FoxDavies

Aminex PLC (AEX LN)

BUY

Initiating Coverage

Price target: £0.13

Oil & Gas

10 May 2011

All Aboard!

BUY recommendation

Summary

We are initiating coverage of Aminex plc ("Aminex" or "Company") with a BUY recommendation and a price target of 13p.

Earlier this year Aminex announced a placing and open offer to raise approximately US$39 million (net of issue costs), which provides the necessary funds to meet the 2011 exploration and development expenditure.

Aminex also announced the results of an independent audit of its reserves, which valued the 2P reserves (net to the Company) of 7.5 million barrels oil equivalent ("MMboe") at US$135 million.

Our total risked NAV of 13.4p is based on net risked resources of 63MMboe with un-risked values of 48p and 339MMboe respectively. Our core NAV (production, development and appraisal assets) is 7.3p, which implies that the risked exploration value is not fully reflected in the current share price.

Now that the issue of near-term funding has been addressed, investors in the Company can look forward to the 2011 work programme. This is expected to include seismic acquisition and drilling of four wells. Two of these are development wells aimed at increasing production from the US reserves and there are two exploration wells planned in Tanzania. The Company also plans expenditure on facilities at Kiliwani North gas discovery ahead of production in 2012.

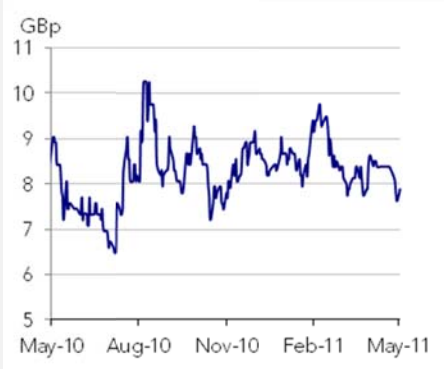
We highlight the Ruvuma exploration well as having the potential, in case of success, to more than triple the Company's share price. Aminex has a 37.5% interest in this prospect, which is operated by Tullow Oil plc ("Tullow"), the most successful African explorer in recent years.

Stock Data#

12 month target:	13p
Shares in Issue (M):	779.7
Market Cap (M):	£59.5
EV (M):	£35.5

52 Week range

6.2 | 7.9 | 11.2



Valuation

Core NAV (p/share):	7.3
Total NAV (p/share):	13.4
Price/Total NAV (x):	0.6

Analyst

Shahin Amini
Tel: +44 (0)20 3 463 5039
Email: Shahin.amini@fox-davies.com

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Investment Case

We initiate our coverage with a BUY recommendation and price target of 13p.

The Company is now fully funded for its 2011 work programme following the recent share placement, lowering the risk profile and project execution uncertainties. Aminex is an attractive investment as it has exposure to company making exploration coupled with downside protection from production and development assets. Our core NAV is 7.3p, risked total NAV is 13.4p and un-risked valuation is 47.9p per share.

The Company will participate in two exploration wells in Tanzania later this year.

The first is Nyuni-2 targeting a large gas prospect in a geological setting that is well known to the Company. Our risked valuation for this asset is 1p with an un-risked upside of 7p per share.

The second Ruvuma exploration well operated by Tullow is expected to be drilled by the end of this year. Aminex has a 37.5% interest and we value this (risked) at 3.5p per share with an un-risked upside of 23p per share. This well follows Likonde-1, which although was plugged and abandoned, did encounter residual oil indicating that the PSA area is prospective for oil. We are encouraged by Tullow's on-going commitment to the Ruvuma basin exploration programme, considering its excellent exploration track record in recent years.

We expect the share price to rise towards our target price over the next few months as preparations for the drilling of the Tanzanian wells progress. Investors can also look forward to news on the development of the Company's US assets, particularly from the development of the Shoats Creek field in Louisiana. Furthermore, the Company is expected to progress its Kiliwani North gas discovery in Tanzania towards production during 2012 with revenues from the sale of gas to the local Dar es Salaam market. Updates from these projects will also support the share price.

In conclusion we issue our BUY recommendation and a target price of 13p.

Background

Aminex has been operating internationally since 1991 and its shares have traded on the London Stock Exchange (Main Market) and Irish Stock Exchange since 1995. Aminex entered Russia in 1994 and subsequently divested its main assets in 2001, using the proceeds to develop its US portfolio and to acquire Tanzoil NL, a private Australian company with exploration interests in Tanzania. The Company has onshore oil and gas production in the US and a portfolio of exploration, appraisal and development assets in Egypt, Tanzania and North Korea.

All of the Company's reserves are located in the US. The independently audited 1P and 2P net reserves (as at 1st April 2011) are 2.5 MMboe and 7.5 MMboe respectively with about 46% in oil and 54% in gas. The Company's US production is from four fields situated in Texas and Louisiana, these are: Alta Loma; Shoats Creek; South Weslaco; and Somerset. Exhibit 6 shows the locations of these fields.

The Company's aggregate annual production for 2010 was approximately 83,000 boe which compared to the 2009 production of 129,000 boe. Oil production decreased year-on-year by 9% and gas production by 49%. The reduction was primarily due to the declining production from the Sunny Ernst-2 well at Alta Loma. However, this reduction was partly offset by new production from the two wells on Shoats Creek. Aminex also announced recently that the Sunny Ernst-2 well was successfully recompleted in the 'S' sands, which is on limited production pending the installation of upgraded production equipment which is due to be operational by the end of May 2011.

The Company drilled the Olympia Minerals-1 ("OM-1") in 2010 to exploit Shoats Creek's Cockfield sands and participated in Olympia Minerals-10-1 ("OM-10-1") operated by El Paso in the second half of 2010, which targeted the deeper Wilcox Sand potential at Shoats Creek. OM-1 and OM-10-1 were brought on production at initial flow rates of 150 boed and 450 boed. It is expected that Aminex in joint venture with El Paso will drill two more development wells on the Shoats Creek Area of Mutual Interest ("AMI") during 2011.

The Company is involved in three Tanzanian PSAs covering development and exploration projects. Aminex has a 65% shareholding in the Nyuni PSA offshore Tanzania neighbouring the Songo-Songo gas field. The Company's Kiliwani North gas discovery is independently estimated to have 45 bcf (gross - Pmean) of Gas In Place ("GIP"). Although this is a modest resource in comparison to recent deep-water gas discoveries offshore Tanzania, the asset has the benefit of close proximity to existing infrastructure that supplies Dar es Salaam's power generating and industrial customers. The Company is currently working on monetising this discovery through the Songo-Songo gas plant and infrastructure and it is anticipated that the first gas sale can be achieved during 2012.

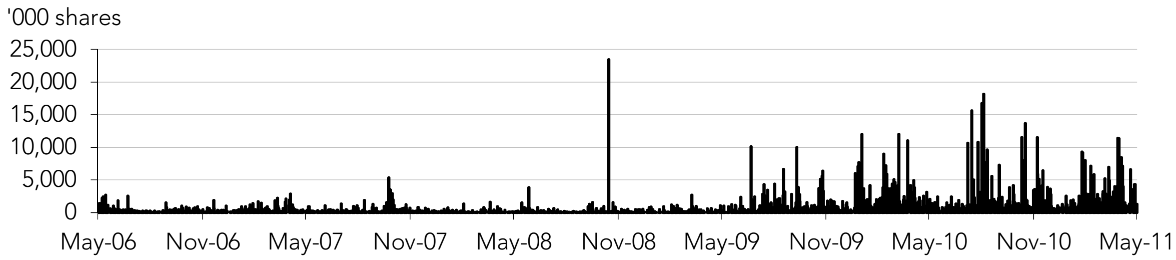
Aminex will drill Nyuni-2 well in Tanzania this year targeting mean prospective resource (gross) of 1.3 tcf of GIP. The Company anticipates that in the case of a commercial discovery, the reserves could be monetised through tie-back to the Songo-Songo gas plant and infrastructure. The timing for such a development will be dependent on future demand growth from power generators and industrial users in Dar es Salaam as well as securing access to the Songo-Songo facility which in turn requires capacity expansion, which could take several years.

Further south in Tanzania, Aminex will participate in the next Ruvuma well operated by Tullow. It is planned that the well will be drilled during the second half of 2011. In our opinion this is the most exciting prospect in the Company's asset portfolio. Although the Likonde-1 well drilled last year was P&A, the well did encounter significant amounts of residual oil and gas. We believe that an onshore oil discovery in Tanzania would be a company making event for Aminex.

Aminex also has exploration interests in Egypt and North Korea as well as an oilfield services and supply business. These are covered in more detail in Appendix 2.

Exhibit 1 on the next page shows the Company's share price since May 2006. The rise in share price during the first quarter of 2010 coincided with the drilling operations on Shoats Creek and Ruvuma Basin, i.e. Likonde-1 exploration well.

