

**Cluff Natural Resources plc ('CNR' or 'the Company')**  
**Interim Results**

Cluff Natural Resources plc, an investing company founded by natural resources entrepreneur Algy Cluff which focuses on investing in global oil & gas and mining assets, is pleased to announce its maiden interim results for the four-month period from incorporation on 21 February 2012 and ended 30 June 2012.

**Overview**

- Listed on AIM in May 2012 as a natural resources investment company with the intention of generating shareholder value by acquiring and developing oil and gas and mining opportunities
- Successfully raised £3.75 million on admission
- Experienced Board of Directors led by natural resource entrepreneur Algy Cluff, who has over 40 years' experience in the resource arena
- A number of oil and gas opportunities in prospective hydrocarbon basins being actively evaluated
- Focusing on projects that by applying the Board's expertise will unlock value for shareholders

**Chairman and CEO's Statement**

In May 2012, CNR successfully listed on AIM as an investment company with the intention of acquiring and developing attractive opportunities in the oil and gas and mining sector. The Company was brought to market successfully raising gross £3.75 million notwithstanding difficult market conditions.

With this in mind, since our admission to AIM, we have been actively evaluating natural resource assets in line with our strategy, to take advantage of the growing pressure to exploit new reserves and resources in order to satisfy increased global demand for commodities.

With a positive medium to long term outlook for general commodity prices, we recognise there are tremendous opportunities to create significant value for shareholders. However, at the same time, we are committed to reducing risk wherever possible. As a result, we will continue to adhere to our strict investment criteria, follow our clearly defined processes, and execute our stated strategy, all of which have been put in place to maximise potential returns while minimising risk. By using our extensive contacts in the oil and gas and mining arenas, we have put together a strong pipeline of potential projects. In this vein, we are currently in discussions and assessing a number of oil and gas projects in highly prospective hydrocarbon basins. We look forward to reporting on these developments in due course.

**Financial Review**

On listing on AIM, the Company raised £3.75 million before expenses by way of a placing of 75,000,000 new Ordinary Shares at 5 pence per share and placing of 35,000,000 Warrants to subscribe for new Ordinary Shares. As we are a cash shell, we are reporting a loss for the four-month period ended 30 June 2012 of £267,450.

## **Outlook**

With a healthy cash position of £3.16 million, we are well positioned to deliver on our strategy of investing in highly prospective oil and gas and mining assets. I would like to take this opportunity to thank our Board of Directors, management team and shareholders for their loyal support and I look forward to updating the market on our progress as we set out to build a significant global resource focused company and in the process unlock value.

**\*\*ENDS\*\***

For further information visit [www.cluffnaturalresources.com](http://www.cluffnaturalresources.com) or contact the following:

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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME**

**Period ended 30 June 2012**

	<b>Notes</b>	Period ended 30 <sup>th</sup> June 2012 Unaudited £
Administrative expenses – (operating loss)		(267,450)
Interest receivable		-
Interest payable		<u>-</u>
<b>Loss on ordinary activities before taxation</b>		<b>(267,450)</b>
Tax on loss on ordinary activities		<u>-</u>
<b>Loss for the financial period</b>		<b>(267,450)</b> <u><u>          </u></u>
Other comprehensive income		<u>-</u>
<b>Total comprehensive income for the period</b>		<b>(267,450)</b> <u><u>          </u></u>
<b>Loss for the period and Total comprehensive loss attributable to:</b>		
Owners of the parent		<b>(267,450)</b> <u><u>          </u></u>
<b>Loss per ordinary share (pence) – From continuing operations: basic and diluted</b>	<b>4</b>	<b>(1.01)p</b>

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS  
AT 30 JUNE 2012**

	Note	As at 30 June 2012 Unaudited £
<b>FIXED ASSETS</b>		
Property, Plant and Equipment		13,921
		<u>13,921</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables		56,690
Cash and cash equivalents		3,161,050
		<u>3,217,740</u>
<b>CURRENT LIABILITIES</b>		

Trade and other payables	(66,729)
	<u>(66,729)</u>
<b>NET CURRENT ASSETS</b>	<b>3,151,011</b>
	<u>                    </u>
<b>NET ASSETS</b>	<b>3,164,932</b>
	<u><u>                    </u></u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	
Share capital	<b>6</b> 435,000
Share premium account	<b>6</b> 2,789,100
Share based payment reserve	<b>7</b> 208,282
Retained earnings	(267,450)
	<u>                    </u>
<b>TOTAL EQUITY</b>	<b>3,164,932</b>
	<u><u>                    </u></u>

## UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

Period ended 30 June 2012

	Note	Period ended 30 June 2012 Unaudited £
<b>Net cash used in operating activities</b>	3	(145,135)
<b>Cash flows from investing activities</b>		
Purchase of fixed assets		(14,697)
		<u>(14,697)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of share capital		3,320,882
		<u>3,320,882</u>
<b>Net increase in cash and cash equivalents</b>		<u>3,161,050</u>
		<u><u>                    </u></u>
Cash and cash equivalents at beginning of period		-
		<u>                    </u>
<b>Cash and cash equivalents at end of period</b>		<b>3,161,050</b>
		<u><u>                    </u></u>

# UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## Period ended 30 June 2012

	Share capital £	Share premium £	Share based payment reserve £	Retained earnings £	Total £
At incorporation	-	-	-	-	-
Loss for the period	-	-	-	(267,450)	(267,450)
Total comprehensive loss for the period	-	-	-	(267,450)	(267,450)
Issue of shares, net of share issue costs	435,000	2,789,100	-	-	3,224,100
Issue of warrants	-	-	208,282	-	208,282
At 30 June 2012	435,000	2,789,100	208,282	(267,450)	3,164,932

## Notes to the consolidated financial information

### Period ended 30 June 2012

#### 1. GENERAL

The interim financial information for the period from incorporation on 21 February 2012 to 30 June 2012 is unaudited and was approved by the Directors of the Company on 26 September 2012. The condensed financial information set out above does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The interim financial information is unaudited and has not been reviewed by the Company's auditors.

The Company's operations are not subject to seasonality or cyclicity.

No dividend has been declared or paid in this interim period.

#### Basis of measurement and preparation

The preparation of the financial information requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. The following discussion sets forth the Company's most critical judgements, estimates and assumptions in determining the value of assets, liabilities and equity:

*Valuation of warrants:*

Warrants are valued in accordance with a Stochastic model and judgement is required regarding the choice of some inputs used in the model. Where doubts have existed, the Directors have considered those used by their industry peers. Full details of the model and inputs are provided in note 7 to the interim financial information.

## 2. ACCOUNTING POLICIES

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union.

The principal accounting policies and methods of computation have remained unchanged from those used in the preparation of financial information included with the Company's AIM admission document dated 16 May 2012.

## 3. CASH FLOWS FROM OPERATING ACTIVITIES

	Period ended 30 June 2012 Unaudited £
Loss before taxation	(267,450)
Adjustments for:	
Depreciation	776
IFRS 2 share based payments	111,500
	<hr/>
	(155,174)
Increase in trade and other receivables	(56,690)
Increase in trade and other payables	66,729
	<hr/>
Net cash used in operating activities	<u><u>(145,135)</u></u>

## 4. LOSS PER SHARE

	Period ended 30 June 2012 Unaudited £
Weighted average number of ordinary shares in issue	26,392,371
	<hr/>
Loss after taxation	(267,450)
	<hr/>
Loss per share (pence)	<u><u>(1.01)p</u></u>

Due to there being a loss during the period, the warrants are anti-dilutive and therefore no diluted loss per share has been presented.

## 5 RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

## 6 SHARE CAPITAL

### a) Share Capital

The Company has one class of Ordinary share which carries no right to fixed income nor have any preferences or restrictions attached.

#### Issued and fully paid:

	As at 30 June 2012 Unaudited £
87,000,000 Ordinary shares of £0.005p each	435,000

### b) Share issues during the period

	Note	Number of shares	Share Capital £	Share premium £	Total £
On incorporation		1	1	-	1
	(i)	200	1	-	1
	(ii)	9,999,800	49,999	-	49,999
	(iii)	77,000,000	385,000	3,365,000	3,750,000
Less issue costs				<u>(575,900)</u>	<u>(575,900)</u>
At 30 June 2012		<u>87,000,000</u>	<u>435,000</u>	<u>2,789,100</u>	<u>3,224,100</u>

- (i) On incorporation on 21 February 2012, the Company issued 1 Ordinary share of £1.00 par value. On 3 April 2012, the 1 issued share was subdivided into 200 Ordinary shares of £0.005 each.
- (ii) On 3 April 2012, the Company issued a further 9,999,800 Ordinary shares of £0.005 each at par, of which a quarter were paid up. The remaining three quarters were paid up on 22 May 2012.
- (ii) On 3 April 2012, the Company issued a further 77,000,000 Ordinary shares of £0.005 at £0.05 each.

## 7 SHARE BASED PAYMENT RESERVE

On 23 May 2012, the Company granted 9,340,000 warrants to subscribe for 9,340,000 Ordinary shares of £0.005 each at a subscription price of £0.05 per new Ordinary share. The warrant holders may exercise the warrant to subscribe for Ordinary shares at any time during the exercise period which ends on 22 May 2017.

The inputs into the Black-Scholes valuation model for computation of the value of the warrants were as follows:

Share price at issue date	£0.05
Price of warrant at issue	£0.05
Expected volatility	50%
Expected life	5 years
Risk free rate	1.5%
Expected dividend	Nil

Expected volatility was determined by calculating the historical volatility of comparable publicly listed companies.

## **8 COPIES OF INTERIM REPORT**

Copies of the interim report are available to the public free of charge from the Company at Cluff Natural Resources Plc, Third Floor, 5-8 The Sanctuary, London SW1P 3JS during normal office hours, Saturdays and Sundays excepted for 14 days from today and are available on the website at [www.cluffnaturalresources.com](http://www.cluffnaturalresources.com).