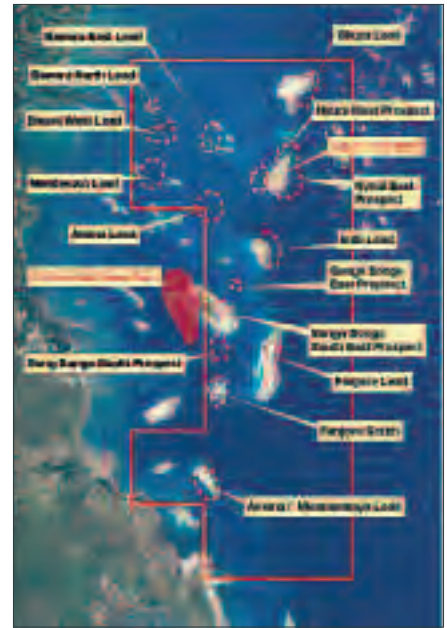
NYUNI – Portion of a depth map from the Nyuni reef area from an independent 2D seismic interpretation prepared by RPS Energy during 2006, illustrating presence of structures up-dip and to the southwest and northeast of the Nyuni-1 well location.

Aminex drilled Nyuni-1 in 2004 which found traces of oil and gas but was not a commercial discovery. At the end of 2004 Aminex and the Tanzanian authorities agreed an extension of the Nyuni PSA into a second term of three years involving further seismic and a commitment to drill two new exploration wells.

A contract has now been signed for the use of the Caroil-6 rig to drill on the Nyuni PSA this year. This rig recently drilled a gas discovery well, Mkuranga-1, for Maurel and Prom on its onshore licence in the Rufiji Delta region of Tanzania. The rig is scheduled to drill a development well in the Songo Songo gas field prior to delivery to Aminex and partners in May 2007.



Above and below: Caroli 6 rig



Nyuni Licence

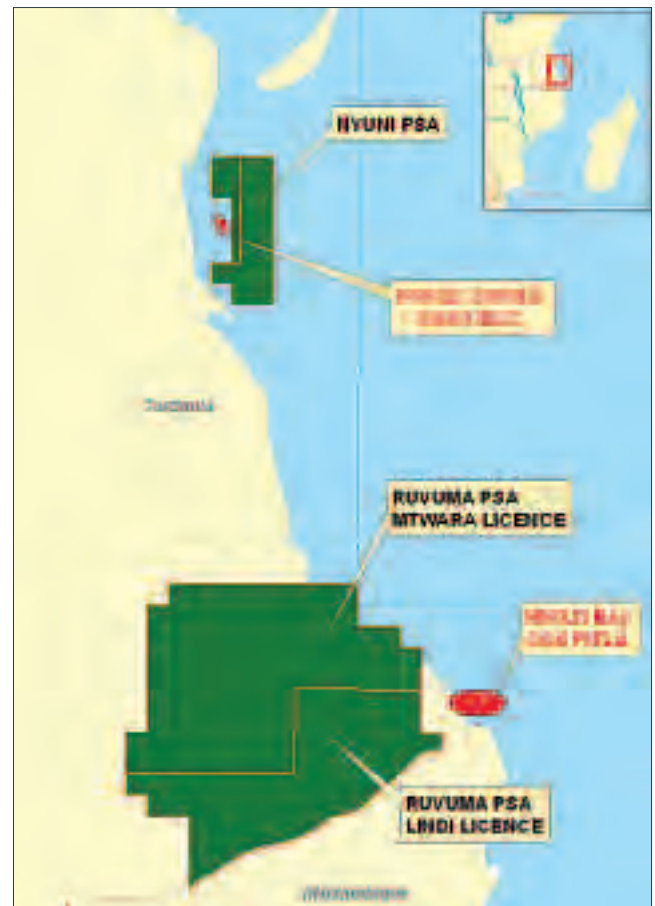
The Nyuni PSA is an offshore licence situated in front of the delta of the Rufiji River and includes numerous reefs and small islands, some of which are suitable for use as drilling pads with land rigs. Such an island was used to drill Nyuni-1 in 2004 and the same practice will be adopted for the 2007 drilling programme. A successful well can be completed for production in a much more simple manner than a well drilled with a marine rig. However, the reefs and islands complicate seismic acquisition as conventional seismic vessels cannot pass over the reefs, whilst mobilising a land seismic source is not economical or practical for the very small line lengths involved over the islands.

In 2005 Aminex acquired marine seismic where the water was sufficiently deep using the shallow draught "MV Geomarine". In 2006/7 a very complex programme of "transition zone seismic" has been carried out which extends the seismic lines over the reefs using shallow craft imported specially and working within very tightly-defined tidal windows. Given the exposed nature of the reefs, the strong currents and the small size of the transition zone vessels, this has been a highly challenging operation but one which, now that it has been successfully completed, provides the best seismic imaging ever achieved in this complex coastal area.

President Kikwete of Tanzania



With the benefit of the interpreted transition zone data, the first of the two wells in the current programme will be directionally drilled from Kiliwani Island, a small island one kilometre southwest of Songo Songo Island, to test the Songo Songo South prospect. Songo Songo Island is the base for the large, producing Songo Songo gas field, operated by Pan African Tanzania. Aminex's licence boundary passes through Songo Songo Island. The second well location has yet to be finalised, and will be determined by further interpretation of the recently acquired seismic data and an assessment of the rig's capabilities during drilling of the first well.



oil and gas operations report continued

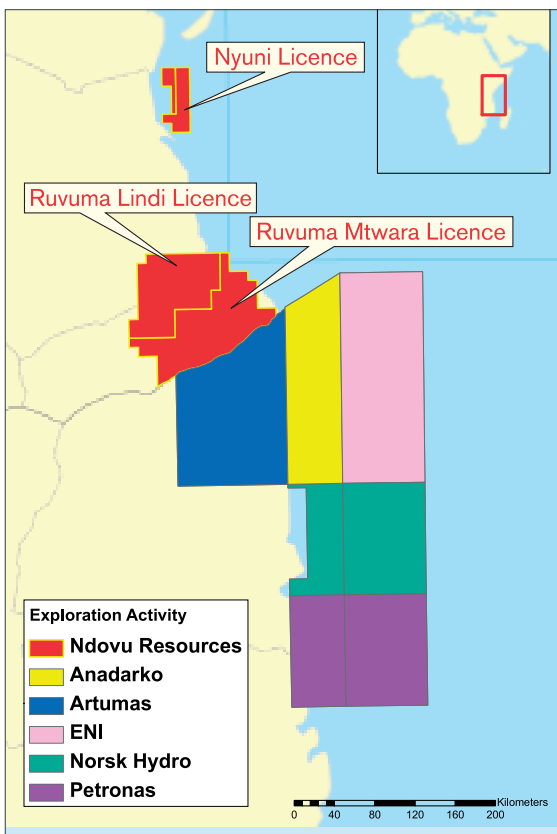


RUVUMA - RGB satellite image of the Tanzanian coastal portion of the Ruvuma Basin – Aminex’s licence covers most of the area in the image. Such images are extremely helpful to the exploration process, from using landforms such as rivers and outcrop geology to predict the deeper underlying structural geology, to assisting with determining logistics for efficient seismic acquisition.

There are two distinct structural trends seen in this image - the Northeast - Southwest trend (as shown best by the Ruvuma River) to East-northeast - West-southwest trend which represents deep-seated transform faults that offset the North-northwest – South-southeast trend that parallels the rift margin, as shown just above the Ruvuma Basin caption. Such offsets in the structural style can be important for identifying areas of greater prospectivity.

Ruvuma PSA

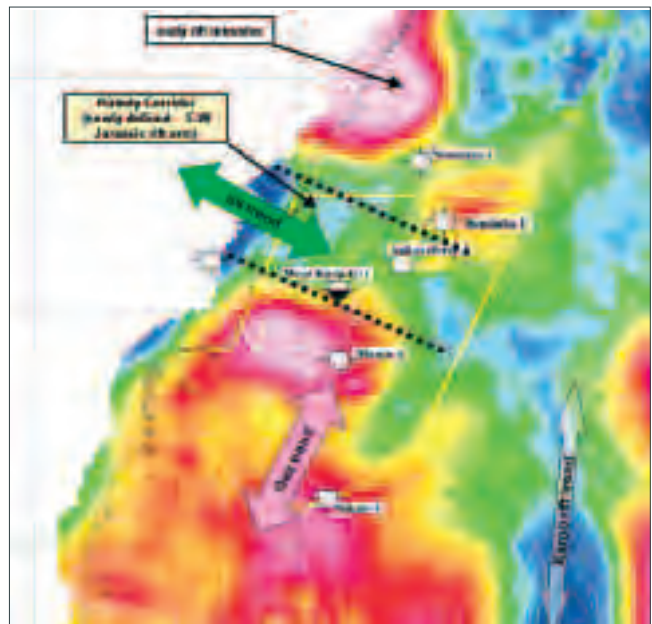
The 12,361 square kilometre Ruvuma PSA area (“Ruvuma PSA”) comprises two separate and adjacent licences, Lindi and Mtwara. Together these cover the Tanzanian portion of the Ruvuma Basin which also extends into northern Mozambique (where it is locally known as the “Rovuma” basin). The Mtwara licence is entirely



onshore whilst the Lindi licence includes a narrow offshore margin. Both licences are adjacent to the Mnazi Bay gas field, discovered by AGIP in 1982 and currently under commercial development by the Artumas Group.

A recent licensing round in the Mozambique sector of the basin was fully subscribed and attracted applications from a number of well-known oil and gas companies, some of which are new to the East African Margin. Together these companies have made material exploration commitments. Anadarko, for instance, is thought to be planning a 7-well programme. The Tanzanian onshore sector of the basin is licensed exclusively to Aminex (50%, Operator), and Tullow Oil (50%) which has inherited Hardman Resources Ltd’s farm-in interest following its successful takeover of that company.

Prior to the Hardman farm-in, Aminex had acquired 330 kilometres of new marine 2D seismic in the Lindi block. Reprocessing of the existing onshore and offshore data is now virtually complete. A revised interpretation exercise is under way to help guide the acquisition programme for approximately 400 kilometres of new 2D seismic data in late Spring 2007. Initial assessments of the acreage have identified numerous leads, several of significant size, and the new 2D seismic will be used to guide a two well drilling programme in 2008, possibly commencing as early as late 2007. Geochemistry from the region, based on oil and gas seeps, samples from the nearby Mnazi Bay gas field and from the Lukuledi-1 exploration well, drilled on the Lindi licence in 1992 by Texaco, indicate good potential for oil as well as for gas.



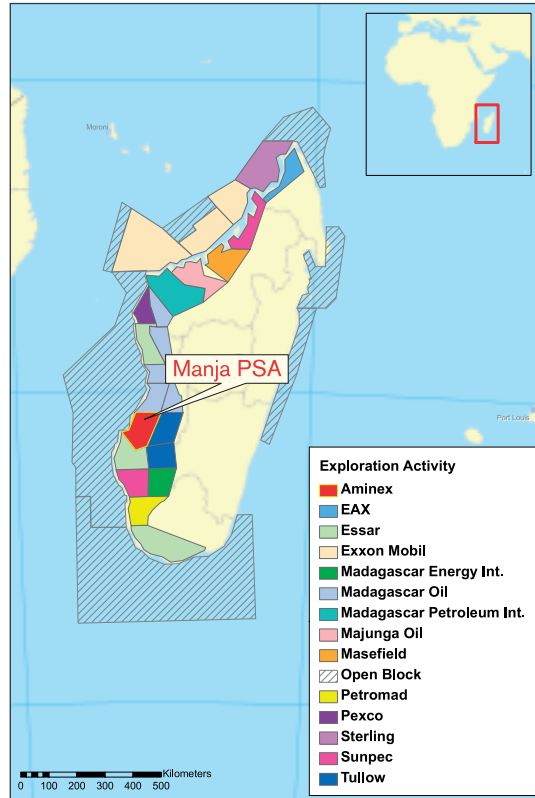
MADAGASCAR - Recent re-interpretation of gravity and magnetic data in Block 3108 suggests the presence of a WNW-ESE trending embayment in the rift margin, that Aminex has named the “Kirindy Corridor”. The West Kirindy-1 well drilled by Chevron in 1976, on the southwest flank of the “Kirindy Corridor”, recorded oil and gas shows. Work by Aminex in 2006 on cuttings from the West Kirindy-1 well indicated that not only was the oil a migrant oil, but also that it was sourced from rocks of Lower-Middle Jurassic age, identical to those identified as responsible for the oil seeps and shows present along the East African margin in Tanzania, as well as the Nyuni-1 well.