Exhibit 1: Share Price History

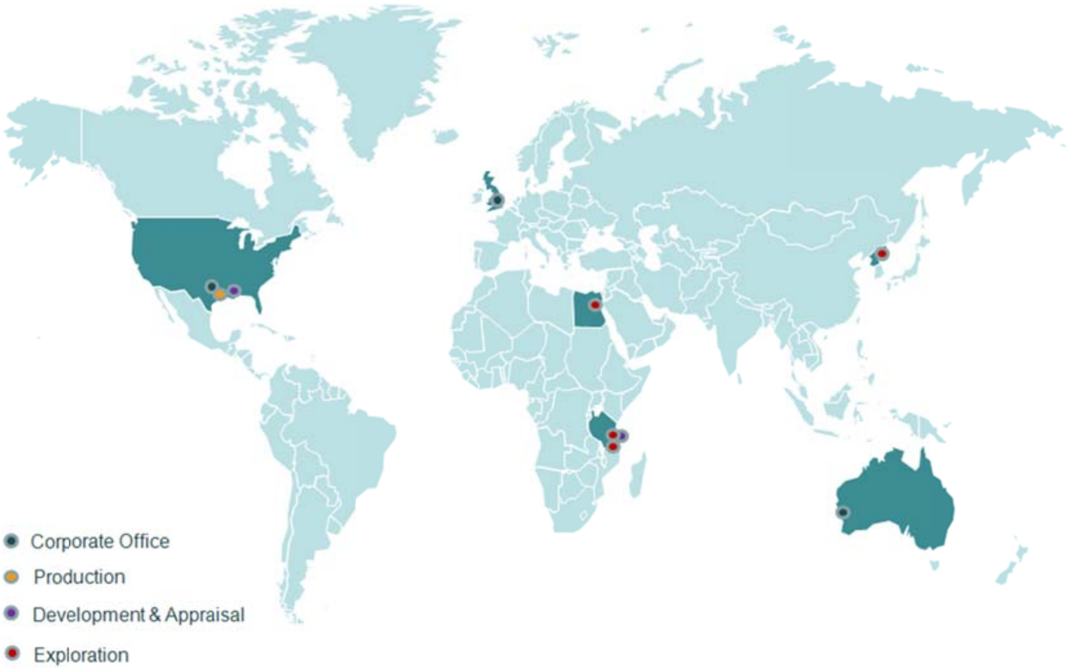


Source: Bloomberg

Licence Portfolio

Exhibit 2 shows the locations of the Company's assets. Table 1 lists the licenses.

Exhibit 2: Location Map



Source: FoxDavies

Table 1: Licences

Licence Name	Country	Operator	Interest %	Partners	Size (km^2)
Nyuni	Tanzania	Aminex	65	RAK Gas Commission (25%), Key Petroleum (5%), Bounty Oil (5%)	1,300
West Songo Songo	Tanzania	Key Petroleum	50	Key Petroleum (50%)	507
Ruvuma	Tanzania	Tullow Oil	37.5	Tullow Oil (50%), Solo Oil (12.5%)	12,153
WEEM Block 2	Egypt	Aminex	10[1]	Karl Thomson Group (20%), Aminex Petroleum Egypt (80%)	1,328
Shoats Creek Field	USA	Aminex	100	-	4.5
Shoats Creek: Aminex – AMI Unit	USA	El Paso	50	El Paso Corporation (50%)	2.0
Alta Loma Field	USA	El Paso	37.5	El Paso Corporation (25%), McAlester (12.5%), Activa (20%), Katy Longbow (5%)	1.8
Somerset Field	USA	Aminex	100	-	14.1
South Weslaco Field	USA	Kaler Resources	25	Stalker Resources (49%), Activa (25%), Kaler Energy (1%)	25.6
East Sea	DPRK	Korex[2]	50	-	50,000

Source: Company data

Notes:

1 Aminex is a 12.5% shareholder in Aminex Petroleum Egypt Limited which operates and holds an 80% interest in WEEM-2. The Company therefore has an indirect 10% interest.

2 Aminex holds its East Sea interest through a 50% shareholding in Korex Ltd.

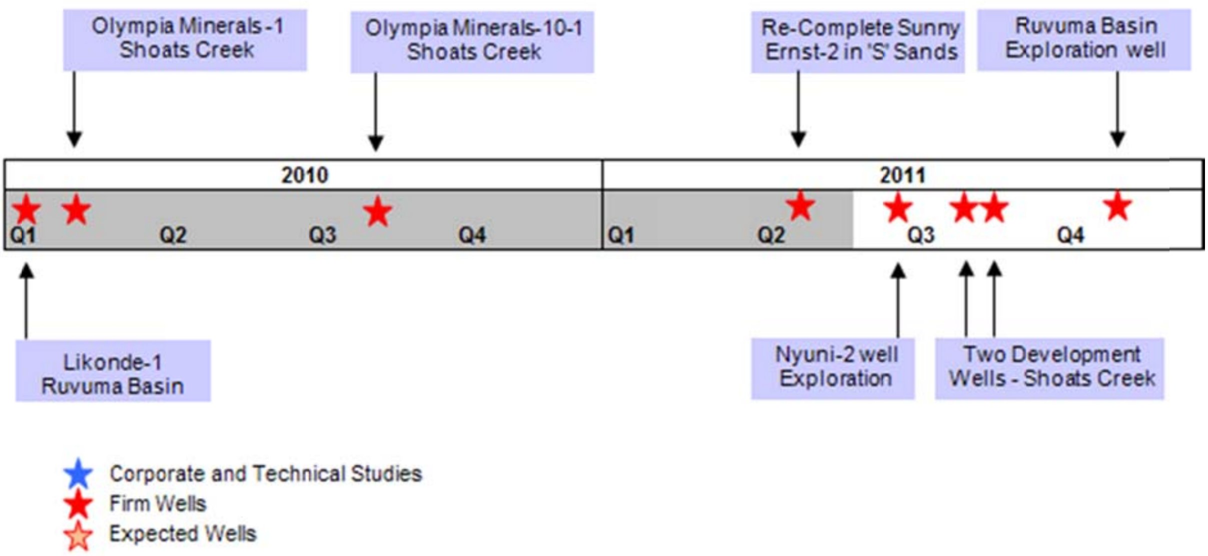
Timeline

The Company is expected to participate in four wells by the end of this year. Aminex announced in March that it had signed a rental contract for use of the Caroil-6 drill rig to drill the Nyuni-2 well and that the rig would be mobilised to Nyuni Island within 60 days of the announcement. Although the timing of the US drilling operations are not confirmed, it is expected that Aminex in partnership with El Paso will drill two further development wells on Shoats Creek's AMI in the second half of 2011. In this period the Company is also expected to participate in the next Ruvuma exploration well operated by Tullow.

Other activities for this year include shooting seismic over the Fanjove North prospect in the Nyuni license and the progress of the development work to monetise the Kiliwani North gas discovery through the Songo-Songo gas plant and export infrastructure. A development licence has now been granted by the Tanzanian authorities and first gas production is anticipated during 2012.

The Company has now negotiated a new production sharing agreement with the Tanzanian authorities to replace the current Nyuni PSA which expires in May 2011. The new PSA is likely to be ratified in the near future.

Exhibit 3: Anticipated Activity Timeline



Source: FoxDavies

Valuation

We have set our target price of 13p close to our total risked NAV of 13.4p. This has been calculated for a fully diluted base of approximately 800 million shares, accounting for the recent share placement and outstanding share options.

The risked NAV is the total value of all risked assets and adjusted for the corporate costs, cash reserves and carried interests. Our valuation excludes the Company's oil services subsidiary and exploration interest in North Korea. We have also excluded the Somerset field in Texas and the West Songo-Songo PSA; the Somerset field is considered to have negligible impact on the valuation and there is uncertainty over the timing of operations under the PSA. The value of risked assets is calculated using discounted cash flow modelling based on our assessment of risked resources for individual assets. We have also accounted for the Company's 10% carried interest in the onshore West Esh el Mellaha area ("WEEM-2") in Egypt. We have included US$500,000 for this asset which is 10% of the minimum work commitment expenditure of US$5 million.

Please refer to Appendix 1 for our valuations summary. Exhibit 4 presents a valuation waterfall chart for the Company and Exhibit 5 presents the breakdown of the risked resources.

Our main assumptions include a flat oil price deck of US$75 per barrel; flat US$4 per Mcf of gas in the US; flat US$3 per Mcf of gas in Tanzania; US$-GBP exchange rate of 1.6; 10% discount rate for the US assets; and 12% discount rate for the Tanzanian assets.

The production and development assets:

1. Shoats Creek and Shoats Creek (AMI) – we have valued the Company's interest in two parts to account for the agreement with El Paso which covers the AMI. We have based our valuation on reserves of 3 MMbbl of oil and 18 bcf of gas. We have assumed a split of 30:70 of the reserves base between the AMI and the greater Shoats Creek areas. These numbers are net to the Company and are adjusted for the land owner royalty interests. Our capital expenditure assumptions include two development wells on the AMI acreage costing US$9 million (gross) and four development wells on the remainder of the Shoats Creek Area costing US$18 million. Our variable operating cost assumptions for both areas increase from US$3 per barrel of oil equivalent to about US$5.5 per boe in the latter years as the production profile declines.

Our risked valuation (65% chance of success) for the AMI and the greater Shoats Creek area are US$18m (1.4p per share) and US$35m (2.7p per share) respectively. We believe that the our risking factor is prudent considering the production issues of the waxy crude and high water cut, which have caused frequent technical shutdowns so far.

2. Alta Loma – we have assumed remaining reserves of 157,000 barrels of oil and 4.5 bcf of gas. We have applied a capital expenditure of US$1 million (gross) for the re-completion of Sunny Ernst-2 in the 'S' sands. We have applied the same operating expenditure assumption as for Shoats Creek.

