

Westmount Energy Limited

**Interim Report
For the six months ended
31 December 2015**

COMPANY INFORMATION

Directors	Gerard Walsh (<i>Chairman</i>) Mervyn Bradlow David R. King Thomas P. O’Gorman
Secretary and Registered Office	Stonehage Fleming Corporate Services Limited No 2, The Forum, Grenville Street St Helier Jersey JE1 4HH Channel Islands
Nominated Advisor and Broker	Cenkos Securities Plc 6-8, Tokenhouse Yard London EC2R 7AS
Legal Advisers	Ogier 44, Esplanade St Helier Jersey JE4 8WG Channel Islands Carey Olsen 47, Esplanade St Helier Jersey JE1 0BD Channel Islands
Auditors	Moore Stephens First Island House 19-21, Peter Street St Helier Jersey JE4 8SG Channel Islands
Bankers	The Royal Bank of Scotland International 71, Bath Street St Helier Jersey JE2 8PJ Channel Islands
Registrar	Capita Registrars (Jersey) Limited 12, Castle Street St Helier Jersey JE2 3RT Channel Islands

CHAIRMAN'S REVIEW

The period under review has been an active one for your Company.

Last December your Company successfully raised a total of £509,602 by way of an Open Offer to existing shareholders and a Placing with two new investors, Mr John Craven and Mr Dermot Corcoran. Following the Annual General Meeting on 11 December 2015, the share capital was also amended to Nil Par Value. The amendments to our share capital, addition to our working capital and strengthening of our shareholder base has provided a strong platform to enhance shareholder value going forward.

Since the period end the oil price has continued to be volatile, hitting lows in January not seen since 2003. More recently the oil price has recovered from the lows and according to the International Energy Agency, the oil price may have bottomed out. Opportunities are emerging as a result of distressed situations, divestments from medium and large oil and gas exploration and production companies and due to cut backs in exploration budgets. We are focusing on repositioning your Company as a niche exploration and production investor in the conventional oil and gas sector, focusing on value creation in the low price environment, utilising the distressed environment to re-house high quality assets and to position investors to benefit from a likely price upswing in the next two to five years.

We continue to identify and assess investment opportunities in line with the above strategy which may take time to emerge but I believe that our patience should be rewarded.

Portfolio

Your Company's portfolio of energy shares is mainly focused on the Falkland Islands. In spite of positive news events, valuations have suffered as a result of the poor oil price environment and negative sentiment in the sector. Your Company recorded a loss in the portfolio of £284,950 which arose mainly from market depreciation in our holding in Falkland Oil and Gas ("FOGL").

During the period, FOGL completed Drilling - 14/20-2 (Isobel-2 Re-drill) as an oil discovery and also completed an all share merger with Rockhopper Exploration plc ("Rockhopper") in early January 2016, resulting in a net holding of 358,142 shares in Rockhopper.

As a result, our new Rockhopper investment provides shareholders with exposure to the Sea Lion oil field development as well as its substantial cash balances and diversification by way of its Mediterranean E & P portfolio.

We continue to hold investments in Argos Resources Ltd and Sterling Energy which will be kept under review while we assess investment opportunities in line with our strategy. We look forward to updating investors with further developments when appropriate.

Gerard Walsh

Chairman

29 March 2016

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	<i>Six months ended 31 December 2015 (unaudited) £</i>	<i>Six months ended 31 December 2014 (unaudited) £</i>	<i>Year ended 30 June 2015 (audited) £</i>
Net loss on financial assets held at fair value through profit or loss	(284,950)	(30,685)	(95,485)
Administration expenses	(77,857)	(59,659)	(126,754)
Operating loss	<u>(362,807)</u>	<u>(90,344)</u>	<u>(222,239)</u>
Loss before tax	<u>(362,807)</u>	<u>(90,344)</u>	<u>(222,239)</u>
Tax	<u>—</u>	<u>—</u>	<u>—</u>
Comprehensive loss for the period/year	<u><u>(362,807)</u></u>	<u><u>(90,344)</u></u>	<u><u>(222,239)</u></u>
Basic loss per share (pence)	<u>(0.02)</u>	<u>(0.92)</u>	<u>(2.26)</u>
Diluted loss per share	<u>(0.02)</u>	<u>(0.92)</u>	<u>(2.26)</u>

All results are derived from continuing operations.

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

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	<i>31 December 2015 (unaudited) £</i>	<i>31 December 2014 (unaudited) £</i>	<i>30 June 2015 (audited) £</i>
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	192,261	601,621	536,821
Current assets			
Other receivables	9,451	1,522	9,721
Cash and cash equivalents	494,245	69,326	7,291
	<u>503,696</u>	<u>70,848</u>	<u>17,012</u>
Total assets	<u><u>695,957</u></u>	<u><u>672,469</u></u>	<u><u>553,833</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	27,089	53,283	31,760
EQUITY			
Share capital	3,027,222	1,966,060	1,966,060
Share premium account	—	516,777	551,560
Share option account	349,906	349,906	349,906
Retained earnings	(2,708,260)	(2,213,557)	(2,345,453)
Total equity	<u>668,868</u>	<u>619,186</u>	<u>522,073</u>
Total liabilities and equity	<u><u>695,957</u></u>	<u><u>672,469</u></u>	<u><u>553,833</u></u>