Above: Michael Hacking of Moch and Brian Hall with OMNIS chief Elise Razaka – Madagascar.

Right: Madagascar – Exploration Activity.

Below: Off-road in Manja concession.



Madagascar

Block 3108 PSA (“Manja”)

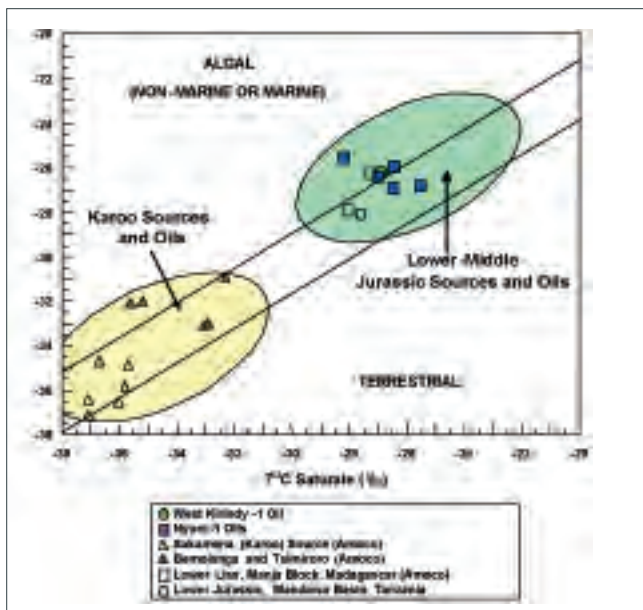
Aminex, operating through a 50-50 special purpose company known as Amicoh Resources Ltd. with partner Moch Resources Ltd., was awarded the rights to the 10,725 square kilometre onshore Block 3108 in Madagascar, known as “Manja”, in October 2005 through a PSA with OMNIS, the Madagascar state oil and mining organisation. Aminex operates this licence.

The initial 2-year work programme requires Amicoh Resources to acquire gravity and magnetic data as necessary and to acquire 500 kilometres of new 2D seismic data, with exploration drilling in subsequent periods.

The Manja Block is located in the Morondava Basin on the west coast of Madagascar which, in common with much of the adjacent and geologically similar East African coastal margin, has never been intensely explored. Over the past fifty years only five wells have ever been drilled in the Block.

A unit of Total held the acreage in the 1950's and drilled three wells with only limited data, of which Sikhily-1 tested gas at 2.7 million cubic feet/day, as well as recording shows of oil, and Manja-1, which reported significant flows of gas but was never tested. Neither well was drilled deep enough to penetrate a regional potential reservoir formation.

Chevron drilled the West Kirindy-1 well in 1976 with oil and gas shows.



MADAGASCAR - Carbon isotope plot showing that the traces of oil present in the West Kirindy-1 well in Manja Block 3108, Madagascar, are derived from the same source rocks of Lower to Middle Jurassic age as the oils found in the Nyuni-1 well, drilled by Aminex in the Nyuni PSA, Tanzania, as opposed to the Sakamena (Karoo) oils found elsewhere in Madagascar, thereby implying the presence of a widespread oil-prone source rock along the East African margin.

oil and gas operations report continued

Subsequently Amoco drilled the Betsimba-1 well in 1986 with gas shows, before abandoning the licence at a time of tumbling oil and gas prices.

During 2006 Aminex gathered over 3,000 kilometres of original seismic field tapes, some dating back more than 30 years, and shipped them to the UK for transcription and reprocessing. A gravity survey was conducted throughout the Block with special emphasis on a possible Jurassic rift graben adjacent to the recorded oil shows at Chevron's West Kirindy-1 well drilled in 1976. Analysis of sample material from this well revealed traces of Lower to Middle Jurassic-age oil that

Aminex has since been able to correlate directly to the oils found on the East African margin. This implies a common and widespread oil-prone source rock that may be locally oil-mature within the Manja Block and different in age to the Karoo-age oil-prone source rocks that are already well proven in Madagascar.

The interpretation of the reprocessed seismic data is being used to guide the acquisition of 500 km of new 2D seismic data scheduled for 2007, upon completion of which the work obligations of the first period will have been fulfilled.

Since Amicoh was granted the Manja PSA, exploration interest in the Morondava Basin of Madagascar has intensified and virtually all the petroleum-prospective onshore acreage has now been licensed.

Democratic People's Republic of Korea

Following the signing of a Petroleum Agreement with the Democratic People's Republic of Korea ("DPRK" and "North Korea") in 2004, Aminex has undertaken a wide range of technical studies.

The Petroleum Agreement covers three distinct regions, each with different petroleum geology: the West Sea Basin, the East Sea Basin, and the onshore basins.

Past exploration efforts, generally led by the Koreans, established petroleum potential in all three regions, with the presence of working hydrocarbon systems proved by drilling in the West Sea. However the available information is not extensive and there has only been limited exploration since the early 1990's. No wells have been drilled in either the East Sea or the West Sea basins since



The west sea of DPRK is adjacent to China's Bohai Bay production

1991, while just one stratigraphic test well has been drilled in the onshore Jaeryong Basin.

Progress has been slower than anticipated in the DPRK, mainly on account of a series of bureaucratic delays and, over the past year, a difficult political climate, now showing strong signs of improvement. Aminex's selected area for an initial focus of exploration activity is the East Sea, where a data gathering exercise is under way. It is likely that a new, simplifying agreement will be signed specifically for the East Sea but the precise timing has yet to be determined. This will facilitate accelerated operations and Aminex has been assured that a timetable already agreed for exploration work in 2005 will be extended to enable commitments to be met in an orderly manner.

Only two wells have ever been drilled in the East Sea, between 1989 and 1991, both of which can be regarded as stratigraphic tests rather than exploration wildcats on well-defined prospects.



DPRK licence areas

Both wells encountered shows of oil and of gas. Neither well was located on a valid prospect as demonstrated by 2D seismic data, subsequently acquired in 1997, which revealed a number of structural closures with significant trap potential. New seismic data in the East Sea should serve better to define existing prospects and there is excellent potential for additional large undrilled traps to be identified in moderate water depths. Woodside Petroleum of Australia has recently signed an agreement with the Republic of Korea (South Korea) for a 13,000 square kilometre exploration concession in the East Sea, adjacent to Aminex's contract area in the north.

Thirteen exploration wells were drilled in the West Sea between 1981 and 1989. Due to numerous mechanical problems encountered with drilling, however, only two wells were ever drill stem tested (DST), when oil flowed at rates of up to 425 barrels of oil/day (bopd). There have been no further exploration wells drilled in the West Sea since for reasons which are not entirely clear, despite the acquisition of several thousand kilometres of 2D seismic. Examination of the drilling records suggests that improved drilling technology and better prospect definition, using more recent seismic data, should result in a considerably higher rate of success. The geochemistry is similar to that of the adjacent and prolific Bohai Basin in China. The Korean West Sea lies adjacent to Chinese waters and is close to Bohai Bay. The median line for exploration has not been finalised with China, in common with unresolved boundaries between China and its other maritime neighbours.

The political sensitivities are therefore considerable, which is a good operational reason for concentrating on the East Sea in the first instance, to add to the convincing geological arguments.

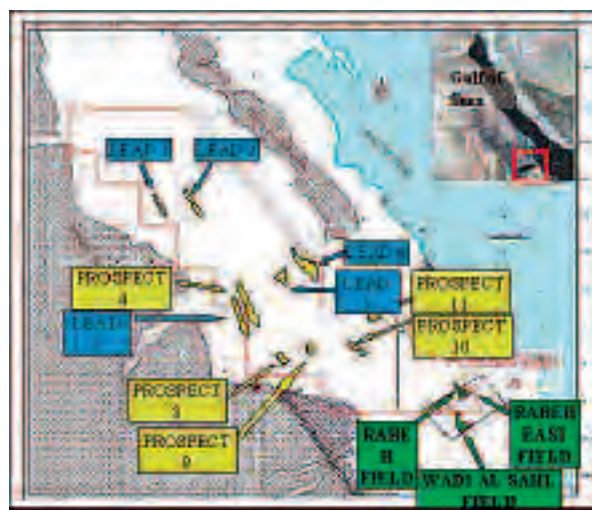
Amongst the several onshore basins, Aminex favours the Jaeryong Basin to the South of Pyongyang, where only one stratigraphic test well has been drilled, as the likely focus for commencing onshore exploration activity. The well was drilled in 1996, a year before 500 kilometres of 2D seismic was acquired. There has been no further exploration in this basin since 1997, despite numerous seeps at the surface of natural oil and gas throughout the area. Aminex has reviewed some of these seeps geochemically and has proved them to be derived from the same Jurassic oil-prone source rocks as those encountered in the West Sea Basin.

A new agreement, when available, will facilitate accelerated operations. Aminex considers the oil and gas potential of the DPRK to be very high, even though operations require both patience and perseverance.

Egypt

West Esh el Mellahah, Block 2 PSA

The 1,328 square kilometre West Esh el Mellaha Block 2 ("WEEM") Production Sharing Agreement was formally finalised in Cairo on 17th September 2006 with the Egyptian Minister of Petroleum. This marked the end of lengthy negotiations and commencement of the first three year work period, in which three wells are scheduled commencing in summer 2007. Drilling plans are well advanced. The main prospects in WEEM Block 2 are already covered by 3D seismic data which allows rapid progression to the drilling phase.



Aminex has an interest of 10% in WEEM and its share of exploration costs will be carried through to first commercial production by partners. WEEM is in a proven oil and gas area and close to major existing production in neighbouring WEEM Block 1 where a unit of Lukoil produces over 9,000 bopd. Aminex's partners are First Energy (68%), FS International Corporation (2%) and Sinopex Ltd. (20%) Groundstar Resources Ltd. is earning an interest from First Energy through a farm-in arrangement. Aminex is reviewing further exploration opportunities in Egypt.



Brian Hall and Egyptian Energy Minister Sameh Fahmy

oil and gas operations report continued

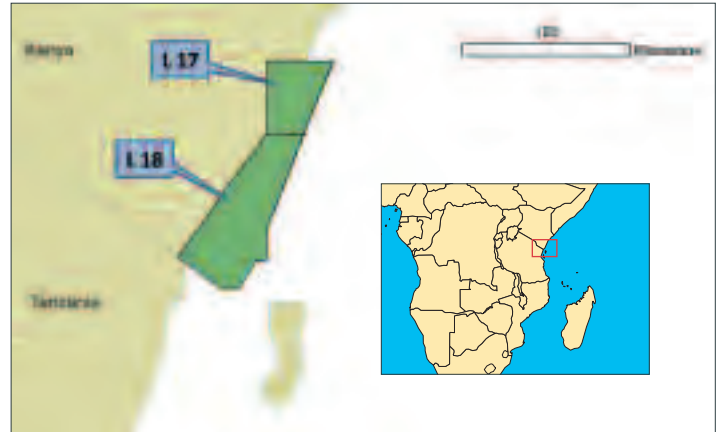
Kenya

Blocks L17 and L18

Aminex, together with partners Upstream Petroleum Services Ltd. ("UPSL") and SomKen, concluded a seismic survey and seabed coring exercise over the near-shore portions of former blocks L9 and L10 during the first half of 2006 under the terms of a Technical Evaluation Agreement ("TEA"). The areas have recently been redesignated as Blocks L17 and L18, covering approximately 5,000 square kilometres of near-shore and onshore acreage.

Negotiations have been in progress for some time to convert the acreage to full Production Sharing Agreement ("PSA") status. Aminex has recently been assured by the Kenyan Energy Minister that a satisfactory conclusion will be reached in the near future.

Aminex, together with other oil and gas companies, remains convinced of the prospectivity of offshore Kenya despite the recent disappointing results from Woodside's deep water well, the first to be drilled offshore Kenya for over thirty years. Aminex's studies of this region of the coastal margin, along with similar studies



Kenya near-shore blocks L17 and L18

conducted independently by UPSL, confirm that the region has potential for oil and gas similar to offshore Tanzania. Blocks L17 and L18 are partly onshore and partly offshore. The offshore depths range from zero to a maximum of 500 metres.

US Development & Production Activity



Antonio Prado
President, Aminex USA, Inc.