Our valuation for the Company's 37.5% interest in this asset is US$19 million or 1.5p per share.

3. South Weslaco – our valuation accounts for 0.8 bcf of gas. We have applied a NAV per boe of US$20.2 (derived from the Alta Loma valuation) for a valuation of US$3 million or 0.2p per share.
4. Kiliwani North – our estimated gross recoverable reserve is 34 bcf (22 bcf net to the Company) which is based on 45 bcf of GIP and a 75% recovery factor. We have assumed peak daily production of 20 MMscf, US$3 million of capital expenditure and operating expenditure of US$1.5 per boe. Our risked valuation for this asset net to Aminex is US$10 million or 0.8p per share.

The exploration and appraisal assets:

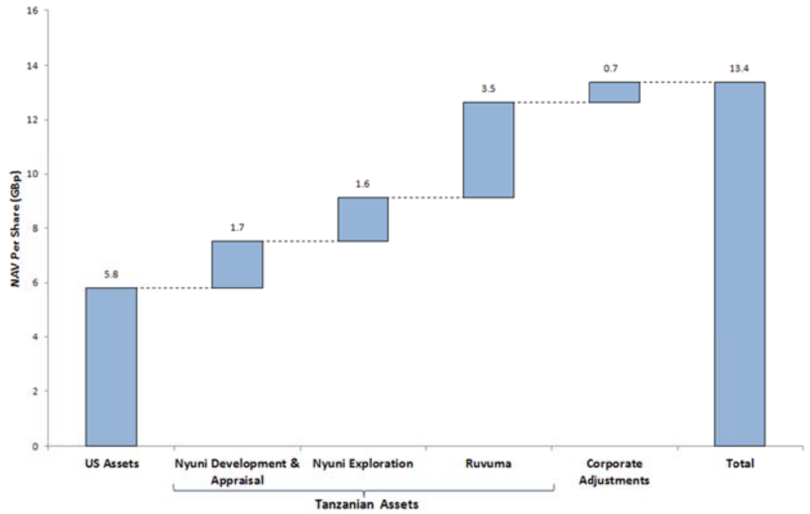
1. Nyuni 1 and Nyuni 1A – based on the Company's EGM presentation of 25th February 2011, we have accounted for gross contingent resources of 233 bcf of gas. We have assumed start of production in 2015 at 20 MMscfd rising to 40 MMscfd in 2017. We have valued this asset at 0.9p per share.
2. Nyuni Exploration – we have accounted for prospective resources of 1.3 tcf of GIP. We have applied a NAV per boe of US$0.7 (same as for our valuation of Nyuni 1 contingent resources) and assumed that gas production will commence no earlier than 2015 and risked the valuation at 50%. Our valuation is US$21 million or 1.7p per share.
3. Fanjove North and Okuza Prospects – these are estimated to have 377 bcf and 862 bcf of GIP respectively. We have applied a NAV per boe of US$0.7 to yield an aggregate valuation of US$8 million at Probability of Success of 10%.

4. Ruvuma - the Company and its partners have not finalised the location for the second well which is expected to spud in the second half of this year and accordingly there is no firm indication of the prospect size. However, we note from Tullow's Full Year 2010 Factbook (under the 12-month Exploration and Appraisal programme) that Sudi prospect in Mtwara block may be the target with a gross prospect size of 200 MMboe. We have used this in our valuation (75 MMboe net to Aminex) and applied PoS of 15% and NAV per boe of US$4 to yield a risked valuation of US$45m or 3.5p per share. Our NAV estimate of US$4 per boe is based on our work on similar onshore prospects in Tanzania.

In estimating our core NAV of 7.5p we have assumed a cash position of US$34 million (largely from the proceeds of the recent share placing and open offer), corporate costs of US$25m (applied flat US$5m over a 5-year period) and carried interest of US$0.5m attributable to the Company's exploration interest in Egypt. The net corporate adjustment is a positive 0.7p per share.

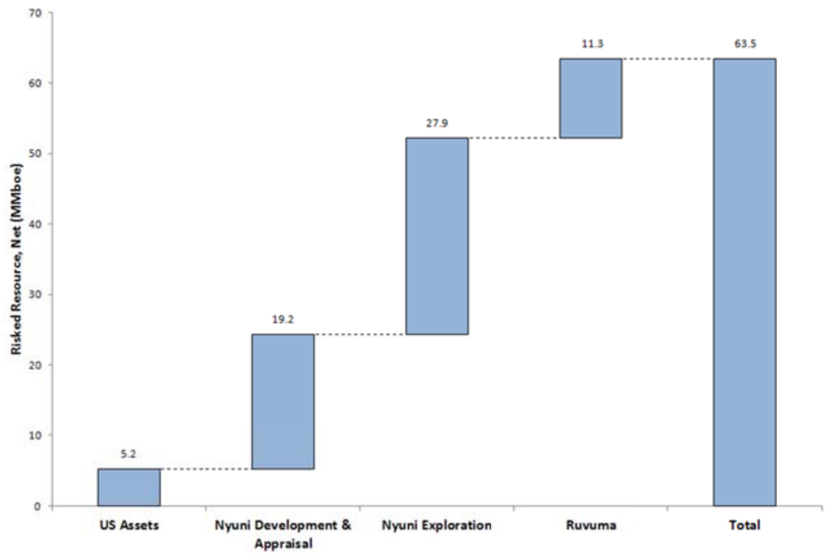
Our risked valuation is based on a risked resource base of 63.5 MMboe as shown in Exhibit 5. Our un-risked NAV is 47.9p with the largest contribution from Ruvuma at 23.4p per share. Our un-risked resource base is 339 MMboe.

Exhibit 4: Risked Valuation



Source: FoxDavies

Exhibit 5: Risked Resources



Source: FoxDavies

Risks

Aminex's asset portfolio includes exploration, appraisal, development and production projects and the Company and its shareholders are exposed to varying degrees of risk across the portfolio.

Geological risk

The Company's high risk and high impact exploration projects in Tanzania are the main prospects for driving the share price. However, exploration success is not guaranteed. Upstream oil and gas projects are high risk endeavours with only a few of the properties explored ultimately becoming commercial producers.

Aminex has considerable experience in the Nyuni licence area, having been involved in drilling three wells with one commercial discovery. Nyuni-2 well which will be drilled shortly is located close to the Nyuni-1 well which encountered gas. Although Nyuni-2 will be drilled in an area with known petroleum system, there is still considerable uncertainty whether the Company will be successful in making a commercial discovery.

The upcoming exploration well in Ruvuma also has the benefit of data gathered from a previous well. Likonde-1 was drilled last year and encountered significant amounts of residual oil and gas, indicating a working hydrocarbon system. Although Likonde-1 was not a commercial discovery the results were sufficiently encouraging for the Company and its partners to proceed with a second well.

In our risked valuation we have applied Probability of Success ("PoS") factor of 15% to the Nyuni and Ruvuma exploration wells.

Operational risk

Aminex's projects are either onshore or in shallow waters with considerably less development capital required compared to deep water exploration and development projects. The Company's operations in the US have the benefit of easy access to off-take markets and field service providers. We consider the US operational risk to be low.

In Tanzania access to drilling rigs and oil field services are more challenging and costly. However, the Company has the track record of operating three wells in the Nyuni license area. We believe the management has the necessary operational resources and experience to progress its exploration and development projects in this area.

Tullow will be the operator of the next exploration well in the Ruvuma basin. Tullow is an upstream E&P company with considerable experience of operating in challenging environments. Tullow stated in its recent preliminary financial statements that the next Ruvuma exploration is planned to be drilled later in 2011.

Licensing risk

The Company's licensing risks are low. The US projects are located on private lands and there are royalty agreements in place with the land owners. The Company has been active in Tanzania since the acquisition of Tanzoil in NL in 2002. We understand that the Company has good relations with the Tanzanian authorities with significant exploration expenditure in the Nyuni PSA area. Aminex's Chief Operating Officer, Didier Murcia is Honorary Consul for Tanzania in Australia. Also, the Company counts Ambassador I. Chialo, formerly the Tanzanian ambassador to Japan and surrounding regions, as part of its senior management team. We believe that Tanzania has a relatively stable regime in place and do not consider the licensing risk to be material to Aminex.

Financing risk

Aminex recently completed a share placement with institutional investors and a rights issue with existing investors to raise sufficient funds to meet its work programme for the remainder of this year. If the Company is successful with its exploration programme it would require development funding. We would expect that in case of exploration success future share issues will be at a much higher price and the Company may also be in a position to secure debt funding based on existing production and future cash flows from the development projects.

We consider the near-term financing risk to be fully mitigated.

