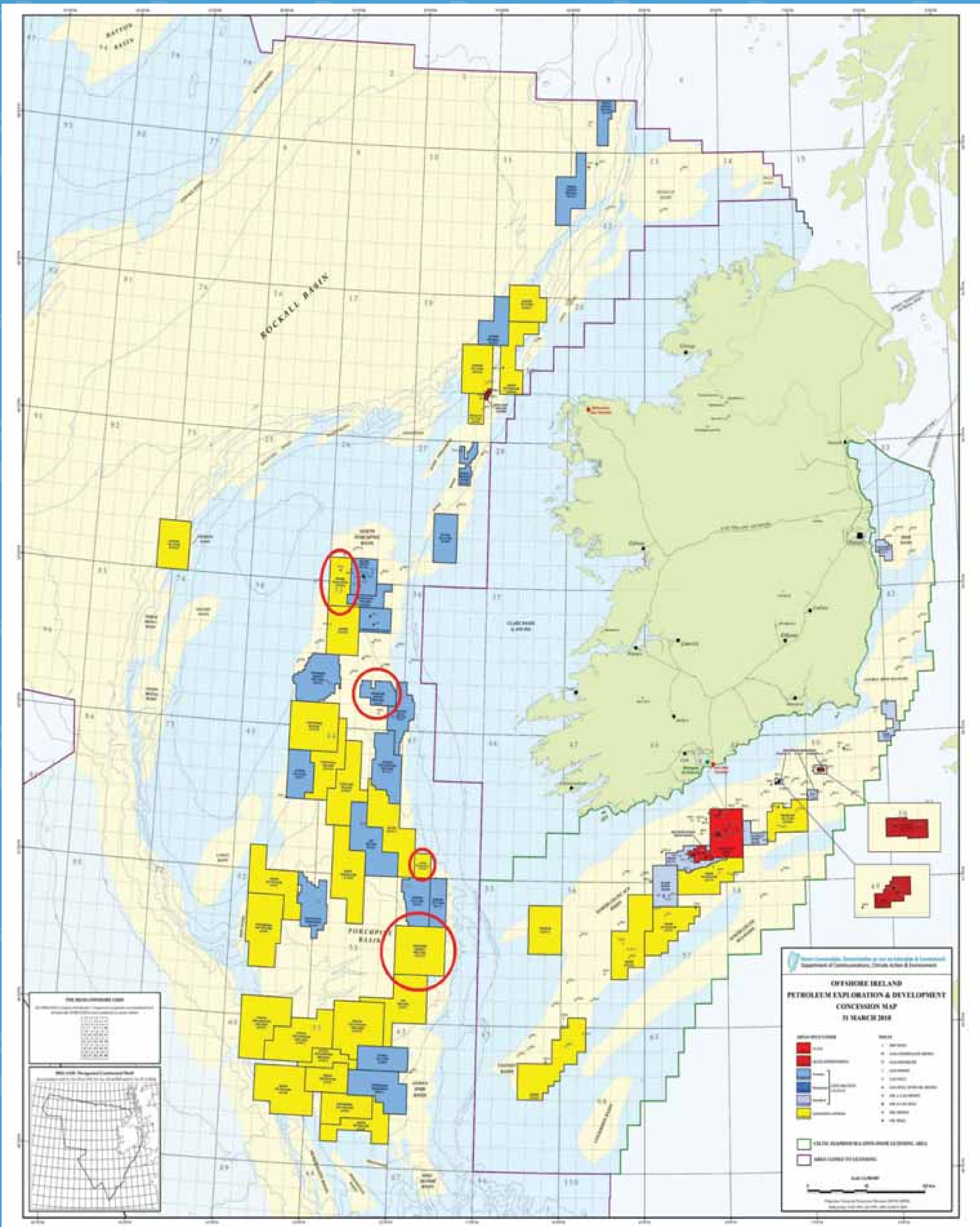
PETREL RESOURCES PLC

Annual Report and Accounts

Year ended 31 December 2017



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for the financial year ended 31 December 2017

Chairman's Statement

for the financial year ended 31 December 2017

The headline figures of a loss for the year of some €4.4 million is likely to be newsworthy, but mostly reflects the €4.1 million impairment of our investment in Iraq. The underlying loss is roughly €300,000.

Iraq

In August 2013, Petrel did a deal with Amira in Iraq whereby, for US$500,000 in cash plus 18,947,368 initial consideration shares (which were to be locked-in until spudding of the first oil well by our partners), Petrel acquired a 5% full free carry in Amira's activities in the Wasit province in Iraq which was then, and still is, a relatively stable Shia dominated province. The expectation was that provinces in Iraq would offer licences in their own right rather than solely through the central government in Baghdad. This did not happen. In fact, nothing happened. As mentioned above, we have therefore impaired our investment.

Proposed buy back and cancellation of shares

We have also reached agreement to buy back the initial consideration shares for a nominal consideration although, as we reported on 15 December 2017, 2.2 million of the shares had been sold in breach of the lock-in agreement. Permission is being sought at the forthcoming AGM to buy back and cancel the remaining 16,747,368 shares. Cancellation of these shares would reduce the number of shares in issue by approximately 17%.

Iraq remains one of the very best oil provinces in the world. The oil exploration potential is outstanding. The improving political situation in Iraq has resulted in Petrel re-awakening an interest. We have been there since 1999 and like the country. We are discussing with Amira, our partner, how best to declare an interest in certain fields. We are also re-establishing contacts in the administration. It is very early days, but it does look as if Iraq is slowly re-opening for business, and we want to be there.

Offshore Ireland

Our main focus in recent times has been the Atlantic Offshore Ireland, particularly the Porcupine Basin. Results are mixed. We did very well in recent licencing rounds, winning two licences seven years ago and another two in 2016. In 2013, we joint ventured our two 2011 licences with Woodside Energy of Australia, recovering our cash investment and getting a carry. They did extensive work including, in 2016, a multi-million euro 3D seismic campaign. Their ongoing work led them to relinquish FEL 4/14 in 2016. The review of the latest seismic has led them to surrender their FEL 3/14 interest as of end August 2018. FEL 3/14 could revert 100% to Petrel if an extension can be negotiated with the authorities. We believe that the ground has potential not recognised by Woodside, and that we can bring in a partner.

In the meantime, as we reported on 27 February 2018, Woodside have offered and Petrel have accepted a 10% participating interest in licence FEL 11/18, thus satisfactorily resolving the prior issues under arbitration in relation to FEL 4/14. Work on FEL 11/18 has identified targets, which are being tested by the state-of-the-art 3D seismic which has recently been acquired.

