

Regulatory Story

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Company	Westmount Energy Limited
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Westmount Energy Limited
23 March 2011

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Westmount Energy Limited Interim results to 31 December 2010

CHAIRMAN'S REVIEW

I last wrote to you in December 2010 when we were planning to make a further capital repayment of 45p per share. You will have received this in mid February of this year and together with the two previous capital repayments make a total of 160p since the shares were originally floated in 1995 at 15p per share.

There has been little change in our portfolio since my letter on the 23rd December. We continue to hold 2.45million shares in Desire Petroleum plc (Desire), 1.5million shares in Sterling Energy Plc (Sterling) and 1.million Argos Resources Limited (Argos) and in respect of each I can advise the following.

Desire

Improved Prospects for the Falkland Basin.

Rockhopper Exploration Plc (Rockhopper) has announced this week the result of their appraisal well drilled to investigate the reservoir presence and oil column adjacent to their Sea Lion discovery announced in 2010.

The well successfully flowed oil in the well bore and the drill data is now being evaluated. Rockhopper believe the result will significantly increase the potential for a commercial discovery in the Falkland basin, and are now considering further extending their drilling campaign beyond the three additional wells already contracted for with the Ocean Guardian Rig, which was announced last week

The rig will now move from the Rockhopper well to commence drilling Desire's Ninky prospect, its last remaining well to be drilled to in their present campaign. There is thus a minimum of a further six months of activity in the area and your board will be assessing its investment as further information becomes available.

Sterling

The drilling in Kurdistan has encountered geological problems with the result the well has

been sidetracked and will re-drill to 3,300 metres. Results are expected in the second quarter of 2011. Your board continues to assess our holding and will make a decision on its future once the current drill results are announced

Argos Resources

Argos are currently conducting their seismic survey of their licence area and this should be completed in the second half of this year. Based on these results Argos will decide whether to contract for a rig to drill one or more exploration wells.

The Future

There has been no change to our agreed strategy to make disposals as and when the opportunity occurs with a view to returning further capital to our Shareholders and we will also pursue other opportunities to maximise Shareholder value.

Mervyn Bradlow
Chairman
23 March 2011

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2010

(Expressed in United Kingdom Sterling)

	Six months ended 31 Dec 2010 (unaudited) £	Six months ended 31 Dec 2009 (audited) £
Realised gain on disposal of investments	1,466,481	137,174
Unrealised (loss)/gain on financial assets at fair value through profit or loss	(2,880,250)	4,209,624
Administration expenses	<u>(175,909)</u>	<u>(141,890)</u>
Operating (loss)/profit	(1,589,678)	4,204,908
Interest receivable	<u>3,275</u>	<u>1,299</u>
(Loss)/profit before tax	(1,586,403)	4,206,207
Taxation	<u>-</u>	<u>-</u>
Comprehensive (loss)/profit for the period	<u><u>(1,586,403)</u></u>	<u><u>4,206,207</u></u>
Basic (loss)/gain per share (pence)	<u>(22.73)</u>	<u>60.25</u>
Diluted (loss)/gain per share (pence)	<u>(21.46)</u>	<u>55.17</u>

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

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

(Expressed in United Kingdom Sterling)

	Notes	Six months ended 31 Dec 2010 (unaudited) £	Six months ended 31 Dec 2009 (audited) £
ASSETS			
Non current assets			
Financial assets at fair value through profit and loss 2		3,012,375	6,951,513
Current assets			
Trade receivables		4,754	4,882
Due from brokers		-	627,540
Cash and cash equivalents		<u>3,450,124</u>	<u>219,101</u>
		<u>3,454,878</u>	<u>851,523</u>
Total assets		<u><u>6,467,253</u></u>	<u><u>7,803,036</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		<u>234,692</u>	<u>149,021</u>
EQUITY			
Share Capital		1,396,060	1,396,060
Share Premium Account		261,682	261,682
Share Option Account		298,717	256,052
Profit and Loss Account		<u>4,276,102</u>	<u>5,740,221</u>
Total equity		<u><u>6,232,561</u></u>	<u><u>7,654,015</u></u>
Total liabilities and equity		<u><u>6,467,253</u></u>	<u><u>7,803,036</u></u>