Appendix 1: Valuation Summary

AMINEX Date 5/6/11	Price (p) 8.0	risked (m$)	per share (p)	un-risked (m$)	per share (p)	Discount rate (%)	PoS %	NAV $/b	risked MMboe	MMboe	Oil (net) (MMbo)	Gas (net) (Bcf)	Interest %
Production													
USA	Shoats Creek	35	2.7	54	4.2	10.0	65	12.8	2.7	4.2	2.0	12.2	100.0%
USA	Shoats Creek (AMI)	18	1.4	27	2.1	10.0	65	12.8	1.4	2.1	1.0	6.1	50.0%
USA	Alta Loma	19	1.5	19	1.5	10.0	100	20.2	0.9	0.9	0.1	4.5	37.5%
USA	Sout Weslaco	3	0.2	3	0.2	10.0	100	20.2	0.1	0.1	0.0	0.8	100.0%
sub-total		**74**	**5.8**	**103**	**8**			**14**	**5**	**7**	**3**	**24**	
Appraisal & Development													
Tanzania	Kiliwani N-1	10	0.8	11	0.9	12.0	90	2.9	3.5	3.9	0.0	22	65.0%
Total		**10**	**0.8**	**11**	**1**				**4**	**4**	**0**	**22**	
Exploration & Appraisal													
Tanzania	Nyuni-1 & 1A	12	0.9	23	1.8	12.0	50	0.7	16	31	0	175	65.0%
Tanzania	Nyuni E&W	13	1.0	85	6.7	12.0	15	0.7	17	114	0	638	65.0%
Tanzania	Okuza	6	0.4	56	4.4	12.0	10	0.7	8	75	0	420	65.0%
Tanzania	Fanjove N	2	0.2	25	1.9	12.0	10	0.7	3	33	0	184	65.0%
Tanzania	Ruvuma	45	3.5	300	23.4	12.0	15	4.0	11	75	75	0	37.5%
Total		**77**	**6.1**	**489**	**38**				**55**	**328**	**75**	**1,417**	
Debt		0.0	0										
Corporate costs		(25)	(2)										
Surplus Cash		34	3										
Carry		1	0										
Core NAV		**94**	**7.3**	**123**	**9.6**			**10.8**	**9**	**11**	**3**	**46**	
= Core NAV up/downside			**-8%**		**20%**								
Total NAV		**171**	**13.4**	**612**	**47.9**			**2.7**	**63**	**339**	**78**	**1,463**	
= Total NAV up/downside			**67%**		**498%**								

Source: FoxDavies

Appendix 2: Description of the assets

The asset portfolio includes exploration, appraisal, development and production assets in the US, Tanzania, Egypt and North Korea. The Company's production assets are all located onshore US.

The USA

The Company has engaged in onshore oil and gas activities in the US since 1991. The Company has current production interests in four fields located on the Gulf Coast of Texas and Louisiana; the locations are shown in Exhibit 6. Current gas production is from Alta Loma, Shoats Creek and South Weslaco while oil production comes from Somerset, Alta Loma and Shoats Creek.

Exhibit 6 – Company's US Fields

Source: Aminex

Shoats Creek

This field is located in Beauregard Parish, Louisiana and covers 2,100 acres. Shoats Creek is a mature oil and gas field which was drilled and produced in the 1950's. The Company acquired this asset in 1995 and it was the acquisition of new 3D seismic in 2009 that allowed Aminex to define several well locations with multiple target horizons. Exhibit 7 shows the generalised stratigraphic column for the Shoats Creek field.

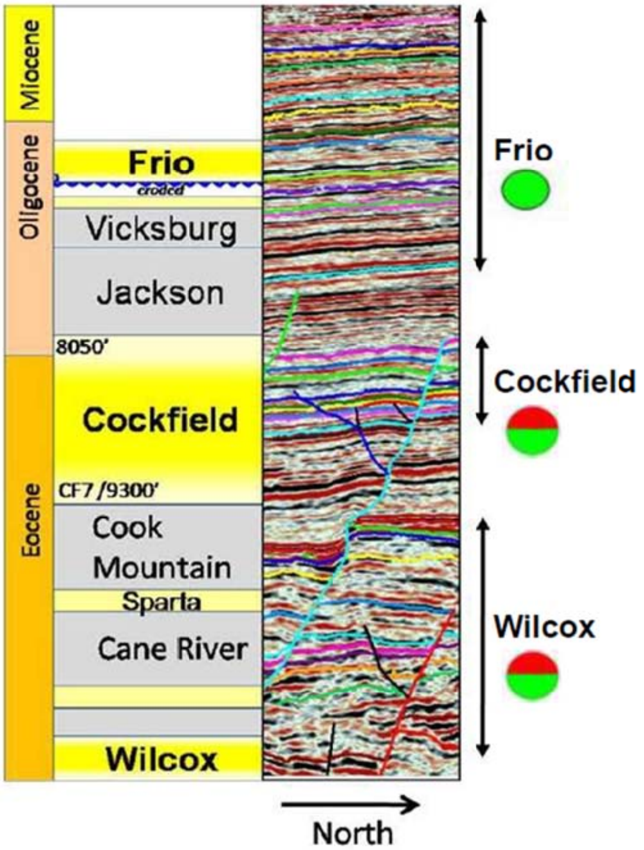
Aminex has divided Shoats Creek into a shallow zone (less than 10,000ft) and a deep zone (greater than 10,000ft) for project purposes. The shallow zone includes multiple Frio and Cockfield sands with the deeper zone covering the upper and lower Wilcox sands. The Frio sands at around 5,000ft and Cockfield sands at around 8,500ft are historically the producing horizons at Shoats Creek. The deeper Wilcox sands at around 11,000 – 14,000ft provide significant upside potential for the field and the 3-D seismic survey revealed the presence of several Wilcox horizons, which were correlated to a well drilled by the previous operator in 1998.

During Q1 2010, the Company drilled the Olympia Minerals-1 ("OM-1") well targeting the Cockfield horizons. The well reached total measured depth of 9,508ft and the wireline logs identified several potential oil and gas bearing intervals between 8,200 and 9,335ft. The findings closely correlated with the 3-D seismic interpretation. The Company initiated a testing programme on four of the logged zones and subsequently the Cockfield-2 sand at a depth of 8,600ft was selected and completed for production. This zone yielded a daily production rate of 504 bopd on a 27/64" choke, together with associated gas of approximately 350 Mscfd. The well was initially put on production at an average daily rate of 150 bopd to avoid the risk of sand and water influx.

In July 2010 Aminex entered into an Area of Mutual Interest Agreement ("AMI") and a Joint Operating Agreement ("JOA") with El Paso E&P Company ("El Paso") covering an area of 90 acres, to explore the deep Wilcox formation. These agreements covered a specific prospect spanning the two companies' acreage and did not cover the greater part of Aminex's acreage. The Olympia Minerals-10-1 well ("OM-10-1" - operated by El Paso 50% and Aminex 50%) was drilled to a total measured depth of 12,410ft in August 2010. The logs indicated potentially hydrocarbon bearing sands in the Cockfield and Upper Wilcox formations. Five zones identified by electric logs in the Upper Wilcox formation were individually fracture-treated and flow-tested. Three of the five zones were placed on production and are delivering both oil and gas into pre-prepared production facilities and nearby pipelines. Average production is approximately 500 boed of which 70% is oil and 30% is gas. Two remaining zones will be placed on production once enhanced water disposal facilities have been completed.

The oil is a light crude, graded as 45° API. Crude oil produced at Shoats Creek customarily sells at a small premium to the West Texas Intermediate ("WTI") marker price due to a combination of its high API grade and proximity to refineries.

Exhibit 7 – Shoats Creek Generalised Stratigraphic Column



Source: Aminex

This is a mature field with historical production; however, there is still considerable uncertainty of reservoir performance particularly with regards to the production from the Wilcox horizon. The 3D seismic obtained by the Company has been a critical de-risking tool. The deeper Wilcox wells are more expensive and we believe that the cooperation with El Paso in the AMI is a good approach for managing risk during the early development stages.

Alta Loma

The Company's Alta Loma leases cover 444 acres in Galveston County, Texas. This field is operated by El Paso (25%) and the partners include Aminex (37.5%), McAlester Fuel Company (12.5%), Activa Resources Ltd (20%) and Katy Longbow Partners LLP (5%). The production royalty rate is 25%. The Company has reported (net of royalties) that its share of the proved reserves in the field amount to 124,000 barrels of oil and 3.53 bcf of gas, together with probable reserves of 33,000 barrels of oil and 0.93 bcf of gas. Therefore, the 2P reserves are approximately 900,000 boe. The remaining working life of these reserves is approximately 9 years.

The production from the field is from the Sunny Ernst-2 well, which was drilled in August 2008 to a total measured depth of 4,537m, and encountered gas bearing sands in four separate zones. Zone 1, the Weiting Sand, which remains as 'behindpipe' reserves for future production; Zone 2, the 'S' Sand where 60 feet of hydrocarbons were logged but were not tested nor completed for production; Zone 3, the Upper Andrau, a 30 foot reservoir sand interval, which has been completed and tested at 6 MMscfd and 300 barrels of oil per day; and Zone 4, which was tested at 320 boed but which was plugged off to facilitate production from Zone 3.

Sunny Ernst-2 was completed in the Upper Andrau section and has only produced from this horizon since the completion. Sunny Ernst-2 has now been recompleted for production in the 'S' Sand (Zone 2) and is on limited production pending the installation of upgraded production equipment.

Alta Loma is likely to provide profitable production over the next few years; however, the potential of the asset (including the planned side track) is unlikely to be significant to the Company's share price. A further well is planned in 2012.