The two licence options acquired in 2016 (LO 16/24 and LO 16/25) have been analysed and worked up, and potential opportunities identified. Despite extensive work by Petrel, we found no interest from likely partners in joint venturing the two options.

On a wider industry front, oil prices have recovered and majors are making money. It was expected that the results of the 2017 drilling in the Porcupine would have ignited interest but there is little sign of it to date.

Unfortunately there is growing political uncertainty in Ireland in relation to resources. Oil exploration dollars are nomadic. They will go where they are welcome. Ireland is no longer welcoming. A ban on onshore fracking and a bill to outlaw new offshore oil exploration licences currently in the Dáil sends out bad messages. Combine these with the increases in taxation and royalties introduced in 2015 and you have a toxic cocktail.

Exploration in deep hostile expensive waters with unknown potential is high risk. Add political uncertainty to this and the inevitable consequence is reduced interest. The farm out market for early stage projects, whereby junior explorers do the initial work and de-risk the geology, then bring in majors to do the drilling, has thinned out. We are seeking to convert LO 16/24 into a Frontier Exploration Licence as we believe there is potential on the acreage. LO 16/25 was too limited in acreage and structure size to be worth converting.

Chairman's Statement *(continued)*

for the financial year ended 31 December 2017

Ghana

We have been in Ghana since 2008. We signed an oil exploration agreement in 2010. But to date it has not been ratified by cabinet or parliament. Petrel holds a 30% interest in the agreement (held through its interest in Pan Andean Resources Limited), Clontarf Energy, a sister company holds 60% and local interests hold 10%.

Since 2010, there has been a series of obstacles placed in the way of ratification. We believed a court settlement in 2014 would expedite the decision. It has not. Recent changes in government has returned to power the party who first made the agreement with us. There is now renewed energy to attempt to finalise a deal. While there is goodwill on both sides, actually concluding a deal has been difficult.

Future

Petrel is a small tightly held listed company. Shareholders over many years have not been asked to invest new money. In recent years, we have been investing the proceeds of an Iraqi exit in 2009 into Iraq, Offshore Ireland and Ghana. In Ireland, we recovered most of our investment with the Woodside joint venture. Ghana, where we hold 30%, is not a big drain on resources.

Once again, it is time to reassess our strategy. We will continue to work with Woodside in the Atlantic and with our partners in Ghana. We will once more dip our toe into opportunities in the Middle East.

John Teeling
Chairman

22nd June 2018

Operations Review

for the financial year ended 31 December 2017

Highlights

Petrel's main focus was in the Irish Atlantic Porcupine Basin

The Irish Atlantic Porcupine Basin has been the focus of increased petroleum industry activity since 2016, especially for 3D seismic acquisition and processing: the Porcupine Basin is a thick sedimentary basin, though with only 32 wells to date, and until recently only limited modern 3D seismic data.

- Petrel has participated in two of these major 3D seismic acquisition & processing programmes since 2016, covering FEL 3/14 and FEL 11/18. Extensive processing has been completed to a high standard. FEL 3/14 interpretation has been finalised by the Operator, while FEL 11/18 processing is complete and interpretation is now underway. Our partners, Woodside Energy have now indicated their intention to withdraw from FEL 3/14 due to modelled outcomes from the 3D seismic data interpretation. Woodside remain fully committed to the priority FEL 11/18, and have entered with Petrel into the Frontier Exploration Licence phase.

- Several exploration wells will be needed to test the seismic results. So far, the Irish Atlantic is relatively unexplored. Only 2 deep-water Atlantic Porcupine wells have been drilled since 2001, by other companies: the 2013 Dunquin well in 1,600m water depth, and The Druid/Drombeg deep-water wildcat well (in 2,200 metres water depth) on FEL 2/14 in the south-west of the Porcupine Basin during 2017. Though uncommercial, these wells proved that deep-water Atlantic wells can be operated by juniors at a reasonable cost.

- Despite a higher oil price, driven by strong fundamentals, threatened legislative measures cast a pall over farm-out efforts.

- But as with any frontier province, a major discovery in this basin will transform industry perceptions and the farm-out market.

- The current Ghanaian Government has committed to expediting Petroleum development, after a period of limited progress. Revised coordinates for Tano offshore acreage, submitted by our group, are under consideration by the Ghanaian authorities.

- Petrel Resources plc is re-establishing its Baghdad operations. Iraq is emerging from conflict and again open for responsible business. Baghdad has re-established its authority, by defeating insurgents and recovering Kirkuk. Pro-business parties won the 2018 elections, and prospects are now more encouraging than at any time since 2010.

Joint Venture with Woodside Energy in the Irish Atlantic Porcupine Basin

Our partnership with Woodside now covers the key FEL 11/18, a new Frontier Exploration Licence, as well as the legacy FEL 3/14, which we have held since January 2014, and which evolved from a Petrel Licensing Option from 2011 through end 2013.

Offsetting this positive development, however, was the initial interpretation of the northern Porcupine Basin Bréanann 3D seismic which suggested deeper than anticipated structures, with accordingly reduced modelled porosity and recoverable hydrocarbon volumes. As a result, Woodside indicated their intention to surrender their 85% operating interest in FEL 3/14, as of the end of the extended first phase at end August 2018. Petrel is now discussing options to progress FEL 3/14 with the authorities, and will report as soon as the situation clarifies. This withdrawal from FEL 3/14 in no way impacts our ongoing partnership on the priority FEL 11/18.

FEL 3/14

Originally, FEL 3/14 had been worked up by Petrel as a Licensing Option in 2011 through 2013, using mainly legacy 2D seismic data. This analysis had undermined the early search for Tertiary targets but confirmed several leads in the deeper Jurassic and Cretaceous rocks.

In 2013 Woodside farmed-in as 85% Operator. The partners worked up prospects having reprocessed 190km^2 of historic 3D data. This work broadly confirmed the size and location of the priority leads, adding a possible Cretaceous sands play in the centre of FEL 3/14.

However, few prudent 21st century explorers drill without prospect confirmation through state-of-the-art 3D seismic. The objective is to take what may start as a 1 in 10 play down to a better defined, 1 in 5 prospect.

An 18 month extension to the 1st work phase (until end August 2018) was necessary due to delays with the authorities' nation-wide 'IOSEA5' strategic environmental review which covered the south-western part of the acreage.