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	<i>Share capital account £</i>	<i>Share premium account £</i>	<i>Share option account £</i>	<i>Retained earnings £</i>	<i>Total equity £</i>
As at 1 July 2014	1,966,060	516,778	349,906	(2,123,214)	709,530
Total Comprehensive Income					
Loss for the year ended 30 June 2015	—	—	—	(222,239)	(222,239)
Transactions with owners					
Expired redemption of B shares not taken up	—	34,782	—	—	34,782
As at 30 June 2015	1,966,060	551,560	349,906	(2,345,453)	522,073
Total Comprehensive Income					
Loss for the period ended 31 December 2015	—	—	—	(362,807)	(362,807)
Transactions with owners					
Conversion to Nil Par Value Shares	551,560	(551,560)	—	—	—
Open offer at 0.04 per share	509,602	—	—	—	509,602
As at 31 December 2015	3,027,222	—	349,906	(2,708,260)	668,868
	<i>Share capital account £</i>	<i>Share premium account £</i>	<i>Share option account £</i>	<i>Retained earnings £</i>	<i>Total equity £</i>
As at 1 July 2013 as previously stated	1,966,060	492,103	293,427	(1,861,129)	890,461
Prior year adjustment	—	—	56,479	(56,479)	—
As at 1 July 2013 restated	1,966,060	492,103	349,906	(1,917,608)	890,461
Total Comprehensive Income					
Loss for the year ended 30 June 2014	—	—	—	(205,606)	(205,606)
Transactions with owners					
Expired redemption of B shares not taken up	—	24,675	—	—	24,675
As at 30 June 2014	1,966,060	516,778	349,906	(2,123,214)	709,530

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	<i>Six months ended 31 December 2015 (unaudited) £</i>	<i>Six months ended 31 December 2014 (unaudited) £</i>	<i>Year ended 30 June 2015 (audited) £</i>
Net cash (outflows) from operating activities	(82,259)	(58,123)	(154,939)
Cash flows from investing activities			
Sale of investments	59,611	50,582	50,582
Net cash generated from investing activities	59,611	50,582	50,582
Cash flows from financing activities			
Expired redemption – B Shares not taken up	—	—	34,782
Ordinary shares issues – open offer	509,602	—	—
Net cash used in financing activities	509,602	—	34,782
Net (decrease) in cash and cash equivalents	486,954	(7,541)	(69,575)
Cash and cash equivalents at the beginning of the period/year	7,291	76,866	76,866
Cash and cash equivalents at the end of the period/year	494,245	69,325	7,291

Reconciliation of net cash flow from operating activities

	<i>Six months ended 31 December 2015 (unaudited) £</i>	<i>Six months ended 31 December 2014 (unaudited) £</i>	<i>Year ended 30 June 2015 (audited) £</i>
Total comprehensive loss for the period/year	(362,807)	(90,344)	(222,239)
Adjustment for unrealised (gain)/loss on investments at fair value through profit or loss	177,612	(263,960)	(199,159)
Adjustments for realised gains on investments at fair value through profit or loss	107,337	294,644	294,644
Decrease/(increase) in prepayments and accrued income	270	6,087	(2,114)
Decrease in creditors and accrued expenses	(4,671)	(4,548)	(26,071)
Net cash out flow from operating activities	(82,259)	(58,123)	(154,939)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

1. Accounting Policies

Basis of accounting

The interim financial statements have been prepared in accordance with the International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the period to 30 June 2015. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The same accounting policies and methods of computation are followed in the interim financial statements as in the annual financial statements for the period ended 30 June 2015.

Westmount Energy Limited

2. Investments

	<i>Six months ended 31 December 2015 (unaudited) £</i>	<i>Six months ended 31 December 2014 (unaudited) £</i>	<i>Year ended 30 June 2015 (audited) £</i>
Sterling Energy PLC, at market value	43,500	58,620	52,500
Cost, 300,000 shares (31 December 2014: 300,000 shares, 30 June 2015: 300,000 shares)	517,838	517,838	517,838
Argos Resources Limited, at market value	45,000	145,000	81,300
Cost, 1,000,000 shares (31 December 2014: 1,000,000 shares, 30 June 2015: 1,000,000 shares)	310,775	310,775	310,775
Falkland Oil and Gas Limited (“Falkland”), at market value	99,318	296,553	394,198
Cost, 1,196,600 shares (31 December 2014: 1,446,600 shares, 30 June 2015: 1,446,600 shares)	799,081	966,029	966,029
Pancontinental Oil and Gas NL (“Pancontinental”), at market value	4,443	101,448	8,823
Cost, 3,000,000 shares (31 December 2014: 3,000,000 shares, 30 June 2015: 3,000,000 shares)	393,246	393,246	393,246
Total market value	<u>192,261</u>	<u>601,621</u>	<u>536,821</u>
Total cost	<u>2,020,940</u>	<u>2,187,888</u>	<u>2,187,888</u>
Current period movement	(1,828,679)	(1,586,267)	(1,651,067)
Reverse prior year FV adjustment	1,651,067	1,850,226	1,586,267
	<u>(177,612)</u>	<u>263,959</u>	<u>(64,800)</u>
Realised (loss)	(107,337)	(294,644)	(294,644)
Unrealised (loss)/gain	(177,612)	263,959	199,159
Current period income statement impact	<u>(284,949)</u>	<u>(30,685)</u>	<u>(95,485)</u>