Aminex's wholly-owned subsidiary Aminex USA, Inc. produces oil and gas in four separate areas:

Alta Loma Field, Galveston County, Texas ("**Alta Loma**")

Somerset Field, Bexar and Atascosa Counties, Texas ("**Somerset**")

South Weslaco Field, Hidalgo County, Texas ("**South Weslaco**")

Shoats Creek Field, Beauregard Parish, Louisiana ("**Shoats Creek**")

A reserves study carried out by Oilfield Production Consultants Ltd. ("OPC") in 2006 and completed since the year end reports a 2P (proved and probable) value of Aminex's US properties to be \$84.5 million.

Location		Designation	Surface	Production	Working interest	Operator
Texas	Alta Loma Field, Galveston County	"Alta Loma"	444 acres	Gas	37.5%	Peoples Energy Production Company
	Somerset Field Bexar and Atascosa Counties	"Somerset"	3,474 acres	Oil	100%	Aminex USA Inc.
	South Weslaco Field Hidalgo County	"South Weslaco"	6,329 acres	Gas	12.5%-25%	Kaler Energy Inc.
Louisiana	Shoats Creek Field Beauregard Parish	"Shoats Creek"	1,700 acres	Oil	100%	Aminex USA Inc.
Gross acreage			11,947 acres			

Field status:

Alta Loma, Galveston County, Texas

- Gas
- On production from one well
- New drilling planned in 2007
- Aminex Working Interest 37.5%
- Acreage: 444
- Operator: Peoples Energy Production Company

Alta Loma is now on production after several severe interruptions, most significant of which were hurricane damage and then a major fire and explosion at BP's Texas City Refinery which is the sole customer for the field's gas production. During the year virtually no gas was produced at Alta Loma but the field resumed production in February 2007 and has been producing without interruption since then. A new delivery agreement recently signed will reduce the transportation tariff and increase delivery capacity. Current production averages 600mcf/day and 30 barrels oil/day on a restricted choke.

A major well is scheduled for the third quarter of 2007 to be drilled down to the "S" sands, and to the Taquard sands at 14,500 feet (4,420 metres). The estimated 100% cost of the well is approximately \$5.5 million. A new Exploration Agreement is proposed to expand the joint venture's area of mutual interest in such a way that a shallow drilling programme could be undertaken.

Somerset, Bexar/Atascosa Counties, Texas

- On production
- Oil
- Aminex Working Interest 100%
- Acreage: 3,474
- Operator: Aminex USA Inc.

Aminex acquired the Somerset leases in 1994, comprising several hundred shallow well bores producing oil either by pump or through a mobile swabbing unit. Production from each well is modest but annual decline is minimal. The field is labour-intensive and operating costs are high which makes Somerset



Oil swabbing unit at Somerset

economically marginal during periods of low oil prices. However during periods of high oil prices, as at present, Somerset becomes profitable through careful and efficient management.

During 2006 Aminex implemented a programme for the Somerset Field which included the removal of redundant storage tanks, electricity lines and flow lines, plugging of non-performing wells and land rehabilitation. An operations base in the field was upgraded to become Aminex's US headquarters building. Salt Water Injection and other facilities were enhanced and a company-owned rig refurbished to handle the increased production anticipated from an ongoing well rehabilitation programme. Purchase of a second rig is planned which will accelerate the well rehabilitation programme.

Somerset currently produces approximately 100 barrels oil/day from 285 wells. The field enhancement programme is expected to add significant production.

South Weslaco, Hidalgo County, Texas

- On production
- Gas
- Aminex Working Interest 12.5% - 25%
- Acreage: 6,329
- Operator: Kaler Energy Inc.

Aminex and partners own leases in the mature South Weslaco Field, Hidalgo County, Texas. This property was previously owned by Unexco Inc. and was acquired by Aminex in 1999. The greater South Weslaco Field is operated by Apache Corporation.

oil and gas operations report continued

Aminex and partners drilled two successful gas wells at South Weslaco, GU#35 and GU#36, which are currently on production. Aminex owns a 25% interest in these wells. GU#37 was drilled in 2006 to test a deeper horizon and Apache Corporation exercised a right to participate with a 50% interest, reducing Aminex's interest from 25% to 12.5%. GU#37 encountered multiple gas-bearing sands in the Lower Frio formation but was specifically aiming for a deeper Frio target than previously drilled. Efforts to produce from this deeper target have so far not been successful. If the deeper zone cannot ultimately be produced by stimulation methods, plans are in place to plug it off and complete the well for production in a shallower zone.



Well workover at Somerset

Two additional well locations have been selected, one shallow and one deep, for drilling in 2007. Additionally, a shallow Frio development plan is under study that may justify leasing additional acreage.

Shoats Creek, Beauregard Parish, Louisiana

- On production
- Oil
- Aminex Working Interest: 100%
- Acreage: 1,700
- Operator: Aminex USA, Inc.

Aminex acquired the Shoats Creek Field in 1995 for modest consideration. Shoats Creek has always been considered to have high potential which Aminex did not fully exploit in the early stages due to a combination of low oil prices and high operating cost, together with concentration on competing projects in the area, notably the Vinton Dome Field which has since been sold. A re-evaluation of some of the existing wells was carried out in 2005, followed by remedial work. Hurricane Katrina, which did enormous damage in New Orleans and the surrounding region in August 2005, did not cause major damage to the Shoats Creek Field directly but made access virtually impossible for many months.



Tank battery at South Weslaco

Although the potential of Shoats Creek is considerable, the surface operating conditions, in an area of remote swamp and deep forestation, are difficult and the geology complex. Development is therefore costly and challenging. However, Forest Oil is currently conducting a 3D survey over the surrounding area. In return for permitting the survey to be extended over its property, Aminex will be entitled to receive Forest's data as it applies to Shoats Creek. Given the difficulty of the terrain at Shoats Creek and the high cost of 3D seismic under such conditions, the new data will be a valuable tool for Aminex in its plans for further drilling at Shoats Creek. The new 3D data is likely to be available later in 2007.

During the year Aminex commissioned a complete engineering evaluation for the development of the field. This yielded very promising results which, coupled with the new 3D data, will provide a valuable tool for further development of the field and for additional re-completions in existing wells.

There are twenty existing wells at Shoats Creek of which fifteen are considered potential candidates for workover and refurbishment. Once the 3D data becomes available Aminex will be able to plan future development, including the drilling of two proved undeveloped locations already identified. The field produces only 25 barrels oil/day at present from a single well.



Gas well at South Weslaco



New tank facility at Shoats Creek



GU#36 wellhead South Weslaco



Installing new pump at LM#9, Shoats Creek

Summary of Aminex Net Oil and Gas Reserves

The table below is based on an independent evaluation of proved and probable reserves completed by Oilfield Production Consultants Ltd ("OPC") in early 2007. OPC attributes a value of US\$ 84.5 million to proved plus probable reserves.

	USA		Total
	Oil	Gas	
	MMbbl	Bcf	MMboe
At 1 January 2006	1.3	7.0	2.47
Production	(0.03)	(0.13)	(0.05)
Revision of previous estimates	0.8	13.32	3.02
Net proven plus probable reserves at 31 December 2006	2.07	20.19	5.44
Of which:			
Fields in production	0.3	3.42	0.87
Fields under development	1.77	16.77	4.57

financial review

Review of Current Year

Aminex's revenue during the current year comprises sales of oil and gas in the USA and sales of goods and services by its oilfield services and supply company. Total revenue of US\$5.0 million is 67% higher than 2005 revenue of US\$3.0 million, mainly as a result of increased gas sales in the USA and sales of oilfield equipment from the UK. Oil and gas revenue comprises approximately 50% of total revenue in 2006 compared with 61% in 2005.

Oil production at 30,000 barrels is 10% up on 2005 whereas gas production has increased from 59mmcf in 2005 to 129mmcf in the current year. The average oil price achieved during 2006 was US\$58.35 per barrel, an increase of US\$8 per barrel over the 2005 average. Most of the oil sold was from the Group's Somerset field, the production from which is classified as South Texas Sour that is priced at a discount of up to US\$4 per barrel against the standard West Texas Intermediate (WTI) pricing. The average gas price obtained in 2006 was US\$5.91 per mcf compared with an average price of US\$7.81 in 2005. The increase in gas production in the current year is due to two new wells which came on stream at the South Weslaco field during the last two weeks of 2005.

Cost of sales at US\$3.4 million is US\$1.4 million higher than the previous year with much of the increase relating to the cost of oilfield services sales. Nevertheless, average margins of gross profit on oilfield equipment sales during 2006 amounted to approximately 20% (2005: 17%). The depletion and decommissioning charge of US\$0.39 million is US\$0.55 million lower than the 2005 charge. Included in the 2005 charge was the cost of decommissioning the Sabine Lake field in the USA, whereas no fields have been decommissioned during 2006. After taking these charges into account, the resulting gross profit for the Group in 2006 amounted to US\$1.23 million, an increase of US\$1.21 million over the 2005 gross profit.

As a consequence of continuing cost reductions, mainly in the USA, Group administrative expenses at US\$3.97 million are 20% lower than the 2005 charge, which included US\$583,000 relating to the settlement and associated costs of litigation. The loss from operating activities for the year was US\$2.79 million, a decrease of US\$2.14 million from the 2005 operating loss of US\$4.93 million.

After charging net financing costs of US\$75,000 (2005: US\$49,000), the net loss for the twelve months ended 31 December 2006 has been sharply reduced to US\$2.86 million (2005: loss US\$4.98 million).

Balance sheet exploration and evaluation expenditures during the current period amount to US\$1.42 million and comprise mainly seismic work carried out on the Nyuni and Ruvuma licences in Tanzania as well as a gravity survey over the Manja Block 3108 acreage in Madagascar. Expenditures of US\$1.1 million (which is stated net of a depletion charge of US\$0.39 million) on property, plant and equipment relate to the Group's producing assets in the USA. Included in this expenditure is the Group's participation in drilling a third well at the South Weslaco gas field (two wells were drilled during 2005) as well as further field rehabilitation work at the Shoats Creek field.

The cash flow statement shows net cash inflows from financing activities amounting to US\$5.44 million, primarily from an equity fundraising in June 2006. During the year, US\$52,000 was raised and US\$42,000 was repaid on vehicle equipment loans in the USA. At 31 December 2006, the Group's cash balance amounted to US\$3.65 million offset by a minor amount of vehicle equipment debt of US\$145,000.

Business Review

Aminex's primary business is the exploration for and production of oil and gas in a number of countries throughout the world. It also maintains an oilfield services business. Aminex's oil and gas production activities are all, at present, in the USA whereas its exploration activities are carried out in Africa and North East Asia. In accordance with Irish Company law and the EU Accounts Modernisation Directive, we are setting out below a business review within which we are required to provide a description of the principal risks and uncertainties that the Group faces. This review has been compiled solely to comply with the requirements of Section 13 (1) of the Companies (Amendment) Act 1986 and should not be relied upon for any other purpose.

Operational and exploration activities

During the latter two weeks of 2005, two wells at the South Weslaco gas field in Texas commenced production and have made a significant contribution to profit during 2006. Aminex has a 25% working interest in these wells. The other main producer of gas, the Alta Loma field in which the Group has a 37.5% working interest, was off production for most of the year mainly as a consequence of awaiting the recommissioning of BP's Texas City Refinery's NGL facilities earlier in the year and latterly because of a dispute over gas quality with the pipeline operator. The dispute was resolved early in 2007 and gas production recommenced during February. The higher volumes of oil and gas sold during the year have contributed to a significant decrease in the loss for the year.

Total expenditure on production and exploration assets during 2006 amounted to US\$2.9 million, a similar level of expenditure to 2005. This included a third well at South Weslaco drilled towards the end of the year, a workover of Alta Loma's Sunny Ernst #1 well, as well as continuing rehabilitation work on the Shoats Creek field including the construction of a new tank farm. Exploration activities were carried out on all the Group's licences, which comprised mainly seismic work at Ruvuma and Nyuni and a gravity survey on the Manja Block in Madagascar, as well as continuing geological studies for North Korea.

A more comprehensive review of the financial results for the Group for the current year is set out above; a detailed review of the Group's exploration and production activities in the Operations Review is set out on pages 4 to 13; its financial risk management policies are set out below and their application during the year in Note 1 to the Financial Statements. Group policy on health and safety is set out on the Directors' Report on page 20.