Operations Review *(continued)*

for the financial year ended 31 December 2017

Our comprehensive Bréanann state-of-the-art 3D seismic data were acquired, under ideal conditions, during summer 2016. This covered the entire 480km^2 of the FEL 3/14 acreage, as well as the surrounding area extending westwards. Processing and re-processing was conducted at Down Under Geosolutions during 2016 through 2018.

FEL 3/14 is considered 'unexplored' as there had never been wells drilled on this acreage. The six wells drilled in the past on adjoining acreage provide only limited information on the main exploration target sections in the Lower Cretaceous and Upper Jurassic. Three of the wells, 35/17-1, 35/18-1 and 35/29-1, only tested the Tertiary section and lacked adequate reservoir sections, although the Paleocene of the 35/1811 well had good oil shows. To the north-east, the 36/16-1 well, drilled by Chevron in 1979, was located on the basin rim and the Cretaceous and Jurassic sections were completely absent. The Tertiary in the well was underlain by a Carboniferous section that lacked effective reservoirs. The 35/19 well, Britoil 1985, was drilled to test Upper Jurassic sandstones on a complex fault structure, but failed due to lack of effective reservoir. This well encountered thin poor quality sands at the base of the Cretaceous.

Well 35/30-01 was drilled by Marathon in 1997, in 699m of water and a total depth of 4,475m targeting a Late Jurassic reservoir – but while there were oil shows this failed for lack of reservoir effectiveness in the target interval. There do not appear to be any reservoir intervals within the Tertiary or Cretaceous sections of the well.

Outcome of seismic work:
Bréanann data processing to high quality standards proved more time-consuming, though less costly than originally contemplated. The final processed data were delivered by Down Under Geosolutions at end January 2018. This imposed a tight time-frame for interpretation, as the extended phase 1 of FEL 3/14 was due to expire at end August 2018, meaning that the partners would have needed to inform the authorities of their intention to continue into the 2nd phase by end May 2018 (the standard 3 months' notice). This is a standard condition in Irish FEL contracts.

The work completed under this tight time-frame by the operator did not, in their opinion confirm the type of large drill targets at modest depths (< 4k metres), close to source rock that our partners were targeting. Accordingly, Petrel has expedited contingency plans for possible changes in shareholdings and operatorship.

The Operator's interpretation and model posed fundamental questions about FEL 3/14's prospectivity:

- reduced trap size,
- significant trap risk, even following the 3D seismic, and
- burial depth reducing reservoir effectiveness.
- a lack of adequate sand input into the basin in latest Jurassic - earliest Cretaceous times

The Operator's Technical Committee did not consider that additional work, data, or application of technology would materially enhance the prospectivity evaluation. Additional attribute analysis, including inversion, techniques had also been considered for the data, but based on results from adjacent blocks the operator judged that these would not significantly aid evaluation. However, Petrel believes that, with further time to evaluate prospects other techniques could have been considered.

Given the limited amount of useful reservoir data available from the surrounding wells, the operator was obliged to apply internally-generated averages derived from their worldwide operations. Operator standard practice uses evidence-based risking at the play and prospect levels. Where unique observations are seen, then the risk profile can be considered to fit geologic models. Where these observations are absent, evidence-based risking is applied. But it is uncertain that local conditions actually fit in with a global data base. Rock conditions vary across regions and circumstances. There have been several recent deep discoveries in other parts of the world, such as deep water Gulf of Mexico and Brazilian sub-salt where porosity and other reservoir conditions were shown to be better than initially modelled.

Following Woodside Energy's withdrawal from 31st August 2018, Petrel is exploring options of continuing with the FEL 3/14 in order to determine whether new partners may be available. This would require close cooperation with the authorities, including transfer of the 85% current partner's interest – which is not automatic.

Operations Review *(continued)*
for the financial year ended 31 December 2017

If this is feasible, our preferred approach would be a further extension to the First Phase of the FEL. Within this extension period Petrel would seek to define a significant prospect to almost drill-ready status, given that a company farming-in would have little time before the second phase deadline.

Petrel's identification and interpretation of a number of key seismic horizons differ from those of the operator, and using our pick would change some of the maps. Also, the change in depth conversions and dips between the 2D and 3D interpretations, that made such a difference to the prospect geometries, was surprisingly large and might repay further study. So far there has been limited attribute analysis or inversion applied to the data. These techniques could lead to the recognition of other porous zones and targets within the stratigraphic section. There is an opportunity re-map all key horizons, including in the neglected Tertiary – which have the advantage of lower depth and proven reservoirs, albeit with the issue of greater distance from the demonstrated Jurassic source rock.

Re-mapping and inversion work could change the prospect dimensions and identify new prospects. Yet we cannot guarantee that the improvement would be sufficiently large and drill-defined as to attract partners ready to drill in this water depth.

FEL 11/18

After the period under review Petrel acquired, at no cost, a 10% working interest in the strategic, new FEL 11/18, about 150km south-west of Kerry/Cork. FEL 11/18 covers circa 1,579km^2 of acreage which we believe to be the 'filet mignon' of the Porcupine Basin, combining a number of play types in reasonable water and rock depths.

Our 10% stake brings access to all historic data, as well as the circa 1,600km^2 of state-of-the-art 3D seismic Granuaile programme acquired (during the Licensing Option 16/14 phase) under ideal conditions during summer 2016, and now being interpreted, following thorough processing at Down Under Geosolutions, in Perth. This much-sought FEL 11/18 offers a number of enticing play types, especially of late Jurassic / early Cretaceous age.

2015 Irish Atlantic Bid Round Licensing Options

Petrel Resources plc had applied for acreage in the Irish 2015 Atlantic Licensing Round based on a re-appraisal of the Porcupine Basin that used a large legacy seismic and well database supplemented by newly acquired data.

In June 2016 Petrel was awarded 924 km^2 of prospective Irish Atlantic Porcupine Basin acreage by way of two Licensing Options in the 2015 Bid Round. This broke down into the north-western LO 16/24 and south-eastern LO 16/25.