South Weslaco

The total acreage is 6,400 acres and Aminex holds a 25% interest. The Company's share of 2P reserves amount to 2,000 barrels of oil and 0.89 bcf of gas (net of royalties). The field produces gas which is sold into the market at prevailing market prices. We are not aware of any plans by the Company and its partners for the development of this field.

This field is a minor asset in the Company's portfolio and is unlikely to have a significant impact on the total valuation.

Somerset

The Company has 100% working interest in this asset with booked 2P reserves of 52,000 barrels to Aminex, net of royalties. An independent valuation of the reserves in December 2008 gave the field no value for its reserves as it was considered uneconomic at prevailing prices at that time. However, the Company continued production on the field in order to maintain the wells and the associated facilities so as to take advantage of the higher oil prices.

The total area of the field is approximately 5,500 acres and contains 470 shallow wells of which approximately 200 produce oil. Due to the high number of wells the operating costs are high and as the Company has no plans to expand production we have decided not to include the asset in our valuation

Tanzania

Aminex has been active in Tanzania since 2002, following its acquisition of Tanzoil NL of Australia. The Company has interests in three PSAs and has been involved in four exploration wells in the country. Exhibit 8 shows the areas covered by the PSAs.

Exhibit 8: Tanzanian Assets Location Map

Source: Aminex

Nyuni and West Songo Songo PSAs

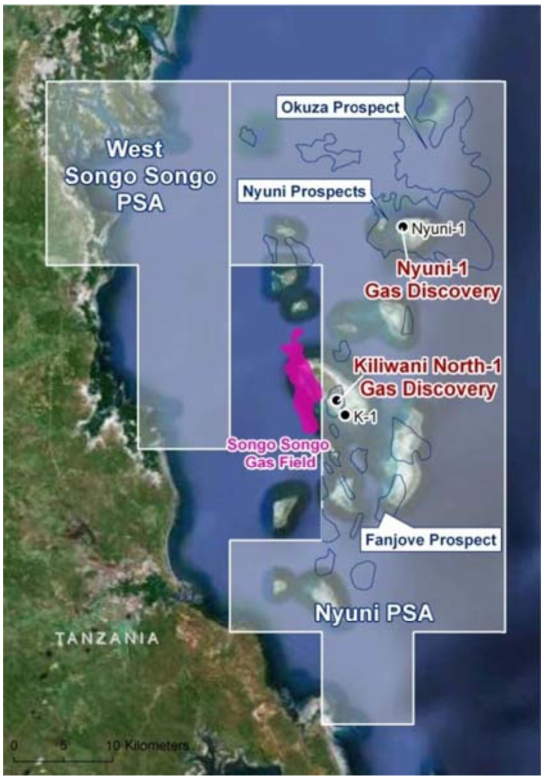
Exhibit 9 shows the locations of the Nyuni and West Songo-Songo PSAs adjoining the producing Songo-Songo gas field, which is linked to Dar es Salaam by a 200 km gas pipeline. Under the terms of the PSA, the Company's subsidiary, Ndovu, is entitled to access the Songo-Songo gas processing plant and pipeline.

The Nyuni PSA has been extended into a second and final extension period which was to expire in May 2011, but the Tanzanian authorities have granted a six-month extension to cover the likely eventuality that the Nyuni-2 well will not be completed within the life of the existing PSA. The current extension period has a work commitment for two exploration wells and a minimum expenditure of US$6 million. Nyuni-2 will be the first well to be drilled in the current extension period but the Company's management, based on recent negotiations with the Tanzanian authorities, believe that the second well commitment will become part of the future work programme. The management are in negotiations for entering into a new PSA when the current period expires.

The term of the West Songo-Songo PSA consists of an initial exploration period of 4 years from 29 May 2008 followed by a first extension period of 4 years and a second extension period of 3 years. The first phase work commitment includes the drilling of two exploration wells, with the first to be drilled by July 2011. The operator, Key Petroleum, is in negotiations with the Tanzanian authorities to extend this work commitment. We have not included this interest in our valuation.

An independent assessment of the Nyuni PSA area reports the potential for 2.8 tcf of natural gas in place from an aggregation of several prospects, calculated on a Pmean basis and including both contingent and prospective resources.

Exhibit 9: West Songo Songo and Nyuni PSAs



Source: Aminex

The PSAs cover an area located offshore the Rufiji river delta. The Company drilled the Nyuni-1 well in 2004 to a depth of approximately 4,000 metres. The well logged hydrocarbon saturations in Lower Cretaceous and Jurassic formations, encountered numerous oil and gas shows throughout a thick sandstone sequence. The results from the well and the Company's subsequent geochemical matching of oil recovered from the well with naturally occurring oil seeps on Nyuni Island established the presence of oil from a Jurassic source rock in the region for the first time. The well also encountered a gas interval in Aptian-Albian sands, since calculated to contain 233 bcf of contingent GIP resource.

The Company recently announced that it had signed a rig contract to drill Nyuni-2 well from the same location as for Nyuni-1 well but deviated to the South East at 30 degrees to the vertical. Nyuni-2 is an exploration well targeting a large Neocomian-age gas prospect.

Aminex has drilled two other wells during the first phase of the PSA. Kiliwani-1 was drilled from the small Island of Kiliwani but failed to encounter hydrocarbons. The well had targeted a Neocomian prospect. The next well, Kiliwani North-1 ("KN-1") was drilled on the Southern part of the Songo-Songo Island and encountered a 60-metre gas column. The discovery flowed gas under production test conditions at a flow rate of approximately 40 mmscfd with no measurable pressure decline. KN-1 is located less than 3 km overland from the Songo-Songo gas treatment plant. The monetisation of KN-1 is dependent on the capacity expansion at the gas plant. The KN-1 discovery is held under a recently granted development licence.

The KN-1 discovery, taken with the surrounding gas prospects which have now been evaluated, provide the potential for a gas-gathering hub based on the main pipeline to Dar es Salaam and fed by satellite gas fields in close proximity.

The main exploration prospects on the Nyuni PSA identified by seismic have now been interpreted and evaluated and are shown in Exhibit 10.

Exhibit 10: Nyuni PSA – Summary of Contingent & Prospective Resources

IMPORTANT NOTES:

The volumes shown below were independently assessed by ISIS Petroleum Consultants in 2010

They are defined as resources and cannot be categorised as reserves

BCF GIIP = billions of cubic feet of natural gas initially in place but not "risked"

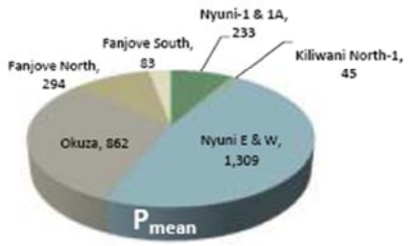
- P_{mean} refers to the average probability of the existence of the volumes reported
- P_{10} refers to a 10% probability of the existence of the volumes reported
- Contingent resources are those defined by drilling
- Prospective resources are those defined by mapping based on seismic surveys

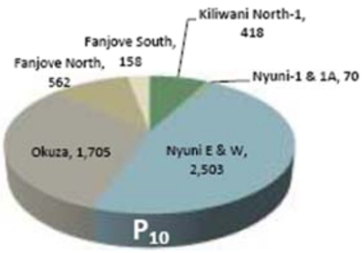
1. P_{mean} basis

CONTINGENT RESOURCES Well name	BCF GIIP Albian/Aptian	BCF GIIP Neocomian	BCF GIIP Total
Nyuni-1 & 1A	233		233
Kiliwani North-1		45	45
Total Contingent	**233**	**45**	**278**
PROSPECTIVE RESOURCES Prospect name	**BCF GIIP Albian/Aptian**	**BCF GIIP Neocomian**	**BCF GIIP Total**
Nyuni E & W		1,309	1,309
Okuza	222	640	862
Fanjove North	40	254	294
Fanjove South	21	62	83
Total Prospective	**283**	**2,265**	**2,548**
Total both categories	**516**	**2,310**	**2,826**

1. P_{10} basis

CONTINGENT RESOURCES Well name	BCF GIIP Albian/Aptian	BCF GIIP Neocomian	BCF GIIP Total
Nyuni-1 & 1A	418		418
Kiliwani North-1		70	70
Total Contingent	**418**	**70**	**488**
PROSPECTIVE RESOURCES Prospect name	**BCF GIIP Albian/Aptian**	**BCF GIIP Neocomian**	**BCF GIIP Total**
Nyuni E & W		2,503	2,503
Okuza	413	1,292	1,705
Fanjove North	74	488	562
Fanjove South	39	119	158
Total Prospective	**526**	**4,402**	**4,928**
Total both categories	**944**	**4,472**	**5,416**





Source: Aminex

The Songo-Songo gas field, the Company's KN-1 discovery and the results of Nyuni-1 well provide a basis for further exploration work. However, the exploration prospects are likely to be gas rather than oil and although there is existing infrastructure for the export of gas to Dar es Salaam, the monetisation of future discoveries could be delayed due to downstream project developments. These would include expansion of Tanzanian power generation capacity, demand growth from the industrial users and the development of an East African gas and power corridor towards Kenya. Also, based on the Company's inventory of exploration prospects it is prudent to assume that alternative monetisation routes such as Liquefied Natural Gas ("LNG") or Gas-To-Liquids ("GTL") will not be feasible as more resources would be required to support such large capital expenditure projects.