Outlook for 2007

With the recommencement of gas production from the Sunny Ernst #1 well at Alta Loma together with existing production from South Weslaco, we anticipate that total gas production should be higher in 2007 than in 2006. Furthermore, the operator of the Alta Loma field has indicated that a second well might be drilled during the third quarter of the year. We anticipate that we should be receiving

towards the end of 2007 the results of a seismic survey over the Shoats Creek acreage that is to be carried out shortly by a third party at no cost to Aminex. The results of the survey should enable Aminex to re-assess the potential of Shoats Creek, which could lead to a new drilling programme commencing in early 2008.

We would expect the seismic work being carried out over the Nyuni licence to be completed shortly, enabling Aminex to define locations for the drilling of two wells. We also expect the seismic work at Ruvuma to be completed towards the end of the summer. The work programme on the Manja Block 3108 in Madagascar calls for the acquisition of new seismic during 2007. We anticipate that the first of a three-well drilling programme should commence mid-year on Block 2 of the onshore West Esh el Mellahah area in Egypt.

Principal Risks and Uncertainties

Aminex's Group activities are carried out in many parts of the world, in particular East Africa, North Africa, North Korea and the USA. Accordingly, we consider the principal risks and uncertainties to be as follows, although this list is not exhaustive:

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

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

Commodity prices – the demand for, and price of, oil and gas is dependant on global and local supply and demand, weather

financial review continued

conditions, availability of alternative fuels, actions of governments or cartels and general global economic and political developments.

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

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

Financial Risk Management

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

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

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

a) Liquidity/interest rate risk

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

b) Commodity risk

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

c) Foreign currency risk

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

Critical Accounting Policies

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

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

general information

Website	www.aminex-plc.com	
Registered Office	Aminex PLC	6, Northbrook Road, Dublin 6
Senior Group Personnel	Max V. Williams Nicholas Cameron Jonathan G. Major	Group Financial Controller Senior Exploration Adviser General Manager, Amosco
Secretary	Max V. Williams, ACA.	
Auditors	KPMG, Chartered Accountants	Dublin
Bankers	Barclays Bank Bank of Ireland	London Dublin
Solicitors	Ashurst O'Donnell Sweeney Eversheds	London Dublin
Financial Advisors	LCF Edmond de Rothschild Securities Limited	London
Stockbrokers	Bridgewell Limited Davy Stockbrokers Limited	London Dublin
Registrars	Computershare Investor Services (Ireland) Limited	Heron House, Corrig Road Sandyford Industrial Estate, Dublin 18 Telephone number for Irish shareholders: 01 247 5697 Telephone number for UK shareholders: 0870 707 1535 Telephone number for other shareholders: 00353 1 247 5697 Fax: 00353 1 216 3150 e-mail: web.queries@computershare.ie
Telephone sharedealing		Computershare provides a telephone sharedealing service for Irish and UK registered shareholders. For more information please call: Telephone number for Irish shareholders: 1890 924995 Telephone number for UK shareholders: 0141 270 3203

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

Biographies of Directors

Derek Tughan (65) (UK) Non-Executive Chairman *#

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

Brian Hall (61) (UK) Chief Executive

Mr. Hall has been a Director since 1987, was Chairman from 1991 to 1996 and has been Chief Executive since that time. He was one of the early western pioneers in the Russian oil industry which Aminex has now successfully exited. He is a Chartered Accountant and started his oil industry career with Hamilton Brothers Oil and Gas Limited where he was a member of the team which brought on stream Argyll, the UK North Sea's first oilfield. Subsequently he became UK manager for Lochiel Exploration of Canada and was responsible for building up that company's interests outside North America including the UK, Egypt and Denmark. He was a founding shareholder of Halyard Offshore Limited, a specialised offshore industry consulting company, now part of the Aminex Group.

Simon Butterfield (60) (UK) Finance Director

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

Antonio Prado (61) (USA) Executive Director, President, Aminex USA, Inc.

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

Didier Murcia (44) (Australia) Executive Director

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

David Hooker (64) (UK) Senior Non-Executive Director *#

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

Michael Pereira-Rego (46) (UK) Group Exploration Director

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

Andrew Hay (55) (UK) Non-Executive Director

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

Member of Audit Committee

* Member of Remuneration Committee

Directors' Report

The Directors present their annual report and audited financial statements for Aminex PLC ("the Company") and its subsidiary undertakings ("the Group") prepared in US dollars for the year ended 31 December 2006.

Principal activities

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

Results and dividends

As set out in the Group income statement on page 30, the Group loss after tax amounted to US\$2,862,000, which compares with a loss after tax of US\$4,979,000 for 2005. The Directors do not recommend the payment of a dividend.

Share capital

Details of increases in issued share capital during the year, amounting to 11,361,386 Ordinary Shares, are set out in Note 20 to the financial statements. Resolutions have been proposed to renew the Directors' authority to allot share capital and are set out more fully in the Notice of Annual General Meeting.

Directors and their interests

Biographies of all Directors are set out on page 18. In accordance with the Articles of Association Mr. Tughan, Mr. Hall and Mr. Prado retire from the Board and being eligible offer themselves for re-election. Mr Hay was appointed a Non-Executive Director on 30 April 2007 and offers himself for election at the Annual General Meeting. Mr Hay does not have a service contract although he has a letter of appointment initially for three years subject to annual review by the Directors or the Company.

Mr. Elwes retired from the Board on 26 June 2006 and Mr. Windham retired from the Board on 21 March 2007.

With the exception of the transactions stated in Note 27 to the financial statements, there were no other significant contracts, other than Executive Directors' contracts of service, in which any Director had a material interest.

The Directors who held office at 31 December 2006 had no beneficial interests in any of the shares of the Company and Group companies other than as follows:

Director	Number of Ordinary Shares		
	30 April 2007 (or at date of retirement)	31 December 2006 (or at date of appointment)	31 December 2005
B.A. Hall	2,149,488	2,149,488	1,949,488
S.P. Butterfield	181,640	181,640	181,640
A.G. Prado	124,711	124,711	124,711
F.D. Tughan	1,785,327	1,785,327	1,785,327
D.S. Hooker	287,500	287,500	287,500
D.M. Murcia	1,473,887	1,473,887	1,473,887
M.C.P. Rego	62,167	62,167	-
A.G. Windham	-	-	-

Mr. A. Hay does not hold a beneficial interest in any of the shares of the Company and holds no options over the Ordinary Share capital of the Company.

Mr. M.V. Williams, the Company Secretary, has an interest in 100,000 Ordinary Shares of the Company. He also holds 440,000 options over the Ordinary Share capital of the Company.

Details of the Directors' share options are set out in the Directors' Remuneration Report on pages 24 to 26.

Directors' Report

Substantial shareholdings in the Company

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

	Number of shares	Percentage
Firebird Global Master Fund Ltd and Firebird Global Master Fund II Ltd	8,996,636	5.32
Rickerbys Nominees Ltd.	8,637,709	5.11
Schroder Investment Management Limited	8,409,133	4.98
RAB Capital plc	8,261,720	4.89

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

Health and safety at work

It is Company policy to ensure that a full health and safety programme is in force throughout the Group. The Directors have adopted a formal statement of the policy and regularly review its application. The Directors are satisfied that the policy they have set out is operating satisfactorily.

International Financial Reporting Standards

This Annual Report for the year ended 31 December 2006 is prepared in accordance with IFRS as adopted by the EU and meets the reporting requirements pursuant to Irish Company Law and the Irish Stock Exchange Listing Rules.

Business Review

A review of current year financial activities, outlook for 2007 and the principal risks and uncertainties facing the Group are set out in the Business Review section of the Financial Review on pages 14 to 16.

Payment of suppliers

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

Electoral Act, 1997

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

Accounting records

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

Auditors

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

On behalf of the Board

B.A. Hall

Director

S.P. Butterfield

Director

30 April 2007

Corporate Governance Statement

The Directors are committed to maintaining high standards of corporate governance. The application of the provisions of the Combined Code on corporate governance issued by the Financial Reporting Council ("Combined Code") in July 2003 is set out below.

The Board of Directors

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

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

The Board comprises a Non-Executive Chairman, five Executive Directors and two Non-Executive Directors. The Non-Executive Directors have a beneficial interest in the Company and participate in the Aminex PLC Executive Share Option Scheme. The Board considers that the granting of options to Non-Executive Directors is a reasonable method of attracting Directors of high calibre. The Board considers each of the current Non-Executive Directors to be independent of management and free from any business relationships that could materially interfere with the exercise of their independent judgement. The Non-Executive Chairman, Mr. F.D. Tughan, has served the Board for more than ten years. The Board recognises that Mr. F.D. Tughan does not meet the independence criteria of the Combined Code given that he has served on the Board for more than nine years. Nevertheless the Board considers that Mr. Tughan's independence is not prejudiced or compromised by his length of service: when taken with his experience and knowledge of the Group's business, he remains an independent, challenging and valuable contributor to the Board. Brief biographies of the Directors are set out on page 18.

There is a clear division of responsibilities between the Non-Executive Chairman, Mr. F.D. Tughan, and the Chief Executive, Mr. B.A. Hall. The Senior Independent Director is Mr. D.S. Hooker.

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

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

Under the terms of the Company's Articles of Association, at least one third of the Board must seek re-election to the Board at the Annual General Meeting each year. All new Directors appointed since the previous Annual General Meeting are required to seek election at the next Annual General Meeting. The Directors required to seek re-election at the next Annual General Meeting are Mr. F.D. Tughan, Mr. B.A. Hall and Mr. A.G. Prado. Mr. A. Hay has been appointed since the previous Annual General Meeting and is required to seek election at the Annual General Meeting.

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

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

Board Committees

The Board has established an Audit Committee and a Remuneration Committee each of which has formal terms of reference approved by the Board. The Board as a whole considers the appointment of new directors and for that reason has not set up a Nominations Committee.

Audit Committee

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

The Audit Committee monitors the level of audit and non-audit services provided by the Group's external auditors. Non-audit services are normally limited to assignments that are closely related to the annual audit or where the work is of such a nature that a detailed understanding of the Group is necessary. A breakdown of the fees paid to the external auditors in respect of audit and non-audit work is included in Note 5 of the accounts. In addition to processes put in place to ensure segregation of audit and non-audit roles, as part of the assurance process in relation to the audit, the external auditors are required to confirm to the Audit Committee that they

Corporate Governance Statement

have both the appropriate independence and objectivity to allow them to continue to serve the members of the Group. No matters of concern were identified by the Audit Committee.

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

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

Remuneration Committee

During the year, the Remuneration Committee comprised Mr. P.J.G. Elwes, until his retirement, Mr. F.D. Tughan, Mr. D.S. Hooker and Mr. A.G. Windham from his appointment. The Remuneration Committee met twice during the year to consider the remuneration of Group's Executive Directors and the granting of options under the Executive Share Option Scheme.

Directors' attendance at Board and Committee Meetings

The table below sets out the attendance record of each Director at scheduled Board and Committee meetings during 2006.

Meetings held during 2006	Board (Main)	Audit Committee	Remuneration Committee
Number of meetings	4	2	2
	Meetings attended	Meetings attended	Meetings attended
P.J.G. Elwes (retired 26 June 2006)	2	1	2
S.P. Butterfield	4	n/a	n/a
B.A. Hall	4	n/a	n/a
D.S. Hooker	3	2	2
D.M. Murcia	3	n/a	n/a
A.G. Prado	3	n/a	n/a
F.D. Tughan	4	2	2
A.G. Windham	3	1	n/a
M.C.P. Rego	3	n/a	n/a

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

During 2006, certain Directors who were not Committee members attended meetings of the Audit and Remuneration Committees by invitation. These details have not been included in the table above.

Relations with Shareholders

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

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

Internal Control

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

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

A Risk Committee comprising the Non-Executive Chairman, Mr. F.D. Tughan, an Executive Director, Mr. A.G. Prado, and one senior member of the management team, Mr. M.V. Williams, is charged with the review of the key risks inherent in the business and the system of control necessary to manage such risks and to present its findings to the Board. Exploration risk, the main corporate risk to

Corporate Governance Statement

which the Group is exposed, is monitored and reviewed regularly by the Board. The Board considers exploration risk to be acceptable for the Company taking into account the industry in which it operates.

The Directors consider that the frequency of Board meetings and the information provided to the Board in relation to Group operations assists in the identification, evaluation and management of significant risks relevant to its operations on a continuous basis. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. Following the monitoring of the internal control procedures, the review of the internal control process and the risk management procedures, the Board considers that the system of internal control operated appropriately during the year and up to the date of signing the Annual Report.