Licensing Option 16/24:

- Petrel was attracted to the northwest of the basin by a number of promising geological and operational features, and was granted Licensing Option 16/24 covering Blocks 26/26, 26/27 (part), 35/1 and 35/2 (part).
- Since the award Petrel purchased additional 2D seismic lines (no 3D data are available in this area), and now holds a seismic dataset on the Option blocks and immediate contiguous area of 182 2D lines from 22 surveys comprising about 2,500 line km. Many of the lines are of early vintage.
- Further seismic re-interpretation, selected line re-processing and inversion, integrated with well analysis, have been conducted since the 2016 award.
- The Late Cimmerian erosion surface forms a northward-shallowing funnel shape across LO 16/24, with the possibility of pinch-out plays in the overlying Lower Cretaceous sequence.
- Water depths are relatively shallow (~500 metres) and drill depths to the recognized targets are <2,500m sub-mudline, and often considerably less.
- The best hydrocarbon flows on test within the basin were achieved in the contiguous blocks immediately to the east (Connemara, Spanish Point and Burren discoveries).
- Closed pinch-outs and mounded features have been mapped within the Lower Cretaceous sequence up to the Aptian that are capable individually of containing commercial recoverable volumes of oil in the range 190 to 380 million barrels.

Operations Review *(continued)*

for the financial year ended 31 December 2017

- Inversion studies have revealed porous zone associated with the main mapped prospects.

- Licensing Option 16/24 includes 664 km^2 bordering the Connemara oil-field discovered by BP in 1983. Though BP, and later Statoil (now known as 'Equinor'), did not flow enough oil from the discovery to be commercial, the proximity to mobile oil enhances our acreage.

- Petrel's LO 16/24 work confirmed that this acreage has good potential. Our technical staff hope to upgrade it sufficiently to tempt someone in to carry out a seismic survey in the initial 3-year period of a FEL - an easier task than getting a company to give a well commitment.

- Petrel has proposed a work programme to the authorities in order to move into the FEL phase.

Licensing Option 16/25

- Petrel Resources plc applied for three blocks of acreage in the 2015 Atlantic Licencing Round based on a re-appraisal of the Porcupine Basin that used a large legacy seismic and well database supplemented by newly acquired data.

- The company was attracted to the eastern margin of the basin by experience in FELs 3/14 and 4/14 to the north, but was granted Licence Option 16/25 covering Block 45/27 only.

- The 2015 Bid Round was particularly competitive, with major work programmes bid by competing companies. As a result, Petrel was awarded just 33% of the acreage targeted, and excluding some of the priority acreage. The resulting acreage did not give enough running room to entice a larger company to commit to a new 3D seismic programme, to be followed by possible well commitments.

- Since the award Petrel has purchased an additional 2,187 line km of 2D seismic data (no 3D data are available in this area), and now holds a seismic dataset on the Option block and immediate contiguous area of 2,548 line km.

- Further seismic re-interpretation, selected line acoustic inversion, integrated with well analysis, has been carried out since the award.

- Water depths range from 650m in the east of the block to 1,450 m in the west, and drill depths to the recognized targets at different stratigraphic levels are in the range 1,750 m to 4,700m sub-sea level.

- Structural closures have been mapped at both Apto-Aptian and Palaeogene levels, but depend on fault seal against the basin margin fault.

- Inversion studies have revealed porous zones associated with the main mapped prospects.

- Closed pinch-outs have been mapped within the Lower Cretaceous sequence that are capable individually of containing commercial recoverable volumes of up to 160 million barrels. These are sub-economic, at current oil and gas prices and development costs.

- Accordingly, Petrel did not propose to the authorities to move into the FEL phase.

Farm-in process

Petrel Resources plc sought partners to explore and develop Irish Licensing Option 16/24, with identified leads close to mobile oil at the BP-discovered Connemara oil-field, in the northwest Porcupine Basin of the Irish Atlantic Margin.

Our Licensing Option 16/24 work programme included the acquisition, reprocessing and re-interpretation of historic seismic not already in Petrel's database. These North-Western Porcupine Basin blocks would ordinarily constitute a well-located holding offering majors a tempting farm-in at a time of renewed interest.

Regulatory issues

Unfortunately, the Oireachtas (Irish Parliament) legislative activities have undermined our efforts and raised uncertainty firstly by banning onshore fracking in 2017, and latterly allowing the first reading of a 'keep it in the ground' Friends of the Earth initiative to stop future oil & gas licences.

Operations Review *(continued)*
for the financial year ended 31 December 2017

Ironically, these bills should have little enduring impact on our activities, as all of our exploration acreage is offshore, and so not impacted by any onshore ban of hydraulic fracturing (commonly called 'fracking'). Nonetheless, the fact that an independent legislature in a scientifically aware jurisdiction would contemplate such a ban, irrespective of proposed fracking depth and geological complexity, sends the wrong signal about security of tenure to companies contemplating risk investments.

Similarly, the fact that a hung parliament (albeit with a stable 'confidence and supply' arrangement in place) would allow a 2nd reading, in committee stage, of even an illogical and counter-productive bill to ban future licence awards, was a major impediment coming at a critical time in our farm-our discussions. From the perspective of international majors, there are easier places to work where the people and authorities value energy independence, jobs and revenues.

About 89% of Ireland's primary energy mix is fossil fuels (despite wind lobbyist claims, only 10% of primary energy is renewables and 1% hydro power). All Ireland's oil is imported and circa 45% of its gas consumption.

In this Ireland is not unusual: 88% of the world's primary energy mix is fossil fuels – which is slightly up over the last 15 years due to the relative decline in market share of nuclear and hydro power.

Therefore it should be a national priority to reduce import dependence.

Instead, a Friends of the Earth initiative to 'keep fossil fuels in the ground', led to a Bill passing the 1st stage in Dáil Éireann, with a Committee stage scheduled for July 2018.

But how is it more environmentally friendly to burn gas that has been piped from Siberia rather than gas produced locally? Over 15% of the imported gas is depleted to power compressors and pay transit fees en route. Opponents of exploration are thus increasing greenhouse emissions by circa 15%.

Intermittent renewables need 100% reliable immediately available back-up. In Ireland this effectively means gas-fired generators. Thus limiting the gas supply undermines the viability of wind and solar energy.

Inconsistently, the opponents simultaneously argue that the State has 'given away' the resources to oil companies – only for citizens to have to buy petroleum products back at market rates. So critics are against finding or exploiting new hydrocarbons but want the State to own hydrocarbons, and sell them at below market rates.

Most doubt that such tree-hugger initiatives could make it into law, but in 2017 Dáil Éireann passed a blanket prohibition on onshore hydraulic fracturing, even though nobody proposed fracking wells at depths shallower than 1,000 metres. In Ireland no water well taps aquifers below 290 metres. No vertical fractures extend more than 300m, so limiting fracking depth to below 1,000m, with normal environmental protection, eliminates any danger.