Ruvuma PSA

The Ruvuma PSA was signed in October 2005 and is comprised of two adjoining licences, Lindi and Mtwara, in the extreme south-east corner of Tanzania. This PSA spans 12,000 km^2 of which roughly 80% is onshore and 20% offshore. The Company's subsidiary, Ndovu, originally held 100% of the Ruvuma PSA and subsequently farmed it down to Tullow Oil and Solo Oil so that Ndovu now holds 37.5%.
This PSA consists of an initial exploration period of 4 years from 29 October 2005 followed by a first extension period of 4 years and a second extension period of 3 years. The first phase which includes the commitment to drill two exploration wells has been extended to December 2011.

The Ruvuma Basin is in the southern part of the extensive East Africa passive margin and is about 400 km long, 160 km wide and is centred on the Rovuma Delta near the border between Mozambique and Tanzania. This basin, extending both onshore and offshore is one of the last under-explored major river deltas in Africa and currently subject to a high level of exploration activity. Exxon-Mobil and BG are new entrants in Tanzania while Anadarko has an on-going drilling programme in Mozambique. Aminex and its partners hold the rights to virtually all the prospective onshore acreage on the Tanzanian side of the Ruvuma River.

Potential hydrocarbon plays in the Ruvuma Basin include traps in pre-rift fault blocks, stratigraphic traps in Middle-Upper Jurassic shelf-edge carbonates and Middle-Upper Cretaceous sands. Younger plays include stratigraphic traps in Lower Tertiary basin-floor fans and structural traps associated with deltaic growth faults in Oligocene-Miocene deltaic sands. There is also interest in potential structural traps for Upper Jurassic-Lower Cretaceous sand reservoirs on the Ibo High[1].

Potential source rocks are considered to be present in the syn-rift and early drift sequence throughout the basin. Analyses of several seeps encountered in the basin point to two distinct types of oils, proving active petroleum systems. These are interpreted as having been derived from source rocks of Jurassic or older age.

The nearest discovery to the area covered by the PSA is the Mnazi Bay gas field which was drilled in 1982 and tested gas at rates of up to 14 mmscfd from Oligocene sands.

Aminex participated in the Likonde-1 well, which was operated by Tullow in 2010. The well reached Total Depth ("TD") of 3,647 metres and intersected two sandstone intervals of over 250 metres (combined thickness) with high gas readings and physical evidence of residual oil. The drilling operation was stopped in the deepest target because of high gas influx.

The Company and its partners have undertaken seismic reprocessing to evaluate nearby leads and to identify the next drilling location. The second exploration well is expected to be drilled in the second half of 2011.

Exhibit 11: Ruvuma PSA

[1] GEO Expro March 2006 – www.geoexpro.com

Source: Aminex

The oil shows in Likonde-1 are encouraging for oil prospectivity in the region and opens up the potential for a new oil province on the coastal margin of East Africa which has previously been limited to gas discoveries. An oil discovery will be a company making event for Aminex and although a gas discovery would also be welcome, as there is an emerging regional gas play, we would expect a viable gas monetisation plan to take much longer to execute.

Egypt

The West Esh el Mellaha-2 PSA ('WEEM-2') covers 1,328 km^2 in the onshore Gulf of Suez region. Aminex is a 12.5% shareholder in Aminex Petroleum Egypt Ltd. which operates and is an 80% owner of the PSC. Effectively Aminex has a 10% net interest in WEEM-2, the costs of which are free-carried through to commercial production.

Three wells were drilled in the first exploration period and the third well identified good quality crude oil from at least three intervals but did not encounter the best regional producer, the Nubian sandstones.

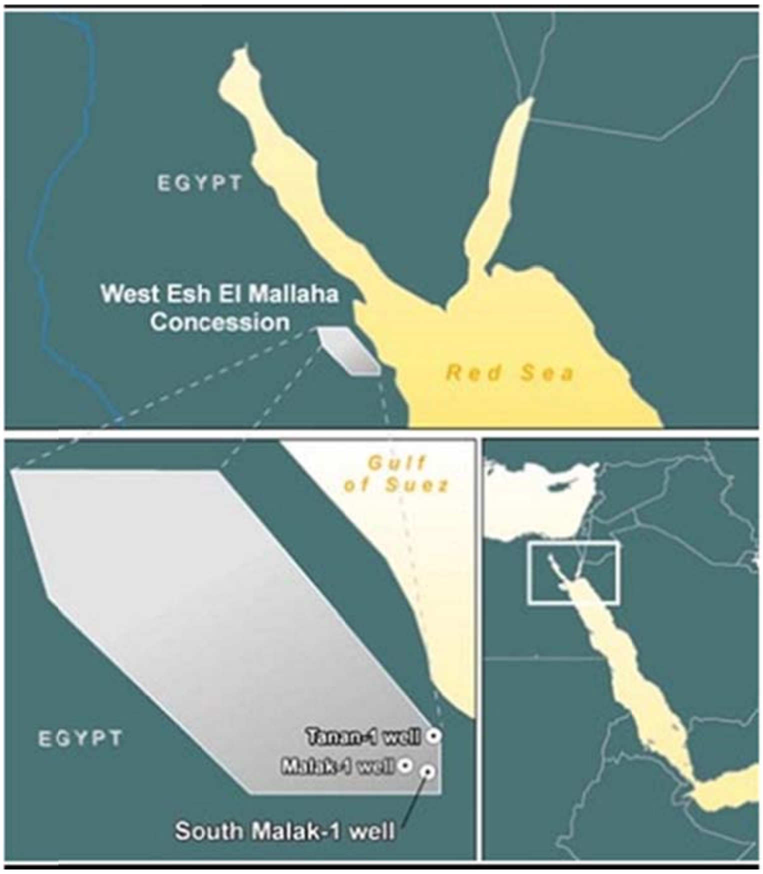
The PSA has been extended into a second period and a commitment has been made to drill two further wells.

The geology of WEEM-2 lies in a geologically highly-faulted area where seismic is sometimes unclear and oil often hard to pin-point. However, when encountered, oil discoveries can be prolific. The oil and other direct hydrocarbon indicators found in the most recent well clearly justify further drilling.

Main prospects are covered by 3D seismic. Three wells were drilled in a first period, fulfilling the licence obligation. The third well, South Malak-1, tested limited quantities of oil from Matullah and Eocene Dolomite sands but has not been completed for commercial production.

The partners have now extended the PSA into a second period with a two well obligation with minimum work commitment of US$5 million..

Exhibit 12: Egyptian Assets Location Map



Source: Aminex

Democratic People's Republic of Korea

Aminex first signed a Petroleum Agreement for co-operation in oil and gas with the government of the Democratic People's Republic of Korea ("DPRK") in 2004. This subsequently culminated in the signing of a Production Sharing Contract for a large offshore area in shallow and deep water in the Korean East Sea, covering 50,000 km^2 in May 2010. The area covered by this agreement is shown in Exhibit 13.

Exhibit 13: The Area Covered by the East Area Production Sharing Agreement

Source: Aminex

The work obligation involves reprocessing and reinterpretation of old seismic data plus acquisition of new marine seismic data during an initial two-year period. Aminex believes that the East Sea has great potential for significant discoveries of oil and gas, while recognising the political challenges in the region and the need to ensure that any international sanctions are strictly observed.

Aminex introduced a new foreign partner, Singapore-based Chosun Energy, which will provide finance for the initial stages and a regional base in Singapore. Chosun Energy has acquired 50% of the Company's special purpose vehicle Korex Ltd. in return for a consideration of US$500,000.

This is an early stage exploration play and considering the geo-political challenges we anticipate that progress will be slow. Therefore, we have not included this interest in our valuation.

Oilfield Services

The Company's subsidiary AMOSSCO Ltd was established in 1994 and is engaged in oilfield service and supply activities. This enterprise was setup to support Aminex's Russian operations as well as to undertake independent activities as a stand-alone profit centre. The business is based in London and serves an international client base and the current operations include the procurement and supply of oilfield equipment and consumables. The business operates internationally and also manages a supply vessel operation for owners on a management fee basis.

This business has been significant to the recent Group revenues and accounted for 46% of total revenues in 2008 and 2009. We have decided not to include this business in our valuation as we believe that the market's interest in Aminex is as an upstream E&P company with the share price driven by the production, development and upcoming exploration programme.

Appendix 3: Key Personnel

Brian Hall - Executive Chairman
Brian Hall has managed the group since 1991. He was an early western pioneer in the Russian oil industry, taking Aminex into Russia in 1994 and successfully exiting its main project in 2001. He began his oil industry career in 1973 with Hamilton Brothers (now part of BHP Billiton) as a member of the team which developed Argyll, the UK North Sea's first oilfield. Subsequently he built up an international exploration and production portfolio for Lochiel Exploration of Canada. He has served on the board of several oil and gas companies. He is a Chartered Accountant and founded Halyard Offshore Ltd., an oil industry contracting company, which has since become part of the Aminex Group.

Didier Murcia - Chief Operating Officer
Didier Murcia is an Australian lawyer and was appointed a Director of Aminex in May 2002. He was the founder and formerly the Managing Director of Tanzoil NL, which Aminex acquired in March 2002 and which provided the Company's entry into Tanzania. He is Honorary Consul for the United Republic of Tanzania in Australia and also a director of Gindalbie Gold NL, a company listed on the Australian Stock Exchange. He was appointed an Executive Director in January 2004 and has been fully involved with the Company's projects in Tanzania and elsewhere since that time.