Going concern basis

The Directors have given careful consideration to the Group's ability to continue as a going concern. The Directors have concluded that a continuance of such a position will be dependent upon the successful sale of assets or an alternative method of raising working capital. The Directors have reasonable expectation that the Group will be able to implement this strategy successfully. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Compliance with the provisions of the Revised Combined Code

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

The division of responsibilities between the Chairman and the Chief Executive has not been set out in writing and considered by the Board.

The Board has not appointed a Nominations Committee as the Board as a whole considers the appointment of new Directors. This policy will be reviewed again during 2007.

The details of Executive Directors' contracts are stated on page 26 and are in excess of one year.

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

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

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

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

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

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

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

Directors' Remuneration Report

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

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

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

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

Remuneration of Directors

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

	Fees		Share based payments	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
P.J.G. Elwes (to retirement on 26 June 2006)	25	50	12	-
F.D. Tughan	36	20	12	-
D.S. Hooker	20	20	12	-
A.G. Windham (from appointment)	17	-	24	-
Total	98	90	60	-

The remuneration of the Executive Directors was as follows:

	Basic Salary		Benefits in kind		Sub total		Pension		Share based payment		Total	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
B.A. Hall	276	273	23	21	299	294	98	66	119	-	516	360
S.P. Butterfield	189	178	8	7	197	185	22	21	71	-	290	206
A.G. Prado	180	180	20	16	200	196	23	23	71	-	294	219
D.M. Murcia	184	144	4	4	188	148	22	22	71	-	281	170
M.C.P. Rego	167	-	3	-	170	-	20	-	-	-	190	-
Total	996	775	58	48	1,054	823	185	132	332	-	1,571	955

Salaries are reviewed annually with effect from 1 January. Benefits in kind comprise life insurance, health insurance and, in certain cases, company cars. Contributions are made to the private pension plans of certain Executive Directors, calculated as an agreed percentage of their basic salary. Share based payments represent the fair value of share options granted to Directors (see Note 4). As at 31 December 2006, there were five Executive Directors (2005: four) and three Non-Executive Directors (2005: three); these were also the average number of Executive and Non-Executive Directors during the year.

Share options

Directors participate in the Aminex PLC Executive Share Option Scheme and are granted options over the Company's Ordinary Shares at prevailing market prices at the time of the grant. Options are exercisable not later than ten years after the date of grant.

Directors' Remuneration Report

The Scheme was established in 1980 and subsequently extended with shareholders' approval at the Annual General Meetings held in 1996, 1999 and 2004.

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

The Directors who held office at 31 December 2006 had the following beneficial interests in options over the Company's Ordinary Shares:

Name	Options held at 1 January 2006 (or on appointment) Number	Options granted/ (exercised) during the year Number	Options held at 31 December 2006 Number	Exercise price Sterling	Period of exercise	
					From	To
S.P. Butterfield	200,000	-	200,000	Stg70p	Aug-97	Aug-07
	50,000	-	50,000	Stg23p	Jun-99	Jun-09
	75,000	-	75,000	Stg35p	Feb-00	Feb-10
	175,000	-	175,000	Stg17.5p	Jul-02	Jul-12
	400,000	-	400,000	Stg12.5p	Jul-04	Jul-14
		300,000	300,000	Stg29.75p	Jan-06	Jan-16
B.A. Hall	265,000	-	265,000	Stg70p	Aug-97	Aug-07
	50,000	-	50,000	Stg23p	Jun-99	Jun-09
	75,000	-	75,000	Stg35p	Feb-00	Feb-10
	250,000	-	250,000	Stg17.5p	Jul-02	Jul-12
	600,000	(200,000)	400,000	Stg12.5p	Jul-04	Jul-14
		500,000	500,000	Stg29.75p	Jan-06	Jan-16
D.S. Hooker	100,000	-	100,000	Stg17.5p	Jul-02	Jul-12
	50,000	-	50,000	Stg12.5p	Jul-04	Jul-14
		50,000	50,000	Stg29.75p	Jan-06	Jan-16
D.M. Murcia	100,000	-	100,000	Stg17.5p	Jul-02	Jul-12
	400,000	-	400,000	Stg12.5p	Jul-04	Jul-14
		300,000	300,000	Stg29.75p	Jan-06	Jan-16
M.C.P. Rego	100,000	-	100,000	Stg50p	Jun-01	Jun-08
	50,000	-	50,000	Stg35p	Feb-03	Feb-10
	150,000	-	150,000	Stg12.5p	Feb-06	Jul-14
	300,000	-	300,000	Stg29.75p	Jan-06	Jan-16
A.G. Prado	100,000	-	100,000	Stg70p	Aug-97	Aug-07
	50,000	-	50,000	Stg23p	Jun-99	Jun-09
	75,000	-	75,000	Stg35p	Feb-00	Feb-10
	175,000	-	175,000	Stg17.5p	Jul-02	Jul-12
	400,000	-	400,000	Stg12.5p	Jul-04	Jul-14
		300,000	300,000	Stg29.75p	Jan-06	Jan-16
F.D. Tughan	50,000	-	50,000	Stg23p	Jun-99	Jun-09
	25,000	-	25,000	Stg35p	Feb-00	Feb-10
	100,000	-	100,000	Stg17.5p	Jul-02	Jul-12
	50,000	-	50,000	Stg12.5p	Jul-04	Jul-14
		50,000	50,000	Stg29.75p	Jan-06	Jan-16
A.G. Windham	-	100,000	100,000	Stg28.5p	Jun-06	Jun-16
	4,415,000	1,400,000	5,815,000			

Directors' Remuneration Report

No options lapsed during the year. No options were granted during the year below market value. No options have been granted since the year end.

The market price of the shares during the year ranged between Stg25.75p and Stg48p and at 31 December 2006 was Stg25.75p

Service contracts

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

Non-Executive Directors

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

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

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

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and have elected to prepare the Company financial statements in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2006.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

Under company law and the requirements of the Listing Rules issued by the Irish Stock Exchange, the directors are also responsible for preparing a Directors' Report and reports relating to directors' remuneration and corporate governance that comply with that law and those Rules.

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

On behalf of the Board

B.A. Hall

Director

S.P. Butterfield

Director

Independent Auditors' Report to the Members of Aminex PLC

We have audited the Group and Company financial statements (the "financial statements") of Aminex PLC for the year ended 31 December 2006 which comprise the Group Income Statement, the Group and Company Balance Sheets, the Group and Company Statement of Cashflows, the Group and Company Statements of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 27.

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

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with IFRSs as adopted by the EU and, in the case of the parent company, applied in accordance with the provisions of the Companies Acts 1963 to 2006, and have been properly prepared in accordance with the Companies Acts 1963 to 2006 and Article 4 of the IAS Regulation. We also report to you our opinion as to whether proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company under Section 40(1) of the Companies (Amendment) Act 1983, and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company balance sheet is in agreement with the books of account.

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

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2003 Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

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

Basis of audit opinion

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

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

Independent Auditors' Report to the Members of Aminex PLC

Going concern

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

Opinion

In our opinion:

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

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

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

The net assets of the Company, as stated in the Company balance sheet on page 31 are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2006 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the Company.

KPMG

Chartered Accountants

Registered Auditors

Dublin, Ireland

30 April 2007

Group Income Statement

for the year ended 31 December 2006

	Notes	2006 US\$'000	2005 US\$'000
Revenue – continuing operations	2	5,019	3,000
Cost of sales		(3,401)	(2,038)
Depletion, depreciation and decommissioning of oil and gas interests	11	(386)	(941)
		1,232	21
Gross profit		(3,974)	(4,895)
Administrative expenses		(45)	(56)
Depreciation			
		(2,787)	(4,930)
Loss from operating activities		165	123
Financing income	6		
Financing costs	7	(240)	(172)
		(2,862)	(4,979)
Loss before income tax	5		
Income tax expense	8	-	-
		(2,862)	(4,979)
Net loss for the financial year – continuing operations – attributable to equity holders of the Company		(2,862)	(4,979)
Basic and diluted loss per Ordinary Share (in US cents)	9	(1.74)	(3.85)

Group and Company Statements of Recognised Income and Expense

for the year ended 31 December 2006

	Notes	Group		Company	
		2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Currency translation differences	21	14	(18)	-	-
Net loss recognised directly in equity		14	(18)	-	-
Loss for the financial year		(2,862)	(4,979)	(511)	(4,094)
Total recognised income and expense for the year		(2,848)	(4,997)	(511)	(4,094)
Attributable to the equity holders of the Company		(2,848)	(4,997)	(511)	(4,094)

Group and Company Balance Sheets

at 31 December 2006

	Notes	Group		Company	
		2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Assets					
Exploration and evaluation assets	10	17,065	15,649	-	-
Property, plant and equipment	11	9,424	8,368	-	-
Investments in subsidiary and joint venture undertakings	12	-	-	6,984	6,984
Loans to subsidiary and joint venture undertakings	13	-	-	11,412	10,555
Other investments	12	418	418	418	418
Total non current assets		26,907	24,435	18,814	17,957
Trade and other receivables	14	1,532	1,179	619	84
Loans to subsidiary and joint venture undertakings	13	-	-	12,940	8,374
Cash and cash equivalents	15	3,648	3,884	3,307	3,571
Total current assets		5,180	5,063	16,866	12,029
Total assets		32,087	29,498	35,680	29,986
Liabilities					
Current liabilities					
Interest bearing loans and borrowings	18	(43)	(42)	-	-
Trade and other payables	16	(1,116)	(1,946)	(195)	(198)
Decommissioning provision	17	(194)	(201)	-	-
Total current liabilities		(1,353)	(2,189)	(195)	(198)
Non-current liabilities					
Interest bearing loans and borrowings	18	(102)	(93)	-	-
Decommissioning provision	17	(2,183)	(2,127)	-	-
Total non-current liabilities		(2,285)	(2,220)	-	-
Total liabilities		(3,638)	(4,409)	(195)	(198)
Net assets		28,449	25,089	35,485	29,788
Equity					
Issued capital	20	11,916	11,057	11,916	11,057
Share premium	21	44,010	40,102	44,010	40,102
Capital conversion reserve fund	21	234	234	234	234
Share option reserve	21	729	187	729	187
Share warrant reserve	21	899	-	899	-
Foreign currency reserve	21	(61)	(75)	-	-
Retained earnings	21	(29,278)	(26,416)	(22,303)	(21,792)
Total equity		28,449	25,089	35,485	29,788

On behalf of the Board

B.A. Hall

Director

S.P. Butterfield

Director

Group and Company Statements of Cashflows

for the year ended 31 December 2006

	Notes	Group		Company	
		2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Operating activities					
Loss for the financial year		(2,862)	(4,979)	(511)	(4,094)
Depletion, depreciation and decommissioning		431	997	-	-
Foreign exchange losses/(gains)		20	(9)	-	-
Financing income		(165)	(123)	(163)	(112)
Financing costs		240	172	-	7
(Gain)/loss on sale of plant and equipment		(11)	15	-	-
Equity-settled share-based payment charge		542	26	60	26
Decrease/(increase) in trade and other receivables		2	4,923	(290)	(2)
(Decrease)/increase in trade and other payables		(398)	(3,149)	(16)	40
Increase in intercompany accounts		-	-	(4,941)	(394)
Net cash absorbed by operations		(2,201)	(2,127)	(5,861)	(4,529)
Cost of decommissioning		(165)	(62)	-	-
Interest paid		(12)	(15)	-	(7)
Tax paid		-	-	-	-
Net cash outflows from operating activities		(2,378)	(2,204)	(5,861)	(4,536)
Investing activities					
Acquisition of property, plant and equipment		(1,986)	(1,317)	-	-
Expenditure on exploration and evaluation assets		(1,548)	(1,429)	-	-
Acquisition of investment assets		-	(44)	-	(44)
Proceeds from sale of property, plant and equipment		45	37	-	-
Interest received		192	90	168	87
Net cash (outflows)/inflows from investing activities		(3,297)	(2,663)	168	43
Financing activities					
Proceeds from the issue of share capital		5,708	8,698	5,708	8,698
Payment of transaction costs		(279)	(751)	(279)	(751)
Loans repaid		(42)	(82)	-	-
Loans received		52	119	-	-
Net cash inflows from financing activities		5,439	7,984	5,429	7,947
Net (decrease)/increase in cash and cash equivalents		(236)	3,117	(264)	3,454
Cash and cash equivalents at 1 January		3,884	767	3,571	117
Cash and cash equivalents at 31 December	15	3,648	3,884	3,307	3,571

Notes forming part of the Financial Statements

for the year ended 31 December 2006

1 Statement of Accounting Policies

Aminex PLC (the “Company”) is a company domiciled and incorporated in Ireland. The Group financial statements for the year ended 31 December 2006 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as the “Group”).