Meanwhile policy-makers ignore profound changes in the energy market. Oil output cut compliance is over 100%. Exploration expenditure has been slashed, projects delayed, and there is now only 1% global spare capacity.

Oil stocks, which were at record highs in 2016, are now returning to normal levels – following the OPEC + Russia output cuts. Unexpectedly, the Saudi-Russian marriage of convenience has survived, with the Saudi Crown Prince now committed to a 20-year arrangement. For the first time, this effectively co-opts Russia into OPEC.

The world economy is growing, while several oil producers struggle

A 2002 Venezuelan Oil workers' strike ignited the last major price surge. Another such strike looms, as Venezuela suffers hyper-inflation, chaos and malnutrition. Venezuela's melt-down effectively eliminates the global safety reserve.

Venezuelan output collapsed from 3.35 million barrels daily when Chávez came to power in 1999 to under 1.5 in 2018. This is due to ideological myopia, corruption and mismanagement, purging staff from the National Oil Company.

Yet policy makers act as if stocks remain high and there is surplus capacity sloshing around the system.

Operations Review *(continued)*
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The only available capacity is in Saudi Arabia, Kuwait and the UAE. Iran is struggling to maintain output – due to a sanctions hangover from Trump's election and poor fiscal terms worsening investor worries. Iraq faces infrastructure problems that will take a decade to resolve after nearly 40 years of conflict and sanctions. Nigeria and Libya remain embroiled in conflict in which oil assets are fought over and output stolen. Angola is declining with problems at its major fields.

Ireland needs to develop its own energy resources and cultivate relations with existing suppliers. It should encourage new investors rather than provoking unwarranted concerns.

Ghanaian Tano Basin Petroleum Agreement
Petrel Resources plc holds a 30% interest in a Signed Petroleum Agreement on Tano 2A Block, held via a Ghanaian law limited company ('Pan Andean Resources Limited'):

As of mid-2018, the Ghanaian economy is emerging from a difficult correction, with more pro-business policies being pursued by the new NPP Government.

The Ministry of Energy confirmed in May 2018 that Ghana plans to award nine western offshore petroleum blocks, 6 during 2018 and 3 in 2019 "through a mix of open competitive tender and direct negotiations".

Our Petroleum Agreement was signed, as required under Ghanaian law, by a Ghanaian limited company ('Pan Andean Resources Limited').

Pan Andean Resources Limited is 30% owned by Petrel Resources plc, 60% owned by Clontarf Energy plc - a sister company in the '162 Group', an Irish industrial / mining and petroleum investment group active in Africa and worldwide. The other 10% is held by Abbey Oil & Gas Ltd., a Ghanaian company.

Our focus has been on the western Tano Basin due to its proximity to current production of circa 180,000 barrels of oil daily, as well as existing infrastructure, including two gas pipelines, three operating production facilities with another Floating Production Storage and Offloading vessel (FPSO) expected by 2021.

The ratification process was delayed by the Ghanaian General and Presidential Election at end 2016 (originally scheduled for November, but finally occurring in December 2016), with officials and parliamentarians reluctant to sign-off shortly before a democratic change of government. The new, more business-friendly NPP administration took charge in January 2017, with parliamentary committees formed by end February 2017. It was an earlier NPP administration which had signed the original Memorandum of Understanding and Heads of Agreement with our group shortly before the end 2008 Ghanaian General and Presidential Election. The new Minister of Energy is the Hon. Boakye Agyarko.

Ratification of the Signed Petroleum Agreement on Tano 2A Block
Now that the ratification process has been made a Ghanaian priority, we have applied for direct negotiations to finalize and implement our negotiated Petroleum Agreement on Tano 2A Block, with adjusted coordinates, in accordance with Section 10(9) of the Petroleum Exploration & Production Act 919, 2016.

The Pan Andean Group had originally signed a Memorandum of Understanding with GNPC on Tano 2A Block on 11th November 2008, and a Petroleum Agreement with GNPC on the Block in December 2008. This administration was led by the NPP, which returned to power in 2017.

We have since then acquired all Data available from GNPC and paid fully for same. We have now consolidated and integrated the GNPC Data with our regional database so as to expedite and focus the Exploration Work Programme.

Following 2017 meetings with the Ministry of Energy, the Ministry of Energy undertook to request that GNPC finalise any outstanding details, especially the revised Coordinates.

Accordingly, we submitted our proposed revised Coordinates. This included the remnant of the original Tano 2A Offshore Acreage, extended southwards into the open. If adjustments are necessary, we can dispense with the shallow north-eastern Area, so as to preserve deeper water areas.

Our Group has been coordinating with the Ministry, GNPC and other relevant Authorities for some years on the revised Open Tano Basin Acreage. We are keen to complete the Ratification Process, so as to start field-work and drive forward this important Project.

Operations Review *(continued)*

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Iraq's new dawn

Iraq has endured an almost continuous period of conflicts and/or sanctions since 1980, from which it is only now emerging.

Yet since 2017 the Federal Government in Baghdad has finally re-established its authority, firstly by decisively defeating the Da'esh insurgency in the west and north, and secondly by recovering the main Kirkuk oil-fields from the wayward Kurdish Regional Government in 2018. While isolated incidents continue periodically, Iraq is finally, for the first time, a working and feasible Arab democracy, with a long-suppressed economy poised to recover.

The successful general election of May 2018 was an encouraging milestone, with pro-business parties open to international investment polling well. As of June 2018, negotiations on new government formation are underway.

Accordingly, Petrel Resources plc is preparing to re-establish its Baghdad operations.

Petrel has dealt with the Iraqi Federal Government's Ministry of Oil since 1999. But given the delays and difficulties of dealing with the Federal authorities after 2010, Petrel Resources plc broadened its Iraqi investment in 2013 through acquiring a 20 per cent shareholding in Amira Hydrocarbons Wasit B.V. This deal gave Petrel an immediate effective 5 per cent carried interest through to production in exploration and production licences operated by Oryx Petroleum in Wasit. Oryx had allocated an initial $27 million to seismic acquisition and other work on this Wasit project.

The Wasit Governate had not been materially impacted by disturbances west and north of Baghdad. However, political stasis and the ongoing civil conflict frustrated necessary permitting, and consequently the Oryx work programme.

Under the deal, Petrel's exposure was a $0.5 million option price paid in 2013 if no wells are drilled and discoveries made. The shares granted will revert to Petrel after 5 years (i.e. during 2018) if drilling has not occurred. It was a calculated gamble on the possibility of Governate Contracts being recognised by the Federal Government and Iraqi people.