Michael Pereira-Rego - Group Exploration Director
Mike Rego graduated as a Petroleum Geologist. He joined Aminex in 1998 as Resident Manager in Tatarstan, subsequently working for the Company in the Komi Republic of Russia, then becoming Group Exploration Manager in 2001 and Group Exploration Director in 2006. He has formerly worked for BP and LASMO and has lived and worked in Russia, Libya, Egypt and USA as well as in the UK. He is well known in the oil industry for his work on the geology of the East African Margin.

Antonio Prado - Executive Director and President Aminex USA, Inc.
Tony Prado manages the Group's US operations and is also involved in the Group's international operations. He is a former Vice-President Finance at City Exploration Company, Houston and for nine years managed its Latin American operations including oil production in the Republic of Ecuador. He has held a number of management positions in other, publicly-traded US oil and gas companies and became a Director of Aminex in 1996. He has an MBA from University of Arizona.

David Hooker - Non-executive Director
David Hooker has degrees in geology and law and previously managed Candecca Resources, Plascom (oil & gas subsidiary of Tarmac PLC) and Aberdeen Petroleum plc. From 1993 to 1995 he was Chairman of Bakyrchic Gold PLC. He is a non-executive director of Oceaneering International Inc. and various other companies and was appointed a Director of Aminex in June 2001.

Derek Tughan - Non-executive Director
Derek Tughan was formerly a partner in Tughans, a firm of solicitors in Northern Ireland. He has built up a property development and investment business throughout the UK and the Republic of Ireland. He is Chairman of two Charitable Housing Associations in Northern Ireland and was formerly a Belfast Harbour Commissioner. He joined the Board of Aminex in March 1991 and was Chairman from June 2006 until June 2007.

Andrew Hay - Non-Executive Director
Andrew Hay has spent his career in investment banking in London and New York. Since 1999 he has been Head of Corporate Finance at LCF Edmond de Rothschild Securities, the London arm of the LCF Rothschild Group. He is a graduate of Oxford University and 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.

Keith Phair - Non-Executive Director
Keith Phair has held a number of senior global product management positions in the capital markets with major international banks. He holds a Master's degree in Business Studies from London Business School and has acted as a capital markets consultant to major companies and pension funds, also advising on strategic issues. He has been an investor in various oil and gas exploration companies for many years.

Appendix 4: News Flow

5 May 2011 – The Company announced that the Sunny Ernst-2 well at its Alta Loma property, Galveston County, Texas, has been successfully recompleted in the 'S' Sands.

28 April 2011 – Aminex provided an update to the reserves statement released in February 2011. 2P reserves increased from 4.8 MMboe to 7.5 MMboe. The most significant changes are due to increased Cockfield reserves (at Shoats Creek) which can be accessed by proposed water-flood techniques.

14 April 2011 - Aminex received a formal extension of 6 months to the Nyuni East Songo-Songo Productions Sharing Agreement.

12 April 2011 – The Company announced that it has been awarded the development licence for Kiliwani North Gas Field.

16 March 2011 - Aminex announced that it has signed a contract for use of the Caroil-6 drill rig to drill the Nyuni-2 well with the rig to mobilise to site in 60 days.

24 February 2011 – The Tanzanian authorities approved the farm-in arrangement between Aminex and Key Petroleum through which the Company's interest in the Nyuni PSA increased from 50% to 65%.

17 February 2011 – The Company released an update of its reserves and resources. The 1P and 2P reserves (all in the US) were independently audited to amount to 2.5 MMboe and 4.8 MMboe respectively. In Tanzania, the gas potential from Kiliwani and Nyuni-1 wells were independently estimated at 278 bcf and prospective resources for other exploration targets in Nyuni at 2.5 tcf.

4 February 2011 – Aminex announced the proposed increase in its interest in Nyuni Production Sharing Agreement in Tanzania from 50% to 65% through a farm-in arrangement. Aminex will fund a 20% share in the dry hole cost of Nyuni-2 exploration well in return for assignment to the Company of a 15% interest from Key Petroleum.

2 February 2011 – The Company announced an institutional placing to raise £20 million (at the offering of 8p per share) and a proposed open offer to raise up to £6 million. The proceeds of the fundraising to be used to finance and expand Aminex's 2011 exploration and development programme, principally Nyuni (one exploration well), Ruvuma (one exploration operated by Tullow) and Shoats Creek (two development wells).

15th November 2010 – Aminex announced that raised £1.7 million net of expenses through the issue of 24,073,250 new ordinary shares at 7.5p. The proceeds will be used for securing long lead items for drilling the Nyuni-2 well in Tanzania and to support the development programme at Shoats Creek.

19th October 2010 – Aminex announced the test results of its Olympia Minerals 10-1 well at Shoats Creek, Louisiana. Five zones identified by electric logs in the Upper Wilcox formation have been individually fracture-treated and flow-tested. Three of the five zones tested have now been placed on production and are delivering both oil and gas into pre-prepared production facilities and nearby pipelines. Average production is approximately 500boed of which 70% is oil and 30% is gas. The oil is light and graded as 45° API.

4th October 2010 – The Company provided an update on its Shoats Creek exploration programme. The OM10-1 well was drilled to target depth in August and on the basis of encouraging well logs, a decision was taken to test the Upper Wilcox sands. El Paso Exploration and Production LP and partners, the operator of OM10-1, subsequently recommended that greater productivity could be achieved by fracture treatment of individual formations.

19th August 2010 – Aminex announced that the Olympia Minerals-10-1 well in Louisiana has been drilled to a total measured depth of 3,783m and has logged potentially hydrocarbon-bearing sands in the Cockfield and Upper Wilcox formations. A production liner has now been run in the Upper Wilcox formation and the drilling rig has left the location in preparation for testing. Once the well has been tested, further information will be provided. Aminex USA Inc. is drilling this well in 50-50 partnership with El Paso E&P Company, L.P., operator of the well.

30th June 2010 – Aminex announced the results of testing the Olympia Minerals-1 well (OM-1) at Shoats Creek. Four of the logged zones encountered during drilling have been extensively tested and the Cockfield-2 sand at a depth of 8,600ft has been selected and completed for production. This zone yielded a rate of 504bopd under initial test conditions on a 27/64" choke, together with associated gas of approximately 0.35mmscfd. To avoid the risk of sand and water intrusion the well will be carefully managed and initially placed on production at an estimated average daily flow rate of 150bbl. Gas sales will require the installation of treating facilities before being injected into the sales line.

9th June 2010 – Aminex announced the placing of 17,200,000 new ordinary shares at a price of 7p per share, raising proceeds of c. £1.2m. The placing was completed to take advantage of an offered participation in an exploration project by a major regional operator in Louisiana, with leads and prospects identified by 3D seismic across 140,000 acres.

1st April 2010 – Aminex announced through Tullow Oil, that the Likonde-1 well, located onshore in the Lindi Block in the Ruvuma Basin of Southern Tanzania, had encountered thick sands with hydrocarbon shows. Wireline logs and side-wall coring have shown that the well had intersected two sandstone intervals of over 250m combined thickness with evidence of residual oil and gas. Drilling had to be terminated in the deepest objectives due to high gas influx and the well plugged and abandoned.

17th March 2010 – Aminex announced that the Olympia Minerals-1 well at Shoats Creek, Louisiana (OM-1) had reached total measured depth of 9,508ft. Wireline logs identified several potential oil and gas bearing intervals in Cockfield sands at 8,200-9,335 ft. The sands identified closely match the prognosis obtained from interpretation and mapping of new 3D seismic over the property. Following the test results it is anticipated that the well will initially be placed on commercial production from one or more zones.

Appendix 5: Capital structure

Aminex has a total of 779,674,688 shares following the recent share placement. The major shareholders are shown in the following table.

Table 2: Major shareholders

Company	% owned
Aegon Investment Management	3.20
Aventus Capital Management	2.82
JP Morgan Asset Management	1.81
Schroder Investment	1.19
Brian Hall	0.57
LBPAM	0.52
Capita Financial Management	0.48
Derek Tughan	0.47
Didier Murcia	0.21
Keith Phair	0.17
David Hooker	0.06

Source: Bloomberg (8th March 2011)