Basis of preparation

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

The Directors have given careful consideration to the Group’s ability to continue as a going concern. The Directors have concluded that a continuance of such a position will be dependent on the successful sale of assets or an alternative method of raising working capital. The Directors have a reasonable expectation that the Group will be able to implement this strategy.

The Financial Statements are presented in US dollars, rounded to the nearest thousand (\$’000) except when otherwise indicated.

The Financial Statements are prepared on a historical cost basis except for the measurement at fair value of share options. The preparation of Financial Statements requires management to use judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

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

Statement of compliance

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

During 2006 the International Accounting Standards Board and the International Financial Reporting Interpretations Committee (“IFRIC”) issued:

- IFRIC 7 Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies;
- IFRIC 8 Scope of IFRS 2 (effective for annual periods beginning or after 1 May 2006);
- IFRIC 10 Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006);
- IFRIC 9 Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006);
- IFRS 7 Financial Instruments: Disclosures.

We are currently evaluating the impact of adoption of these IFRSs and IFRICs as of 1 January 2007, but do not anticipate a material impact on our financial statements. These standards have not been adopted before the effective date.

Basis of consolidation

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

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

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

Revenue recognition

Revenue comprises oil and gas sales and the provision of oilfield services and equipment. Revenue on oil and gas sales represents the Group’s share of oil and gas production sold in the year. Revenue on the provision of oilfield equipment is recognised net of value added tax when title passes on delivery. Revenue on the provision of services is recognised net of value added tax as the services are performed.

Employee benefits

(a) Pensions and other post-employment benefits

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

(b) Share-based payment

For equity-settled share-based payment transactions (i.e. the issuance of share options), the Group measures the services received and the corresponding increase in equity at fair value at the measurement date (which is the grant date) using a recognised valuation

Notes forming part of the Financial Statements

for the year ended 31 December 2006

methodology for the pricing of financial instruments (i.e. the binomial model). Given the share options granted do not vest until the completion of a specified period of service, the fair value assessed at the grant date is recognised in the income statement over the vesting period as the services are rendered by employees. For options granted to Directors, there is no vesting period and the fair value is recognised in the income statement at the date of the grant.

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

The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

Financing costs

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

Financing income

Interest income is recognised in the income statement as it accrues.

Leases

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

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

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

Tax

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

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

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

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

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

Earnings per ordinary share

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

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

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Foreign currency translation

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

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

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

	Average		Year-end	
	2006	2005	2006	2005
US\$ 1 equals				
Pound sterling	0.5426	0.5492	0.5110	0.5811
Australian dollar	0.7530	0.7620	0.7879	0.7298

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

Exploration and evaluation assets and property plant and equipment

Exploration and evaluation assets

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

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

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

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

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

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

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

Depletion

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

Notes forming part of the Financial Statements

for the year ended 31 December 2006

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

Impairment

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

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

Where there has been a charge for impairment in an earlier period, that charge will be reversed in a later period where there has been a change in circumstances to the extent that the discounted future net cash flows are higher than the net book value at the time.

In reversing impairment losses, the carrying amount of the asset will be increased to the lower of its original carrying value or the carrying value that would have been determined (net of depletion) had no impairment loss been recognised in prior periods.

Decommissioning costs

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

Other Property, Plant and Equipment

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

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

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

Leasehold property	2% – 4%
Plant and equipment	20% – 33.3%
Motor vehicles	25%

The useful lives and residual values are reassessed annually.

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

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

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

Business combinations

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

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

Notes forming part of the Financial Statements

for the year ended 31 December 2006

Joint Ventures – jointly controlled operations

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

Goodwill

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

Goodwill on acquisitions is initially measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill relating to acquisitions from 1 January 2004 (the transition date to IFRS) and the deemed cost of goodwill carried in the balance sheet at 1 January 2004 is not amortised. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

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

Financial assets

Other investments in subsidiary undertakings are stated at cost less provision for impairment in the Company's balance sheet. Investments in companies are stated at fair value and are classified as available for sale. The fair value of investments is their quoted market price at the balance sheet date. When market values for investments are not readily available, investments are held at cost. Investments are assessed for potential impairment at each balance sheet date. If any such evidence exists, an impairment loss is recognised in the income statement.

Cash and cash equivalents

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

Trade and other receivables

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

Provisions

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

Segment reporting

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

Notes forming part of the Financial Statements

for the year ended 31 December 2006

2 Segmental Information

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

The Group's revenues and profits arise from oil and gas production in the USA and the provision of oilfield equipment and services in Europe. Segment results, assets and liabilities include items directly attributable to each segment as well as items that can be allocated on a reasonable basis. Inter-segment revenue is not material and has therefore not been disclosed separately below. Net assets before borrowings have been adjusted to eliminate the impact of intercompany financing.

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

Segmental revenue – continuing operations

	Producing oil and gas properties USA		Provision of oilfield goods and services Europe		Total	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Revenue by destination						
America	2,512	1,833	159	122	2,671	1,955
Africa	-	-	268	108	268	108
Asia	-	-	509	557	509	557
Europe	-	-	1,571	380	1,571	380
Revenue	2,512	1,833	2,507	1,167	5,019	3,000

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

	2006 US\$'000	2005 US\$'000
Segment net profit/(loss) for the year		
US – producing assets	144	(1,454)
Africa and Asia – exploration assets	(419)	(564)
Europe – oilfield services and supplies assets	169	(79)
Europe – group costs	(2,756)	(2,882)
Total Group net loss for the year	(2,862)	(4,979)
Segment assets		
US – producing assets	9,445	8,652
Africa and Asia – exploration assets	17,478	16,082
Europe – oilfield services and supplies assets	289	299
Europe – group assets	4,875	4,465
Total assets	32,087	29,498

Notes forming part of the Financial Statements

for the year ended 31 December 2006

2 Segmental Information - continued

	2006 US\$'000	2005 US\$'000
Segment liabilities		
US – producing assets	(2,979)	(3,627)
Africa and Asia – exploration assets	(84)	(38)
Europe – oilfield services and supplies assets	(163)	(305)
Europe – group activities	(412)	(439)
Total liabilities	(3,638)	(4,409)
Capital expenditure		
US – producing assets	1,295	1,722
Africa and Asia – exploration assets	1,416	1,326
Europe – group assets	228	41
Total capital expenditure	2,939	3,089
US depletion and decommissioning charge	386	941
Depreciation – Group assets	45	56

3 Employment

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

	2006 US\$'000	2005 US\$'000
Salaries and wages	2,023	1,970
Social security costs	220	192
Other pension costs	239	204
Share based payment charge	542	26
	3,024	2,392
Employment costs capitalised	(404)	(145)
Employment costs charged against the Group operating loss	2,620	2,247

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

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

	2006 Number	2005 Number
Europe	12	12
USA	13	13
Tanzania	3	2
	28	27

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

	2006 US\$'000	2005 US\$'000
Share based payment charge	60	26

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

Directors' emoluments and interests (which are included in administrative expenses) are shown in the Directors' Remuneration Report on pages 24 to 26.

Notes forming part of the Financial Statements

for the year ended 31 December 2006

4 Share based payments

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

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

	2006 US\$'000	2005 US\$'000
Share based payment charge on vesting of share options	542	26

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

Date of grant	30 January 2006	26 June 2006
Contractual life	10 years	10 years
Exercise price*	Stg29.75p	Stg28.5p
Number of options granted – immediate	1,850,000	200,000
Number of options granted – vesting period	445,000	-
Expected volatility	70%	70%
Vesting conditions – immediate	-	-
Vesting conditions – vesting period	36 months	36 months
Fair value per option – immediate	Stg13.4p	Stg13.4p
Fair value per option – vesting period	Stg18.2p	-
Expected dividend yield	-	-
Risk-free rate	4.3%	4.9%

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

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

The Company recognised total expenses of US\$60,000 and US\$26,000 related to equity-settled share-based payment transactions during 2006 and 2005 respectively. IFRS 2 requires that the fair value of share-based payments is expensed over the period that the related services are received, together with a corresponding increase in equity.

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

	Number of options	Weighted Average Exercise Price
Outstanding at 31 December 2005	6,806,000	Stg25.6p
Exercised	(1,105,000)	Stg15.7p
Granted	2,495,000	Stg29.7p
Expired and forfeited	(605,000)	Stg33.5p
Outstanding at 31 December 2006	<u>7,591,000</u>	<u>Stg27.7p</u>
Exercisable at 31 December 2006	<u>6,846,000</u>	<u>Stg28.2p</u>

The weighted average share price at the date of exercise for the share options exercised during the year was Stg28.70 pence (2005: Stg29.25 pence) with a range of exercise prices from Stg12.50 pence to Stg23.00 pence and a weighted average remaining contractual life of 7 years 4 months.

Notes forming part of the Financial Statements

for the year ended 31 December 2006

5 Loss before tax

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

	2006 US\$'000	2005 US\$'000
Depletion, depreciation and decommissioning on oil and gas interests	386	941
Depreciation of other property, plant and equipment	45	56
Auditors' remuneration – audit	113	104
Auditors' remuneration – tax and non audit	24	102
Operating leases – plant and equipment	6	3
Operating leases – land and buildings	213	302

6 Financing income

	2006 US\$'000	2005 US\$'000
Deposit interest income	165	123

7 Financing costs

	2006 US\$'000	2005 US\$'000
Bank loans and overdraft interest	1	11
Other finance charges	11	4
Other finance costs – decommissioning provision interest charge (see Note 17)	228	157
	240	172

Notes forming part of the Financial Statements

for the year ended 31 December 2006

8 Income tax expense

The components of the income tax expense for the years ended 31 December 2006 and 2005 were as follows:

	2006 US\$'000	2005 US\$'000
Current tax expense:		
Current year	-	-
Deferred tax expense:		
Origination and reversal of temporary differences	-	-
Total income tax expense for the Group	-	-

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

Loss before tax	(2,862)	(4,979)
Irish standard tax rate	12.5%	12.5%
Taxes at the Irish standard rate	(358)	(622)
Expenses not deductible for tax purposes	36	25
Unutilised losses and income taxed at different rates in foreign jurisdictions	322	597
Tax benefit on loss before tax	-	-

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

	2006 US\$'000	2005 US\$'000
Net operating losses	9,362	9,365

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

	Ireland 2006 US\$'000	US 2006 US\$'000	UK 2006 US\$'000	Other 2006 US\$'000	Total 2006 US\$'000
One year	-	3,835	-	-	3,835
Two years	-	72	-	-	72
Three years	-	128	-	-	128
Four years	-	1,016	-	-	1,016
Five years	-	49	-	-	49
More than five years	2,238	9,078	11,370	-	22,686
Total	2,238	14,178	11,370	-	27,786
	Ireland 2005 US\$'000	US 2005 US\$'000	UK 2005 US\$'000	Other 2005 US\$'000	Total 2005 US\$'000
One year	-	957	-	-	957
Two years	-	3,835	-	-	3,835
Three years	-	72	-	-	72
Four years	-	128	-	-	128
Five years	-	1,016	-	-	1,016
More than five years	2,100	5,151	10,454	-	17,705
Total	2,100	11,159	10,454	-	23,713

Notes forming part of the Financial Statements

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At 31 December 2006, the US subsidiary undertaking had net operating losses available to be carried forward for income tax purposes of approximately US\$14.2 million. The net operating losses will expire from 31 December 2007 through to 31 December 2021.

At 31 December 2006, certain of the Irish and UK subsidiary undertakings had net operating losses available to be carried forward for income tax purposes of approximately US\$2.2 million and US\$11.4 million respectively. These losses can be carried forward indefinitely but may only be offset against taxable profits earned from the same trade or trades.

The tax balance at 31 December was as follows:

	2006 US\$'000	2005 US\$'000
Income tax payable	-	-

9 Loss per Ordinary Share

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

The calculations for the basic net loss per share for the years ended 31 December 2006 and 2005 are as follows:

	2006	2005
Net loss for the financial year (US\$'000)	(2,862)	(4,979)
Weighted average number of Ordinary Shares ('000)	164,289	129,434
Basic loss per Ordinary Share (US cents)	(1.74)	(3.85)

There is no difference between the net loss per Ordinary Share and the diluted net loss per Ordinary Share for the years 31 December 2006 and 2005 as all potentially dilutive Ordinary Shares outstanding are anti-dilutive. There were 7,591,000 anti-dilutive share options and 4,886,384 anti-dilutive share warrants in issue as at 31 December 2006.