Therefore, during the period under review, Petrel was indirectly carried, by operator Oryx, on a petroleum contract by the Wasit Governate. As of June 2018, the necessary seismic and other permits had not been approved by the Federal Government in Baghdad, and little field-work has therefore been conducted. As was the traditional situation, it now seems likely that future contracts will be determined by the Federal authorities. Accordingly, we are recovering the Petrel Resources plc shares that had been allocated as part of the Wasit Governate contract. If the provincial opportunity appears to be closing, much bigger opportunities to deal with the Federal Government are re-opening.

The Iraqi oil industry has experienced an extended period of insecurity and legal uncertainty since 2003. Production from southern Iraq remains resilient, at c. 4.47 million barrels daily (as of May 2018), down from the 4.75 record at the time of the OPEC + Russia oil output cuts, agreed in November 2016, in which Iraq participated. Overall compliance has been impressive so far (greater than the OPEC cuts agreed of 1.45 million barrels daily, and greater even the total exporter cuts agreed of 1.8 million barrels daily). Exporters have not cheated so far, even to fill the gap caused by a collapse in Venezuelan output since 2016. As of May 2018, OPEC output is 2.29 million barrels daily down from the level of November 2016. Therefore, Iraq – with its partners - has benefited from 68% higher prices at the loss of only 6% of its volume sales. Meanwhile, oil demand consumption is surging by 1.5% - though US 'tight oil' output is also growing.

Petrel retains its interest in the Western Desert Block 6 exploration & development contract, as well as the Technical Cooperation Agreement on the Merjan oil-field. Petrel has shown that it can operate under prevailing circumstances.

Since 2014 much of the Iraqi western desert has been threatened or controlled by extremist insurgents opposed to western involvement. That challenging situation is now improving.

Directors' Report

for the financial year ended 31 December 2017

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The main activity of Petrel Resources plc and its subsidiaries (the Group) is oil and gas exploration. The Group has exploration interests in Iraq, Ghana and Ireland.

Further information concerning the activities of the Group during the financial year and its future prospects is contained in the Chairman's Statement and Review of Operations.

RESULTS FOR THE FINANCIAL YEAR

The consolidated loss after taxation for the financial year, transferred to reserves, amounted to €4,392,185 (2016: loss of €256,505). The total exchange difference transferred to reserves is loss (€321,858) (2016:gain €66,830). The translation reserve comprises foreign exchange movement on translation from US Dollars (functional currency) to Euro (presentation currency).

The directors do not recommend that a dividend be declared for the financial year ended 31 December 2017 (2016: €Nil) and no interim payments were made during the financial year (2016: €Nil).

PERFORMANCE REVIEW

The performance review is set out in the Chairman's Statement and Review of Operations.

DIRECTORS COMPLIANCE STATEMENT

The directors, in accordance with Section 225(2)(a) of the Companies Act 2014 (the "Act"), acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations." "Relevant obligations", in the context of the Company, are the Company's obligations under:

(a) the Act, where a breach of the obligations would be a category 1 or category 2 offence;
(b) the Act, where a breach of the obligation would be a serious Market Abuse or Prospectus offence; and
(c) tax law.

Pursuant to Section 225(2)(b) of the Act, the directors confirm that:

- the Company has drawn up a statement setting out the Company's policies that are in the opinion of the directors appropriate with respect to the Company complying with its relevant obligations;
- there are appropriate arrangements and structures in place designed to secure material compliance with the Company's relevant obligations.

The directors confirm that the above sections have been complied with.

RISKS AND UNCERTAINTIES

The Group is subject to a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectation. The management of risk is the collective responsibility of the Board of Directors and the Group has developed a range of internal controls and procedures in order to manage risk. The following risk factors, which are not exhaustive, are the principal risks relevant to the Group's activities:

Risk	**Nature of risk and mitigation**
Licence obligations	Operations must be carried out in accordance with the terms of each licence agreed with the relevant ministry for natural resources in the host country. Typically, the law provides that operations may be suspended, amended or terminated if a contractor fails to comply with its obligations under such licences or fails to make timely payments of relevant levies and taxes. The Group has regular communication and meetings with relevant government bodies to discuss future work plans and receive feedback from those bodies. Country Managers in each jurisdiction monitor compliance with licence obligations and changes to legislation applicable to the company and reports as necessary to the Board.

Directors' Report *(continued)*

for the financial year ended 31 December 2017

RISKS AND UNCERTAINTIES ***(continued)***

Risk	Nature of risk and mitigation
Requirement for further funding	The Group may require additional funding to implement its exploration and development plans as well as finance its operational and administrative expenses. There is no guarantee that future market conditions will permit the raising of the necessary funds by way of issue of new equity, debt financing or farming out of interests. If unsuccessful, this may significantly affect the Group's ability to execute its long-term growth strategy. The Board regularly reviews Group cash flow projections and considers different sources of funds. The Group regularly meets with shareholders and the investor community and communicates through their website and regulatory reporting.
Geological and development risks	Exploration activities are speculative and capital intensive and there is no guarantee of identifying commercially recoverable reserves. The Group activities in Ghana, Iraq and Ireland are in proven resource basins. The Group uses a range of techniques to minimise risk prior to drilling and utilises independent experts to assess the results of exploration activity.
Title to assets	Title to oil and gas assets in Ghana and Iraq can be complex. The Directors monitor any threats to the Group's interest in its licences and employ the services of experienced and competent lawyers in relevant jurisdictions to defend those interests, where appropriate.
Exchange rate risk	The Group's expenses, which are primarily to contractors on exploration and development, are incurred primarily in US Dollars but also in Sterling and Euros. The Group's policy is to conduct and manage its operations in US Dollars and therefore it is exposed to fluctuations in the relative values of the Euro and Sterling. The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates and maintaining a level of cash in foreign denominated currencies sufficient to meet planned expenditure in that currency.
Political risk	The Group holds assets in Ghana, Iraq and Ireland and therefore the Group is exposed to country specific risks such as the political, social and economic stability of these countries. The countries in which the Group operates are encouraging foreign investment. The Group's projects are longstanding and we have established strong relationships with local and national government which enable the Group to monitor the political and regulatory environment.
Financial risk management	Details of the Group's financial risk management policies are set out in Note 19.

In addition to the above there can be no assurance that current exploration programmes will result in profitable operations. The recoverability of the carrying value of exploration and evaluation assets is dependent upon the successful discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Group to raise additional financing, if necessary, or alternatively upon the Group's and company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write down of the carrying values of the Group's assets.