Fundraising history

Table 3: Fundraising

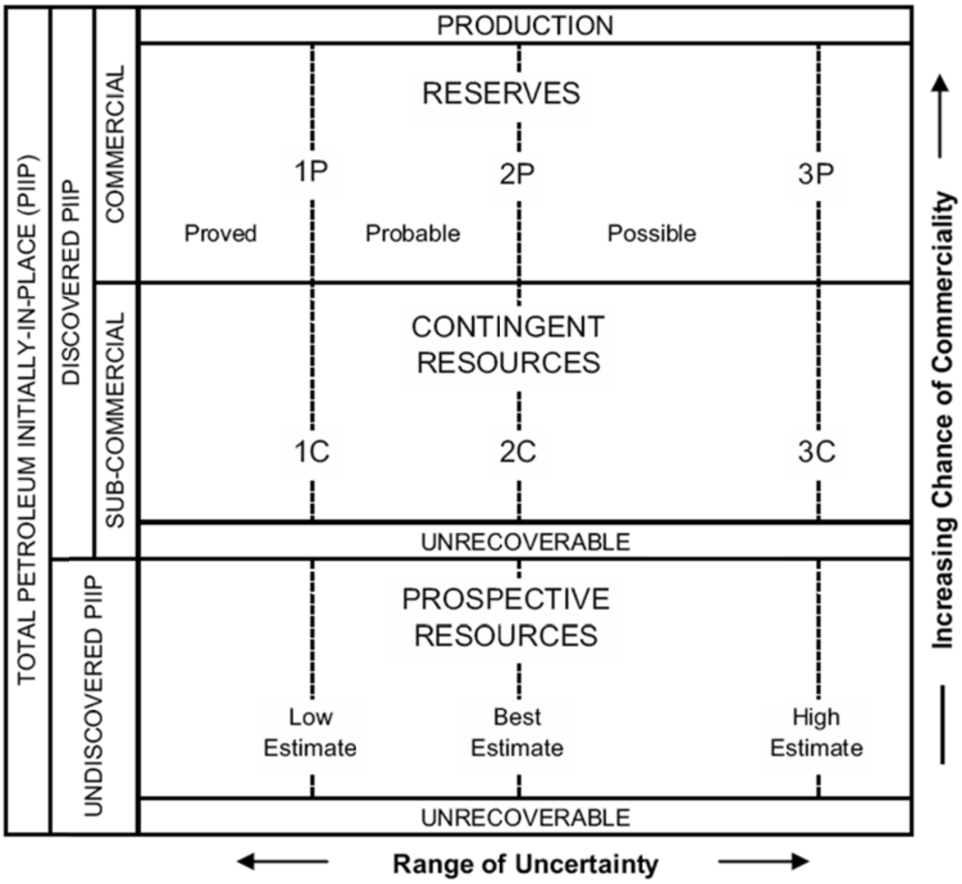
Date	Split Adj Shares Offered (M)	Split Adj Price	Total raised (m)
March 2011	75.7	8.0p	See Note.
February 2011	250.0	8.0p	£20.0
November 2010	24.1	7.5p	£1.8
June 2010	17.2	7.0p	£1.2
August 2009	24.0	6.0p	£1.4
July 2009	116.3	6.0p	£7.0
July 2007	17.2	20.5p	£3.4
June 2007	56.0	EUR0.20	EUR11.2
June 2005	51.0	8.7p	£4.4
August 1997	15.3	EUR0.84	EUR12.8

Source: Bloomberg and FoxDavies (8th March 2011)

Debt

At 31st December 2010 Aminex had a net financial surplus (accounting for current and non-current debt, cash and cash equivalents) of US$2.3 million. The Company's current and non-current debt amounted to approximately US$100k.

Appendix 6: Resources classification framework



Source: Society of Petroleum Engineers

Glossary

1C	Denotes low estimate scenario of Contingent Resources
1P	Proved reserves
2C	Denotes best estimate scenario of Contingent Resources
2P	Sum of Proved plus Probable reserves
3C	Denotes high estimate scenario of Contingent Resources
3P	Sum of Proved plus Probable plus Possible reserves
AMI	Area of Mutual Interest
bbl	Barrels
bcf	Billion cubic feet
bcfd	Billion cubic feet per day
boe	Barrels of oil equivalent
boed	Barrels of oil equivalent per day
bopd	Barrels oil per day
DCF	Discounted Cash Flow
E&P	Exploration & Production
EUR	Estimate Ultimate Recovery
G&G	Geology & Geophysics
GOR	Gas / oil ratio
LNG	Liquefied Natural Gas
Mbbl	Thousand barrels
Mcf	Thousand cubic feet
mD	Millidarcy
MMbbl	Million barrels
MMboe	Million barrels of oil equivalent
MMscfd	Million standard cubic feet of gas per day
NAV	Net Asset Value
NPV	Net Present Value
OOIP	Original Oil In Place
P&A	Plugged & Abandoned
P10	The quantity that has at least 10% probability of being exceeded
P50	The quantity that has at least 50% probability of being exceeded
P90	The quantity that has at least 90% probability of being exceeded
PSA	Production Sharing Agreement
tcf	Trillion cubic feet

Research Disclosures

Shahin Amini
Shahin has 13 years of work experience in the oil & gas industry and banking. Prior to joining FoxDavies, he worked for Rand Merchant Bank and Sumitomo Mitsui Banking Corporation and was involved in the origination and execution of financing mandates for resources companies and projects. Shahin has an MSc degree in Offshore and Subsea Engineering from University College London and MBA from Imperial College London.
+44 (0)203 463 5039
shahin.amini@fox-davies.com

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Research disclosure as of 10 May 2011

Company Name	Disclosure
Aminex (AEX)	3, 7

Investment Research Disclosure Legend:

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Recommendation implies that expected total return of at least 15% is expected over 12 months between current and analysts' target price.

Trading Buy
Recommendation implies that the analysts' expected total return over the short term compared against the target price is positive.

Hold
Recommendation implies that expected total return of between 15% and zero is expected over 12 months between current and analysts' target price.

Trading Sell
Recommendation implies that the analysts' expected total return over the short term compared against the target price is negative.

Sell
Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

Fox-Davies Capital Coverage

Fox-Davies corporate client & coverage universe as of 10 May 2011:

Company	Ticker	Recommendation	Date	Target Price	Last Price
Oil & Gas					
Aminex	AEX LN Equity	BUY	10.05.11	£0.13	£0.08
Ascent Resources	AST LN Equity	BUY	18.03.11	£0.15	£0.05
Borders & Southern Petroleum	BOR LN Equity	BUY	26.11.10	£1.50	£0.62
Bowleven	BLVN LN Equity	BUY	02.03.11	£5.50	£2.72
Circle Oil	COP LN Equity	BUY	12.04.11	£0.90	£0.33
Desire Petroleum	DES LN Equity	UNDER REVIEW	29.03.11	£0.40	£0.13
Enegi Oil	ENEG LN Equity	UNDER REVIEW	18.11.10	£0.25	£0.14
Falklands Oil & Gas	FOGL LN Equity	BUY	01.04.11	£2.50	£0.66
Gulf Keystone	GKP LN Equity	BUY	15.04.11	£2.75	£1.60
Gulfsands Petroleum	GPX LN Equity	UNDER REVIEW	07.01.11	£3.50	£2.70
Hardy Oil & Gas	HDY LN Equity	HOLD	05.01.11	£2.00	£2.20
Heritage Oil	HOIL LN Equity	HOLD	30.03.11	£4.20	£2.35
Matra Petroleum	MTA LN Equity	BUY	26.05.10	£0.07	£0.03
Max Petroleum	MXP LN Equity	BUY	02.03.11	£0.50	£0.16
Petrokamchatka	PKP CN Equity	HOLD	14.01.10	C$0.15	C$0.025
Po Valley	PVE AU Equity	BUY	29.04.10	A$1.50	A$0.21
Range Resources	RRL LN Equity	UNDER REVIEW	17.12.09	£0.08	£0.19
Rockhopper Exploration	RKH LN Equity	BUY	21.03.11	£5.00	£2.23
San Leon Energy	SLE LN Equity	BUY	29.03.11	£0.65	£0.31
Sterling Energy	SEY LN Equity	HOLD	20.09.10	£0.85	£0.55
Tower Resources	TRP LN Equity	HOLD	09.07.10	£0.04	£0.05
Victoria Oil & Gas	VOG LN Equity	BUY	06.05.11	£0.12	£0.06

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FoxDavies

FD

Aminex Plc (AEX)

International Sales

Daniel Fox-Davies

Oliver Stansfield
Tel:+44 (0)20 3463 5061
Email: oliver.stansfield@fox-davies.com

Evgeniya Bezruchko
Tel: +44 (0)20 3463 5053
Email: eb@fox-davies.com

Corporate Finance & Broking

Philip Davies
Tel:+44 (0)20 3463 5014
Email:philip.davies@fox-davies.com

David Porter
Tel:+44 (0)20 3463 5019
Email:david.porter@fox-davies.com

Simon Leathers
Tel:+44 (0)20 3463 5022
Email:simon.leathers@fox-davies.com

Mark Campbell
Tel:+44 (0)20 3463 5062
Email: mark.campbell@fox-davies.com

Jonathan Evans
Tel: +44 (0)20 3463 5016
Email: jonathan.evans@fox-davies.com

Market Making

Russell Jackson
Tel: +44 (0)20 3463 5092
Email: russell.jackson@fox-davies.com

Chris Hart
Tel: +44 (0)20 3463 5093
Email: christopher.hart@fox-davies.com

Alan Paterson
Tel: +44 (0)20 3463 5094
Email: alan.paterson@fox-davies.com

STX 77766

Equity Research

Shahin Amini
Tel:+44 (0)20 3463 5039
Email: shahin.amini@fox-davies.com

Peter Rose
Tel: +44 (0)20 3643 5043
Email: peter.rose@fox-davies.com

Paul Singer
Tel: +44 (0)20 3463 5042
Email: paul.singer@fox-davies.com

Ian Lucas
Tel: +44 (0)20 3463 5032
Email: ian.lucas@fox-davies.com

Dealing

Steve Cowan
Tel:+44 (0)20 3463 5057
Email:steve.cowan@fox-davies.com

STX 77767