CONDENSED STATEMENT OF CHANGES IN EQUITY

(Expressed in United Kingdom Sterling)

	Share capital Account £	Share premium Account £	Share option Account £	Retr Ear
As at 1 July 2009	1,396,060	261,682	244,363	1,536
Total comprehensive income				
Profit for the period ended 31 December 2009	-	-	-	4,206
Transaction with owners				
Costs of share options	-	-	11,689	
	-	-	11,689	
At 31 December 2009	1,396,060	261,682	256,052	5,746
Total comprehensive income				
Profit for the period ended 30 June 2010	-	-	-	122
Transaction with owners				
Cost of share options	-	-	21,158	
	-	-	21,158	
At 30 June 2010	1,396,060	261,682	277,210	5,868
Total comprehensive income				
Loss for the period ended 31 December 2010	-	-	-	(1,586)
Transaction with owners				
Cost of share options	-	-	21,507	
	-	-	21,507	
At 31 December 2010	1,396,060	261,682	298,717	4,276

CONDENSED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 31 DECEMBER 2010
 (Expressed in United Kingdom Sterling)

	Notes	Six months ended 31 Dec 2010 (unaudited) £	Six months ended 31 Dec 2009 (audited) £
Net cash outflows from operating activities	1	<u>(127,956)</u>	<u>(775,438)</u>
Purchase of investments		(1,024,785)	(1,468,924)
Sale of investments		2,083,991	1,588,508
Interest received		<u>3,275</u>	<u>1,299</u>
Net cash generated from investing activities		<u>1,062,481</u>	<u>120,883</u>
Net increase/(decrease) in cash and cash equivalents		<u>934,525</u>	<u>(654,555)</u>
Cash and cash equivalents at the beginning of the period		<u>2,515,599</u>	<u>873,656</u>
Cash and cash equivalents at the end of the period		<u><u>3,450,124</u></u>	<u><u>219,101</u></u>

**NOTES TO THE UNAUDITED INTERIM RESULTS
FOR THE PERIOD ENDING 31 DECEMBER 2010**

1 Cash flow statement

Reconciliation of net cash flow from the operating activities

	Six months ended 31 Dec 2010 (unaudited)	Six months ended 31 Dec 2009 (audited)
Total comprehensive (loss)/profit for the period	(1,586,403)	4,206,207
Adjustment for interest income	(3,275)	(1,299)
Adjustment for net loss/(gain) on investments at fair value through profit or loss	2,880,250	(4,209,624)
Adjustment for costs attributable to share re options	21,507	11,689
Adjustments for realised gains on investments at fair value through profit or loss	(1,466,481)	(137,174)
Dreasece/(increase) in prepayments and accrued income	2,261	(621,881)
Increase/(decrease) in creditors and accrued expenses	24,185	(23,356)
Net cash (outflow) from operating activities	<u>(127,956)</u>	<u>(775,438)</u>

2 Investments

	Six months ended 31 Dec 2010 (unaudited) £	Six months ended 31 Dec 2009 (audited) £
Desire PLC, at market value	1,217,625	4,416,000
Cost, 2.55 million shares (31 December 2009: 4.8million, 30 June 2010: 3.674 million shares)	1,115,171	1,149,501
Sterling Energy, at market value	1,263,750	2,535,513
Cost, 1.5 million shares (31 Dec 2009: 1.636 million, 30 June 2010: 1.5 million shares)	2,589,192	2,823,625
Argos Resources Limited, at market value	531,000	-
Cost, 1.2 million shares (30 June 2010: nil)	372,930	-
Total market value	<u>3,012,375</u>	<u>6,951,513</u>
Total cost	<u>4,077,293</u>	<u>3,973,126</u>
Current year movement	(1,064,918)	2,978,387

Reverse prior year FV adjustment	<u>(1,815,332)</u>	<u>1,231,237</u>
Current period income statement impact	<u>(2,880,250)</u>	<u>4,209,624</u>

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