Directors' Report *(continued)*

for the financial year ended 31 December 2017

KEY PERFORMANCE INDICATORS

The Group reviews expenditure incurred on exploration projects and successes thereon, ongoing operating costs and availability of finance.

DIRECTORS

The current directors are listed on the inside back cover.

The directors, who served at any time during the financial year except as noted, were as follows:

John Teeling
David Horgan
A. Kayablian

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The directors and secretary holding office at 31 December 2017 held the following beneficial interests in the shares of the company:

	31/12/2017 Ordinary Shares of €0.0125 Number	**31/12/2017 Options - Ordinary Shares of €0.0125 Number**	1/1/2017 Ordinary Shares of €0.0125 Number	1/1/2017 Options - Ordinary Shares of €0.0125 Number
J. Teeling	**5,415,000**	**100,000**	5,415,000	100,000
D. Horgan	**4,215,384**	**150,000**	4,215,384	150,000
J. Finn (Secretary)	**1,785,385**	**100,000**	1,785,385	100,000
A. Kayablian***	**-**	**-**	-	-

***(A. Kayablian is also a director of Amira International Holdings Limited)

There have been no changes to the directors' interests between the financial year end and the date of this report.

SUBSTANTIAL SHAREHOLDINGS

The share register records that, in addition to the directors, the following shareholders held 3% or more of the issued share capital as at 31 December 2017 and 20 June 2018:

	20 June 2018 Number of Ordinary Shares	**%**	31 December 2017 Number of Ordinary Shares	%
Amira International Holdings Limited	16,147,368	16.20%	16,147,368	16.20%
Citibank Nominees (Ireland) Limited (CLRLUX)	9,278,128	9.31%	9,204,530	9.23%
Interactive Investor Services Nominees Limited (SMKTNOMS)	4,499,275	4.51%	4,749,898	4.77%
HSDL Nominees Limited	3,912,917	3.93%	3,857,341	3.87%
Barclays Direct Investing Nominees Limited	3,059,984	3.07%	3,387,479	3.40%

Directors' Report *(continued)*

for the financial year ended 31 December 2017

FINANCIAL RISK MANAGEMENT

Details of the Group's financial risk management policies are set out in Note 19 to the financial statements.

GOING CONCERN

Information in relation to going concern is outlined in Note 3.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The company's securities are traded on the AIM Market of the London Stock Exchange ("AIM"). In line with recent amendments to the AIM Rules for Companies which take effect from 28 September 2018 the company has decided to adopt the QCA Corporate Governance Code and will ensure compliance with the new AIM rules ahead of the deadline.

The Board is committed to maintaining high standards of corporate governance and to managing the company in an honest and ethical manner.

The Board approves the Group's strategy, investment plans and regularly reviews operational and financial performance, risk management, and Health, Safety, Environment and Community (HSEC) matters.

The Chairman is responsible for the leadership of the Board, whilst the Executive Directors are responsible for formulating strategy and delivery once agreed by the Board.

The Group aims to maximise use of natural resources, such as energy and water, and is committed to full investment as part of its environmental obligations where applicable.

The Group works toward positive and constructive relationships with government, neighbours and the public, ensuring fair treatment of those affected by the Group's operations. In particular, the Group aims to provide employees with a healthy and safe working environment whilst receiving payment, that enables them to maintain a reasonable lifestyle for themselves and their families.

SUBSIDIARIES

Details of the company's significant subsidiaries are set out in Note 14 to the financial statements.

CHARITABLE AND POLITICAL DONATIONS

The company made no charitable or political donations during the financial year.

ACCOUNTING RECORDS

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, the directors have involved appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 162 Clontarf Road, Dublin 3.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the directors in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The Directors have taken have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' Report *(continued)*

for the financial year ended 31 December 2017

SUBSEQUENT EVENTS

As stated in Note 24, there were no material subsequent events.

AUDITORS

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board and signed on its behalf by:

John Teeling	David Horgan
Director	Director

Date: 22 June 2018

Directors' Responsibility Statement

for the financial year ended 31 December 2017

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Parent Company and the Group Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Irish legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Petrel Resources Plc

for the financial year ended 31 December 2017

Opinion on the financial statements of Petrel Resources Plc (the 'company')

In our opinion the group and parent company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2017 and of the loss of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

the group financial statements:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Cash Flow Statement; and
- the related notes 1 to 25, including a summary of significant accounting policies as set out in note 1.

the parent company financial statements:

- the Company Balance Sheet;
- the Company Statement of Changes in Equity;
- the Cash Flow Statement; and
- the related notes 1 to 25, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, as applied to SME listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to Note 3 in the financial statements concerning the group's and parent company's ability to continue as a going concern. The group and parent company incurred a loss for the financial year of €4,392,185 and had net current liabilities of €185,740 and €189,522 respectively.

In response to this, we:

- obtained an understanding of the group's controls over the preparation of cashflow projections and approval of the projections and assumptions used in the cash flow forecasts to support the going concern assumption and assessed the design and implementation of these controls;
- tested the key assumptions used in the cash flow forecasts by agreement to historical run rates, expenditure commitments and other supporting documentation;
- performed sensitivity analysis on the cash flow forecasts to assess the amount of headroom;
- tested the clerical accuracy of the cash flow forecast model; and
- assessed the adequacy of the disclosures in the financial statements.

Independent Auditor's Report to the Members of Petrel Resources Plc *(continued)*

for the financial year ended 31 December 2017

As stated in note 3, these events or conditions along with other matters as set forth in note 3, indicate that a material uncertainity exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • *Realisation of Assets – Group and Parent* *Going Concern (see material uncertainty relating to going concern section)* Within this report, any new key audit matters are identified with and any key audit matters which are the same as the prior year identified with .
Materiality	The materiality that we used in the current year was €65,000, which was determined as a percentage of the carrying value of intangible assets.
Scoping	We identified one significant component, which was the holding company Petrel Resources Plc, and a full audit was carried out on this component.
Significant changes in our approach	No significant changes in our audit approach.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
In addition to the matter described in the material uncertainty relating to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Realisation of Assets – Group and Parent	
Key audit matter description	As at 31 December 2017, the carrying value of intangible assets and financial assets included in the consolidated balance balance sheet amounted to €2,179,283 and Nil (2016: €2,138,159 and €4,211,123) (company €2,168,046 (2016: €2,126,922)). During the year the directors recognised an impairment charge of €4,094,804 which represented the full carrying value of financial assets leaving the remaining carrying value of €nil at the balance sheet date. As disclosed in notes 12 and 13 to the financial statements, the realisation of these assets is dependent on the discovery and the successful development of economic reserves. Refer to the accounting policies included within note 1 to the financial statements and the disclosures included within notes 12 and 13
How the scope of our audit responded to the key audit matter	We inspected the documentation around the licences and considered and challenged the directors' assessment of indicators of impairment in relation to these exploration and evaluation assets, which could impact the realisation of the remaining intangible assets. We performed a review of the board of directors' minutes of meetings and press releases in relation to the status of the exploration activities and funding strategies, including a review of the budgeted expenditure for the next 12 months. We also considered the adequacy of the disclosures included in the financial statements.

