

# **WESTMOUNT ENERGY LIMITED**

**Interim Report  
For the six months ended  
31 December 2013**

**COMPANY INFORMATION**

|  |  |
|--|--|
| <b>Directors</b>                       | Gerard Walsh (Chairman)<br>David R. King<br>Thomas P. O ' Gorman<br>Peter J. Richardson<br>Mervyn Bradlow      |
| <b>Secretary and Registered Office</b> | Crestbridge Corporate Services Limited<br>47 Esplanade<br>St Helier<br>Jersey JE1 0BD<br>Channel Islands       |
| <b>Nominated Advisor and Broker</b>    | Cenkos Securities Plc<br>6.7.8 Tokenhouse Yard<br>London EC2R 7AS  |
| <b>Legal Advisers</b>                  | Carey Olsen<br>47 Esplanade<br>St Helier<br>Jersey JE1 0BD<br>Channel Islands                                  |
| <b>Auditors</b>                        | Moore Stephens<br>First Island House<br>19 - 21 Peter Street<br>St Helier<br>Jersey JE2 4SP<br>Channel Islands |
| <b>Bankers</b>                         | The Royal Bank of Scotland International<br>71 Bath Street<br>St Helier<br>Jersey JE2 4SU<br>Channel Islands   |
| <b>Registrar</b>                       | Capita Registrars (Jersey) Limited<br>12 Castle Street<br>St Helier<br>Jersey JE2 3RT<br>Channel Islands       |

**CHAIRMAN'S REVIEW**

The past year has been difficult for the company, the junior oil and gas sector remained out of favour. Valuations and share prices have continued to fall, which has been reflected in the valuation of our portfolio of exploration shares. However there are some signs that the cycle could be bottoming out. The oil price remains strong, the industry has plenty of cash, major stock markets have been strong and there have been a number of IPOs in the oil & gas sector in recent months. There has been an increase in corporate activity, including the recent transaction between Falklands Oil & Gas and Desire Petroleum, both shares were held in the portfolio.

In line with our stated strategy, your board continued to look for an acquisition that would create value for shareholders. A large part of the year has been taken up with a specific proposal, outside the resource sector, that the majority of your board believed could have delivered significant value to shareholders.

The proposal did not come to fruition.

Westmount Energy Limited remains a highly attractive, Jersey based, investment vehicle quoted on AIM. The company is well positioned to evaluate and take advantage of new investment opportunities should they hold value creating potential for shareholders. The board together with our advisors continue to seek a suitable strategic acquisition, primarily but not exclusively within the resource sector where the board has core experience.

Finally, following my recent appointment as chairman, I would thank Mervyn Bradlow for his services to the company as chairman over many years, he remains a director of the company.

Gerard Walsh  
26 March 2014

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
 FOR THE PERIOD ENDED 31 DECEMBER 2013  
 (Expressed in United Kingdom Sterling)

|  | Six months<br>ended<br>31 Dec<br>2013<br>(unaudited)<br>£ | Six months<br>ended<br>31 Dec<br>2012<br>(unaudited)<br>£ | Year<br>ended<br>30 June<br>2013<br>(audited)<br>£ |
|--|---|---|--|
| Realised gain on disposal of investments   | -   | 69,043  | 69,043   |
| Unrealised gain/(loss) on financial assets at fair value through<br>profit or loss | 88,305  | (328,260)   | (627,157)  |
| Administration expenses  | <u>(69,873)</u>   | <u>(120,157)</u>  | <u>(196,977)</u>                                   |
| <b>Operating gain/(loss)</b>   | 18,432  | (379,374)   | (755,091)  |
| <b>Gain/(loss) before tax</b>  | <u>18,432</u>   | <u>(379,374)</u>  | <u>(755,091)</u>                                   |
| Taxation   | <u>-</u>  | <u>-</u>  | <u>-</u>   |
| <b>Comprehensive gain/(loss) for the period</b>                                    | <u><b>18,432</b></u>                                      | <u><b>(379,374)</b></u>                                   | <u><b>(755,091)</b></u>                            |
| Basic gain/(loss) per share (pence)  | <u>0.19</u>   | <u>(3.86)</u>   | <u>(7.72)</u>                                      |
| Diluted loss per share (pence)   | <u>-</u>  | <u>-</u>  | <u>-</u>   |

The Company had no items of other comprehensive income during the period.