10 Exploration and evaluation assets

Group

	Exploration and evaluation assets		
	Tanzania US\$'000	Other US\$'000	Total US\$'000
Cost and net book value			
At 1 January 2005	14,310	-	14,310
Additions	899	282	1,181
Employment costs capitalised	36	109	145
Decommissioning cost	13	-	13
At 31 December 2005	15,258	391	15,649
Additions	821	191	1,012
Employment costs capitalised	249	155	404
At 31 December 2006	16,328	737	17,065

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

The additions and employment costs capitalised under other assets comprise costs incurred in North Korea totalling US\$388,000 and Madagascar (through Aminex's 50% interest in Amicoh Resources Limited) totalling US\$349,000.

The Directors have considered the licence, exploration and appraisal costs incurred in respect of undeveloped properties, in particular those which relate to the Group's interests in Tanzania. The exploration and evaluation assets are carried at the lower of cost and market value. The Directors are satisfied that there are no indications of impairment but recognise that future realisation of these oil and gas assets is dependent on further successful exploration and appraisal activities and the subsequent economic production of hydrocarbon reserves.

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11 Property, plant and equipment

Group	Developed and producing oil and gas properties – USA US\$'000	Other assets US\$'000	Total US\$'000
Cost			
At 1 January 2005	8,929	462	9,391
Additions in the year	1,722	41	1,763
Abandonment provision	2,220	-	2,220
Disposals during the year	(206)	-	(206)
Decommissioned	(1,238)	-	(1,238)
Exchange rate adjustment	-	(49)	(49)
At 31 December 2005	11,427	454	11,881
Additions in the year	1,295	228	1,523
Disposals during the year	(25)	(343)	(368)
Decrease in abandonment provision	(14)	-	(14)
Exchange rate adjustment	-	62	62
At 31 December 2006	12,683	401	13,084
Amortisation			
At 1 January 2005	3,568	380	3,948
Charge for the year	306	56	362
Released on decommissioning	(603)	-	(603)
Released by disposals	(154)	-	(154)
Exchange rate adjustment	-	(40)	(40)
At 31 December 2005	3,117	396	3,513
Charge for the year	386	45	431
Released by disposals	(3)	(337)	(340)
Exchange rate adjustment	-	56	56
At 31 December 2006	3,500	160	3,660
Net book value			
At 31 December 2006	9,183	241	9,424
At 31 December 2005	8,310	58	8,368

As at 31 December 2006, "Other fixed assets" included leasehold premises US\$85,000 (2005: US\$Nil), plant and equipment US\$109,000 (2005: US\$50,000) and motor vehicles US\$47,000 (2005: US\$8,000).

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

	2006 US\$'000	2005 US\$'000
Net carrying amount at 31 December	174	157
Depreciation charge for the year	44	16

Impairment Testing

Impairment tests were performed on each of the producing fields at 31 December 2006 to assess whether the recoverable amount based on estimated future discounted cash flows exceeded the carrying value. The Group continues to carry an impairment provision of US\$1.4 million against its US properties.

Notes forming part of the Financial Statements

for the year ended 31 December 2006

12 Investments in subsidiary, joint venture and other investments

Company	Shares in subsidiary undertakings	Shares in joint venture undertakings	Total	
	US\$'000	US\$'000	2006 US\$'000	2005 US\$'000
At 1 January	6,980	4	6,984	6,976
Additions	-	-	-	8
At 31 December	6,980	4	6,984	6,984

The other investments of the Group and Company amount to US\$418,000 (2005:US\$418,000).

As at 31 December 2006 the Company had the following principal subsidiary undertakings:

Company	Proportion held by Company	Proportion held by Subsidiary	Country of Incorporation
Oil and Gas Exploration, Development and Production			
Aminex Petroleum Services Limited (1)	100%	-	UK
Aminex USA, Inc. (2)	62%	38%	USA
Tanzoil NL (3)	100%	-	Australia
Ndovu Resources Limited (4)	-	100%	Tanzania
Aminex Petroleum Egypt Limited (5)	100%	-	BVI
Oilfield services			
Amossco Limited (1)	-	100%	UK
Amossco ODS Limited (1)	-	100%	UK
Halyard Offshore Limited (1)	-	100%	UK
Joint venture undertaking			
Amicoh Resources Limited (6)	50%	-	BVI

Registered offices

- 7 Gower Street, London WC1E 6HA, UK.
- C/O CT Corporation System, 1021 Main Street, Suite 1150, Houston, TX 77002, USA.
- 3rd Floor, MPH Building, 23 Barrack Street, Perth, WA6000, Australia.
- 11th Floor, PPF Tower, Ohio Street, Garden Avenue, Dar es Salaam, Tanzania.
- C/O Quijano & Associates (BVI) Limited, PO Box 3159, Road Town, Tortola, British Virgin Islands.
- Mill Mall, Suite 6, Wickhams Cay 1, PO Box 3085, Road Town, Tortola, British Virgin Islands.

Other Investments

The Directors have considered the carrying value of all financial investments and are satisfied there is no evidence of impairment.

Notes forming part of the Financial Statements

for the year ended 31 December 2006

13 Loans to subsidiary undertakings

Company	2006 US\$'000	2005 US\$'000
Balance at 1 January 2006	18,929	18,523
Interest receivable from subsidiary undertakings	-	19
Loans advanced to subsidiary undertakings during the year	4,941	3,713
Share based payments charged to subsidiary undertakings	482	-
Provision on carrying value	-	(3,326)
	24,352	18,929
Included in current assets	(12,940)	(8,374)
Balance at 31 December	11,412	10,555

Included in current assets are loans provided to Group undertakings which are interest free and repayable on demand. As a result, no discounting is applied to these balances and they are carried at cost less impairment.

The balance of US\$11,412,000 (2005: US\$10,555,000) represents loans provided to Group undertakings which are interest free and also repayable on demand. The Directors do not expect to call for repayment of these loans in the foreseeable future as they are considered to be quasi equity in nature. After taking into account the provisions shown above, the Directors believe the carrying value of these loans to be fully recoverable. However they do not believe it possible to make a reasonable estimate of when the loan repayment will take place. As a result these loans have been recorded at cost less any provision for impairment. Annual impairment reviews are performed.

14 Trade and other receivables

	Group		Company	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Trade receivables	281	390	-	-
Amounts due from joint venture partners	207	68	-	-
Other receivables	691	230	562	-
Prepayments and accrued income	353	491	57	84
	1,532	1,179	619	84

All amounts fall due within one year.

15 Cash and cash equivalents

	Group		Company	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Cash at bank and in hand	459	365	118	52
Short term deposits	3,189	3,519	3,189	3,519
	3,648	3,884	3,307	3,571

Notes forming part of the Financial Statements

for the year ended 31 December 2006

16 Trade and other payables

	Group		Company	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Trade payables	662	972	66	100
Overseas employment-related taxes	63	60	-	-
Amounts due to joint venture partners	18	-	-	-
Other payables	94	80	-	-
Accruals	279	834	129	98
	1,116	1,946	195	198

17 Provisions – decommissioning

Group	US\$'000	
At 1 January 2006	2,328	
Net reduction in decommissioning provision	(14)	
Provision utilised	(165)	
Discount unwound in the year	228	
At 31 December 2006	2,377	
	2006 US\$'000	
	2005 US\$'000	
Current	194	201
Non-current	2,183	2,127
Total decommissioning provision	2,377	2,328

As at 1 January 2005, a provision for decommissioning costs was set up relating to the decommissioning of wells in the USA and the Nyuni well in Tanzania. During 2006, the provision was reviewed and a reduction in the provision of US\$14,000 was made. The provision has been based on a decommissioning of wells over the period to 2015. The provision has been estimated assuming existing techniques and technology at current prices and discounted at 10% per annum.

18 Interest bearing loans and borrowings

	Group		Company	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Obligations under finance leases	145	135	-	-
Comprising:				
Current liabilities	43	42	-	-
Non-current liabilities	102	93	-	-
	145	135	-	-

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

Notes forming part of the Financial Statements

for the year ended 31 December 2006

19 Financial assets and financial liabilities

An outline of the Group's financial risk management policies and objectives are dealt with in the Financial Review on pages 14 to 16.

(a) Maturity profile of financial assets and financial liabilities of the Group and Company

Financial assets

The Group had no financial assets, other than trade and other receivables (see note 14) and cash and cash equivalents (see Note 15) as at 31 December 2006 amounting to US\$5,180,000 (2005: US\$5,063,000).

The Group's financial liabilities relate to finance leases:

	2006 Total US\$'000	2005 Total US\$'000
Repayment analysis		
Within one year	43	42
Between one and two years	65	93
Between two and five years	37	-
	145	135

The Group's borrowings relate to hire purchase financing agreements which are secured against the asset purchased for each agreement.

The Company had no financial liabilities at 31 December 2006 and 31 December 2005.

The Company's financial assets relate to loans to subsidiary undertakings.

(b) Borrowing facilities

The Group has borrowing facilities available to it. Borrowing facilities with Barclays Bank consisted of overdraft facilities of Stg£345,000 (2005: Stg£350,000), of which Stg£325,000 related to the Company. The overdraft facilities were undrawn at 31 December 2006 and 31 December 2005. The Company also had a guarantee facility of Stg£175,000 (2005: Stg£nil) available at 31 December 2006 against which a guarantee of US\$250,000 had been issued. The Group's other borrowings consisted of hire purchase contracts and finance leases amounting to US\$145,000 at 31 December 2006.

Since 31 December 2006, the Group and the Company have renewed the facilities with Barclays Bank. The facilities now comprise overdraft facilities of Stg£120,000 for the Group, of which Stg£100,000 is available to the Company, and a guarantees facility of Stg£400,000 is available to the Company.

(c) Interest rate risk and currency risk profile of financial assets and financial liabilities

All the Group's financial assets are denominated in US dollars.

The interest rate and currency profile of the Group's borrowings at 31 December 2006 was as follows:

Group	Fixed rate US\$'000	Floating rate US\$'000	Total US\$'000
US dollars	110	-	110
Sterling	35	-	35
	145	-	145

The weighted average interest rate on fixed rate borrowings of US\$145,000 and weighted average period for which the interest rate was fixed are 6.8% and 32 months respectively. Fixed rate borrowings refer to borrowings where interest rates are fixed for more than three months from 31 December 2006.

All the Company's financial assets are denominated in US dollars. The Company had no borrowings at 31 December 2006 and 31 December 2005.

(d) Fair values of financial assets and financial liabilities

The fair value of the Group's and Company's short-term and long-term financial assets and financial liabilities approximates to their carrying values at 31 December 2006 and 31 December 2005.

Notes forming part of the Financial Statements

for the year ended 31 December 2006

20 Issued capital

Authorised

	Number	Value €
Ordinary Shares of €0.06 each:		
At 31 December 2006 and 2005	289,630,632	17,377,838

Allotted called up and fully paid

	Number	Value US\$
Ordinary Shares of €0.06 each:		
At 1 January 2005	99,060,402	6,776,668
Issued during year	58,556,612	4,280,598
At 31 December 2005	157,617,014	11,057,266
Issued during year	11,361,386	858,542
At 31 December 2006	168,978,400	11,915,808

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

Details	Date of issue	Price Stg pence per share	Number	Issued capital US\$'000	Share premium US\$'000	Total US\$'000
Exercise of options	10 January 2006	17.5	100,000	7	24	31
Exercise of options	25 January 2006	12.50-23.00	420,000	31	83	114
Kenya TEA *	15 March 2006	29.75	483,618	35	199	234
Placing	8 June 2006	30.00	9,772,768	741	3,475	4,216
Exercise of options	19 July 2006	12.50	200,000	15	31	46
Exercise of options	28 July 2006	17.50	385,000	30	96	126
At 31 December 2006			11,361,386	859	3,908	4,767

* An amount of 483,618 Ordinary Shares of €0.06 each, valued at US\$250,000, was issued to Upstream Petroleum Services Limited as non-cash consideration for a part-payment of the 25% interest in two blocks held under a Technical Evaluation Agreement offshore Kenya. The total proceeds amounted to US\$550,000.

The amounts shown under share premium are net of issue expenses incurred in the current year amounting to US\$292,000.