**CONDENSED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2013

(Expressed in United Kingdom Sterling)

|  | Six months<br>ended<br>31 Dec<br>2013<br>(unaudited)<br>£ | Six months<br>ended<br>31 Dec<br>2012<br>(unaudited)<br>£ | Year ended<br>30 June<br>2013<br>(audited)<br>£ |
|--|---|---|---|
| <b>ASSETS</b>  |   |   |   |
| <b>Non current assets</b>                              |   |   |   |
| Financial assets at fair value through profit and loss | 834,480   | 1,045,072   | 746,175   |
| <b>Current assets</b>                                  |   |   |   |
| Trade receivables                                      | 4,962   | 4,892   | 7,642   |
| Cash and cash equivalents                              | <u>154,843</u>  | <u>300,529</u>  | <u>226,565</u>                                  |
|  | 159,805   | 305,421   | 234,207   |
| <b>Total assets</b>                                    | <u><u>994,285</u></u>                                     | <u><u>1,350,493</u></u>                                   | <u><u>980,382</u></u>                           |
| <b>LIABILITIES AND EQUITY</b>                          |   |   |   |
| <b>Current liabilities</b>                             |   |   |   |
| Trade and other payables                               | <u>85,392</u>   | <u>84,315</u>   | <u>89,921</u>                                   |
| <b>EQUITY</b>  |   |   |   |
| Share Capital  | 1,966,060   | 1,966,060   | 1,966,060                                       |
| Share Premium Account                                  | 492,103   | 497,737   | 492,103   |
| Share Option Account                                   | 293,427   | 287,793   | 293,427   |
| Profit and Loss Account                                | <u>(1,842,697)</u>  | <u>(1,485,412)</u>  | <u>(1,861,129)</u>                              |
| <b>Total equity</b>                                    | <u>908,893</u>  | <u>1,266,178</u>  | <u>890,461</u>                                  |
| <b>Total liabilities and equity</b>                    | <u><u>994,285</u></u>                                     | <u><u>1,350,493</u></u>                                   | <u><u>980,382</u></u>                           |

**WESTMOUNT ENERGY LIMITED**

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

(Expressed in United Kingdom Sterling)

|  | Share capital<br>Account<br>£ | Share<br>premium<br>Account<br>£ | Share<br>option<br>Account<br>£ | Retained<br>Earnings<br>£ | Total equity<br>£ |
|--|-------------------------------|----------------------------------|---------------------------------|---------------------------|-------------------|
| <b>As at 1 July 2012</b>                   | 1,946,060                     | 480,295                          | 305,235                         | (1,106,038)               | 1,625,552         |
| <b>Total comprehensive income</b>          |                               |                                  |                                 |                           |                   |
| Loss for the period ended 31 December 2012 | -                             | -                                | -                               | (379,374)                 | (379,374)         |
| <b>Transaction with owners</b>             |                               |                                  |                                 |                           |                   |
| Issue of ordinary shares                   | 20,000                        | -                                | -                               | -                         | 20,000            |
| Premium on shares issued                   | -                             | 17,442                           | -                               | -                         | 17,442            |
| Realisation of share options               | -                             | -                                | (17,442)                        | -                         | (17,442)          |
|  | 20,000                        | 17,442                           | (17,442)                        | -                         | 20,000            |
| <b>At 31 December 2012</b>                 | 1,966,060                     | 497,737                          | 287,793                         | (1,485,412)               | 1,266,178         |
| <b>Total comprehensive income</b>          |                               |                                  |                                 |                           |                   |
| Profit for the period ended 30 June 2013   | -                             | -                                | -                               | (375,717)                 | (375,717)         |
| <b>Transaction with owners</b>             |                               |                                  |                                 |                           |                   |
| Issue of ordinary shares                   | -                             | (5,634)                          | -                               | -                         | (5,634)           |
| Cost of share options                      | -                             | -                                | 5,634                           | -                         | 5,634             |
|  | -                             | (5,634)                          | 5,634                           | -                         | -                 |
| <b>At 30 June 2013</b>                     | 1,966,060                     | 492,103                          | 293,427                         | (1,861,129)               | 890,461           |
| <b>Total comprehensive income</b>          |                               |                                  |                                 |                           |                   |
| Gain for the period ended 31 December 2013 | -                             | -                                | -                               | 18,432                    | 18,432            |
| <b>At 31 December 2013</b>                 | 1,966,060                     | 492,103                          | 293,427                         | (1,842,697)               | 908,893           |

**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2013**  
(Expressed in United Kingdom Sterling)

|   | Notes | Six months<br>ended<br>31 Dec<br>2013<br>(unaudited)<br>£ | Six months<br>ended<br>31 Dec<br>2012<br>(unaudited)<br>£ | Year ended<br>30 June<br>2013<br>(audited)<br>£ |
|---|-------|---|---|---|
| <b>Net cash outflows from operating activities</b>              | 1     | <u>(71,722)</u>   | <u>(131,371)</u>  | <u>(205,335)</u>                                |
| Sale of investments   |       | -   | 160,429   | 160,429   |
| <b>Net cash generated from investing activities</b>             |       | <u>-</u>  | <u>160,429</u>  | <u>160,429</u>                                  |
| Ordinary shares issued  |       | -   | 20,000  | 20,000  |
| <b>Net cash generated in financing activities</b>               |       | <u>-</u>  | <u>20,000</u>   | <u>20,000</u>                                   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>     |       | <u>(71,722)</u>   | <u>49,058</u>   | <u>(24,906)</u>                                 |
| <b>Cash and cash equivalents at the beginning of the period</b> |       | <u>226,565</u>  | <u>251,471</u>  | <u>251,471</u>                                  |
| <b>Cash and cash equivalents at the end of the period</b>       |       | <u>154,843</u>  | <u>300,529</u>  | <u>226,565</u>                                  |

**NOTES TO THE UNAUDITED INTERIM RESULTS  
FOR THE PERIOD ENDED 31 DECEMBER 2013**
**1 Cash flow statement**

Reconciliation of net cash flow from operating activities

|  | Six months<br>ended<br>31 Dec<br>2013<br>(unaudited) | Six months<br>ended<br>31 Dec<br>2012<br>(unaudited) | Year<br>ended<br>30 June<br>2013<br>(audited) |
|--|--|--|---|
| Total comprehensive gain/(loss) loss for the period                                | 18,432   | (379,374)  | (755,091)                                     |
| Adjustment for net (gain)/loss on investments at fair value through profit or loss | (88,305)   | 328,260  | 627,157                                       |
| Adjustments for realised loss on investments at fair value through profit or loss  | -  | (69,043)   | (69,043)                                      |
| Decrease/(increase) in prepayments and accrued income                              | 2,680  | 2,538  | (212)   |
| Decrease in creditors and accrued expenses   | <u>(4,529)</u>                                       | <u>(13,752)</u>                                      | <u>(8,146)</u>                                |
| Net cash outflow from operating activities   | <u><u>(71,722)</u></u>                               | <u><u>(131,371)</u></u>                              | <u><u>(205,335)</u></u>                       |



**NOTES TO THE UNAUDITED INTERIM RESULTS (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2013**
**2 Investments**

|   | Six months<br>ended<br>31 Dec<br>2013<br>(unaudited)<br>£ | Six months<br>ended<br>31 Dec<br>2012<br>(unaudited)<br>£ | Year ended<br>30 June<br>2013<br>(audited)<br>£ |
|---|---|---|---|
| Desire Petroleum PLC, ("Desire") at market value  | -   | 375,000   | 237,600   |
| Cost, nil shares<br>(31 December 2012: 2,000,000, 30 June 2013: 2,000,000 shares)         | -   | 874,643   | 874,643   |
| <br>Sterling Energy PLC, at market value  | 216,250   | 193,125   | 176,250   |
| Cost, 500,000 shares<br>(31 Dec 2012: 500,000, 30 June 2013: 500,000 shares)              | 863,064   | 863,064   | 863,064   |
| <br>Argos Resources Limited, at market value  | 145,000   | 247,500   | 188,800   |
| Cost, 1,000,000 shares<br>(31 Dec 2012: 1,000,000, 30 June 2013: 1,000,000 shares)        | 310,775   | 310,775   | 310,775   |
| <br>Falkland Oil and Gas Limited ("Falkland"), at market value                            | 374,380   | 57,000  | 53,000  |
| Cost, 1,446,600 shares<br>(31 Dec 2012: 400,000 shares, 30 June 2013: 200,000 shares)     | 966,029   | 91,386  | 91,386  |
| <br>Pancontinental Oil & Gas NL ("Pancontinental"), at market value                       | 98,850  | 172,447   | 90,525  |
| Cost, 3,000,000 shares<br>(31 Dec 2012: 3,000,000 shares, 30 June 2013: 3,000,000 shares) | 393,246   | 393,246   | 393,246   |
| <br><b>Total market value</b>   | <b>834,480</b>  | <b>1,045,072</b>  | <b>746,175</b>                                  |
| <br><b>Total cost</b>   | <b>2,533,114</b>  | <b>2,533,114</b>  | <b>2,533,114</b>                                |
| <br>Current period movement   | (1,698,634)   | (1,488,042)   | (1,786,939)                                     |
| Reverse prior year FV adjustment  | 1,786,939   | 1,159,782   | 1,159,782                                       |
| <br>Current period income statement impact  | <b>88,305</b>   | <b>(328,260)</b>  | <b>627,157</b>                                  |

On 9 December 2013 Desire was acquired by Falkland and 2,000,000 ordinary shares in Desire were converted into 1,246,600 ordinary shares in Falkland.