On 8 June 2006, the Company issued 9,772,768 Ordinary Shares of €0.06 each for cash. In addition the Company granted one warrant for every two placing shares. Each warrant has the right to subscribe for one Ordinary Share at an exercise price of Stg34 pence per share. The warrants expire on 15 December 2007.

Notes forming part of the Financial Statements

for the year ended 31 December 2006

21 Reserves

Group	Share premium US\$'000	Capital Conversion Reserve Fund US\$'000	Share Option Reserve Fund US\$'000	Share Warrant Reserve Fund US\$'000	Foreign Currency Reserve Fund US\$'000	Retained earnings US\$'000
At 1 January 2006	40,102	234	187	-	(75)	(26,416)
Premium on shares issued	4,200	-	-	-	-	-
Share issue expenses paid	(292)	-	-	-	-	-
Share based payment charge	-	-	542	-	-	-
Share warrant grant	-	-	-	899	-	-
Currency translation effects	-	-	-	-	14	-
Group loss for the financial year	-	-	-	-	-	(2,862)
At 31 December 2006	44,010	234	729	899	(61)	(29,278)
	Share premium US\$'000	Capital Conversion Reserve Fund US\$'000	Share Option Reserve Fund US\$'000	Share Warrant Reserve Fund US\$'000	Foreign Currency Reserve Fund US\$'000	Retained earnings US\$'000
At 1 January 2005	36,061	234	161	-	(57)	(21,437)
Premium on shares issued	5,191	-	-	-	-	-
Share issue expenses paid	(1,150)	-	-	-	-	-
Share based payment charge	-	-	26	-	-	-
Currency translation effects	-	-	-	-	(18)	-
Group loss for the financial year	-	-	-	-	-	(4,979)
At 31 December 2005	40,102	234	187	-	(75)	(26,416)

Loss for the financial year

The loss for the financial year arises as follows:

	2006 US\$'000	2005 US\$'000
In Aminex PLC	(511)	(4,094)
In subsidiary companies	(2,351)	(885)
	(2,862)	(4,979)

The individual financial statements of the Company ("Company Financial Statements") have been prepared and approved by the Directors in accordance with EU IFRSs and as applied in accordance with the Companies Acts 1963 to 2006, which permit a company that publishes its company and group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act 1963 from presenting to its members its company income statement and related notes that form part of the approved company financial statements. Of the consolidated net loss after taxation, a net loss of US\$511,000 (2005: US\$4,094,000) is dealt with in the income statement of Aminex PLC.

22 Share options

Under the terms of the Aminex PLC Executive Share Option Scheme approved by Ordinary Resolution of the shareholders, certain Directors and employees are entitled to subscribe for Ordinary Shares in the Company at the market value on the date of the granting of the options, subject to a maximum aggregate of 10% of the issued Ordinary Share capital. On 31 December 2006 there were options over 7,591,000 (2005: 6,806,000) Ordinary Shares which are exercisable at prices ranging from Stg12p to Stg70p per share and which expire at various dates up to 26 June 2016.

Notes forming part of the Financial Statements

for the year ended 31 December 2006

23 Share warrants

As part of the share placing on 8 June 2006, the Company granted warrants over 4,886,384 Ordinary Shares of €0.06 each to the participants in the share placing. The warrant price is Stg34 pence per share and the warrants may be exercised at any time up to 15 December 2007.

24 Commitments and guarantees

Commitments

Exploration Expenditure – in accordance with the relevant Production Sharing Agreements, Aminex has an obligation to contribute its share of the following work programmes:

- (a) On the Ruvuma Licence, Tanzania: to carry out seismic surveys and drill two wells over the four year period ending October 2009.
- (b) On the Nyuni Licence, Tanzania: to acquire seismic and drill two wells during the three year period ending November 2007.
- (c) On the Manja Licence, Madagascar: to acquire 500 kilometres of seismic during the one year period ending November 2007, with a minimum capital expenditure of US\$1,500,000 for which Aminex has to provide a bank guarantee for its 50% share of US\$750,000.
- (d) In North Korea: to acquire seismic and drill one well during the three year period ending August 2008.

Commitments under operating leases are as follows:

Group	Land and buildings		Other	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
Operating leases which expire:				
Within one year	195	239	1	2
In two to five years	501	583	-	6
After five years	-	-	-	-
	696	822	1	8

The Company does not have any operating lease commitments.

Guarantees

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

25 Pension arrangements

The Group contributes towards the cost of certain individual employee pension plans. Annual contributions are based upon a percentage of gross annual salary. Pension contributions are charged to the Group income statement as incurred and amounted to US\$239,000 for 2006 (2005: US\$204,000).

Notes forming part of the Financial Statements

for the year ended 31 December 2006

26 Analysis of net funds

	At 1 January 2006 US\$'000	Cash flow US\$'000	At 31 December 2006 US\$'000
Cash at bank	3,884	(236)	3,648
Finance leases	(135)	(10)	(145)
Total	3,749	(246)	3,503

	At 1 January 2005 US\$'000	Cash flow US\$'000	At 31 December 2005 US\$'000
Cash at bank	767	3,117	3,884
Finance leases	(98)	(37)	(135)
Total	669	3,080	3,749

27 Related party transactions

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

	2006 US\$'000	2005 US\$'000
Transactions during the year		
Management fees	-	-
Interest receivable from subsidiary undertakings	-	19
Balances at 31 December		
Amounts owed by subsidiary undertakings	24,103	18,854
Amounts owed by joint venture undertaking	249	75
	24,352	18,929

Remuneration of key management personnel

The remuneration of the Executive Directors, who are the key management personnel of the Group, is set out below. Information about the remuneration of each Director is shown in the Directors' Remuneration Report on pages 24 to 26.

	2006 US\$'000	2005 US\$'000
Short-term employee benefits	1,054	823
Pension contributions	185	132
Share-based payments	332	-
	1,571	955

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

Consultancy fees were paid to Storm Petroleum Limited, a company connected with Mr. D. S. Hooker, amounting to US\$20,000 (2005: US\$20,000). Director's salary and pension contributions of US\$202,500 (2005: US\$202,500) were paid to Cathel Corporation, a company connected with Mr. A.G. Prado. These payments have been treated as remuneration as shown in Note 3.

Notes forming part of the Financial Statements

for the year ended 31 December 2006

28 Litigation

(a) Aminex USA, Inc.

On November 11, 2005, Pierce Oilfield Construction, L.L.C. ("Pierce Oilfield") was testing flow lines for Aminex USA, Inc. in the Shoats Creek field in Dequincy, Louisiana, U.S.A. During the course of operations, the Pierce Oilfield crew was cutting a plugged flow line to install the necessary fittings to purge the flow line by pumping water with a hot oil truck, and then pressure testing for leaks. When the line was cut, there was an explosion and fire and one of the Pierce Oilfield employees was burned. A lawsuit has been filed against Aminex USA, Inc. in United States District Court, Western District of Louisiana, Lake Charles Division.

While there can be no certainty regarding the outcome of the matter, the Directors believe on the information currently available, that there is no basis for any claims against Aminex and/or its subsidiary companies and Aminex USA, Inc. The monetary amount of the claim has not yet been quantified. Given the nature of this case, outside counsel are not at present in a position to opine as to the likely ultimate outcome of this litigation. The commercial general liability insurer of Aminex USA, Inc. has been notified of the accident and they have retained counsel to assist in the investigation of the case. The Directors have received advice that in the light of currently available information any potential loss should not exceed the insurance coverage available to Aminex USA, Inc.

(b) Aminex USA, Inc.

On 6 March 2003 Corpus Christi Drilling & Workover, L.L.C ("CCD") filed suit against Aminex USA, Inc. alleging, among other things, breach of contract with regard to the sale of a drilling rig in 2001. Aminex USA, Inc. defended itself vigorously. In February 2006, after three days of trial and without admission of liability by Aminex USA, Inc. the parties reached a settlement of this matter that provides for a complete release of all claims related to the sale of the rig in question in return for payment of the plaintiff's attorneys' fees and expenses and certain monetary payments to charities of the plaintiff's choosing. The plaintiff received no direct compensation as a result of this lawsuit. The settlement was announced to the court and approved by the judge. A final order was signed by the judge on 12 July 2006. All costs have been charged to the Group's 2005 income statement.

29 Post balance sheet events

There are no post balance sheet events.

30 Approval of financial statements

These financial statements were approved by the Board of Directors on 30 April 2007.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the twenty-seventh Annual General Meeting of the Company will be held at The Gresham Hotel, Upper O'Connell Street, Dublin 1 on 6 June 2007 (at 10a.m.) for the purpose of considering and, if thought fit, passing the following Resolutions of which Resolutions numbered 1 to 7 inclusive will be proposed as Ordinary Resolutions and Resolution numbered 8 will be proposed as a Special Resolution.

Ordinary Business

- 1 To receive and consider the Statement of Accounts for the year ended 31 December 2006 and the reports of the Directors and Auditors thereon.
- 2 To re-elect Mr. F.D. Tughan as a Director who retires in accordance with Article 96 of the Articles of Association.
- 3 To re-elect Mr. B.A. Hall as a Director who retires in accordance with Article 96 of the Articles of Association.
- 4 To re-elect Mr. A.G. Prado as a Director who retires in accordance with Article 96 of the Articles of Association.
- 5 To elect Mr A. Hay who retires in accordance with Article 102 of the Articles of Association.
- 6 To authorise the Directors to fix the remuneration of the Auditors.

Special Business

- 7 In substitution for all existing authorities (but without prejudice to the exercise of any such authority prior to the date hereof) the Directors be and are hereby generally and unconditionally authorised pursuant to Section 20 of the Companies (Amendment) Act, 1983 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 20 of the Act) up to an aggregate nominal amount equal to the authorised but as yet unissued share capital of the Company from time to time such authority to expire (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next Annual General Meeting of the Company following the passing of this resolution but the Company may, prior to the expiry of this authority, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors may allot relevant securities in pursuance of that offer or agreement as if the authority hereby conferred had not expired.
- 8 In substitution for any existing power under Section 24 of the Companies (Amendment) Act, 1983 ("the Act") (but without prejudice to the exercise of any such power prior to the date hereof), the Directors be and they are hereby empowered pursuant to Section 24 of the Act to allot equity securities (as defined by Section 23 of the Act) for cash pursuant to the authority conferred by Resolution 7 above as if sub-Section (1) of the said Section 23 did not apply to any such allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with any offer of securities open for any period fixed by the Directors by way of rights, open offer or otherwise in favour of shareholders holding Ordinary Shares and/or any persons having a right to subscribe for or convert securities into Ordinary Shares in the capital of the Company (including, without limitation, any holders of warrants and/or holders of options under the Company's share option scheme for the time being) and subject to such exclusions or arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of, any recognised body or stock exchange in any territory; and
 - (b) In addition to the authority conferred by paragraph (a) of this Resolution, the allotment of equity securities up to a maximum aggregate nominal value of €1,013,870.

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

Dated this 30th day of April 2007

BY ORDER OF THE BOARD

Max V. Williams

Secretary

Registered Office: 6 Northbrook Road, Dublin 6.

Notes

- 1 A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.
- 2 Forms of proxy to be valid must be received at the Company's Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not later than 48 hours before the time of the holding of the Meeting.

Company Addresses

Aminex PLC
6 Northbrook Road
Dublin 6, Ireland

Principal operating companies:



Group Support & Services
Aminex Petroleum Services Ltd.
7 Gower Street
London WC1E 6HA
United Kingdom
Tel: +44 (0)20 7291 3100
Fax: +44 (0)20 7636 9667



US Oil & Gas Operations
Aminex U.S.A. Inc.
P O Box 130, Somerset
Texas 78069, USA
Tel: +1 210 271 9919
Fax: +1 210 271 3302



Tanzanian Operations
Ndovu Resources Limited
Plot N°1/15 Oysterbay
P.O. Box 179
Dar es Salam
Tanzania



Madagascan Operations
Amicoh Resources Limited
85 rue Pasteur Rabeony
Route Circulaire, 1er etage
Ankorahotra, BP 57
101, Antananarivo
Madagascar
Tel: +261 20 22 273 48



Korean Operations
Korex Limited
c/o Kobril Limited
Otan-Dong, Central District
Pyongyang
DPR of Korea



Egyptian Operations
Aminex Petroleum Egypt Ltd
16 Farouk Amer Street
Sheraton Heliopolis
11371 Cairo, Egypt



Amosco

Oilfield Services & Supply
7 Gower Street
London WC1E 6HA
United Kingdom
Tel: +44 (0)20 7291 3100
Fax: +44 (0)20 7631 4293