Independent Auditor's Report to the Members of Petrel Resources Plc *(continued)*

for the financial year ended 31 December 2017

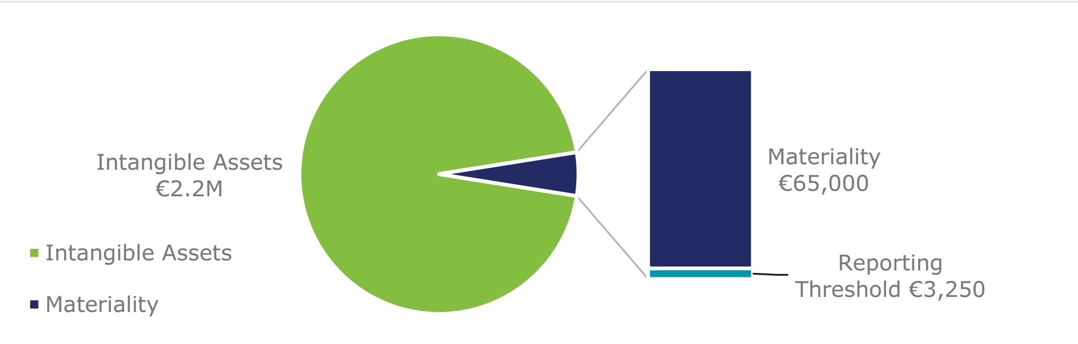
Key observations	An material uncertainty exists in relation to the ability of the group to realise the exploration and evaluation assets capitalised as intangible assets. As noted above, the realisation of these assets is dependent on the discovery and the successful development of economic reserves and the ability of the group to raise sufficient finance to develop the projects. The financial statements do not include any adjustments relating to this uncertainty and the ultimate outcome cannot, at present, be determined. Our opinion is not modified in respect of this matter.

Our audit procedures relating to above matter were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the group to be €65,000 which is approximately 3% of intangible assets. We have considered the intangibles assets to be the critical component for determining materiality because intangible assets equate to 85% of the group's total assets. We have considered quantitative and qualitative factors such as understanding the entity and its environment, history of mistatements, complexity of the company and reliabity of control environment.



We agreed with the Board of Directors that we would report to them any audit differences in excess of €3,250, as well as differences below that threshold which, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

In approaching the audit, we considered how the group is organised and managed. We identified one significant component, which was the holding company Petrel Resources Plc, and a full audit was carried out on this component.
Component materiality levels applicable the component was lower than group materiality.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Reports and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Petrel Resources Plc *(continued)*

for the financial year ended 31 December 2017

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the (consolidated) financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

Independent Auditor's Report to the Members of Petrel Resources Plc *(continued)*

for the financial year ended 31 December 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.
- The parent company's balance sheet is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Sinéad McHugh
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 22 June 2018

Consolidated Statement of Comprehensive Income

for the financial year ended 31 December 2017

	Notes	2017 €	2016 €
CONTINUING OPERATIONS			
Administrative expenses	5	**(297,381)**	(257,675)
Impairment of investments	12	**(4,094,804)**	-
OPERATING LOSS		**(4,392,185)**	(257,675)
Investment revenue	4	**-**	1,170
LOSS BEFORE TAXATION	5	**(4,392,185)**	(256,505)
Income tax expense	10	**-**	-
LOSS FOR THE FINANCIAL YEAR: all attributable to equity holders of the parent		**(4,392,185)**	(256,505)
Other comprehensive income		**-**	-
Items that may be reclassified subsequently to profit or loss		**-**	-
Exchange differences		**(321,858)**	66,830
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		**(4,714,043)**	(189,675)
Loss per share – basic and diluted	11	**(4.40c)**	(0.26c)

Consolidated Balance Sheet
as at 31 December 2017

	Notes	2017 €	2016 €
ASSETS			
NON-CURRENT ASSETS			
Financial Asset	12	**-**	4,211,123
Intangible assets	13	**2,179,283**	2,138,159
		2,179,283	6,349,282
CURRENT ASSETS			
Trade and other receivables	15	**27,573**	23,003
Cash and cash equivalents	16	**371,380**	745,195
		398,953	768,198
TOTAL ASSETS		**2,578,236**	7,117,480
CURRENT LIABILITIES			
Trade and other payables	17	**(584,693)**	(409,894)
NET CURRENT (LIABILITIES)/ASSETS		**(185,740)**	358,304
NET ASSETS		**1,993,543**	6,707,586
EQUITY			
Called-up share capital	20	**1,246,025**	1,246,025
Capital conversion reserve fund		**7,694**	7,694
Share premium	20	**21,416,085**	21,416,085
Share based payment reserve	21	**26,871**	26,871
Translation reserve		**399,461**	721,319
Retained deficit		**(21,102,593)**	(16,710,408)
TOTAL EQUITY		**1,993,543**	6,707,586

The financial statements were approved and authorised for issue by the Board of Directors on 22 June 2018 and signed on its behalf by:

John Teeling
Director

David Horgan
Director

Company Balance Sheet
as at 31 December 2017

	Notes	2017 €	2016 €
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	13	**2,168,046**	2,126,922
Investment in subsidiaries	14	**15,019**	15,019
Investment in subsidiaries	14	**2,183,065**	2,141,941
CURRENT ASSETS			
Trade and other receivables	15	**23,791**	4,230,344
Cash and cash equivalents	16	**371,380**	745,195
		395,171	4,975,539
TOTAL ASSETS		**2,578,236**	7,117,480
CURRENT LIABILITIES			
Trade and other payables	17	**(584,693)**	(409,894)
NET CURRENT ASSETS (LIABILITIES)/ASSETS		**(189,522)**	4,565,645
NET ASSETS		**1,993,543**	6,707,586
EQUITY			
Called-up share capital	20	**1,246,025**	1,246,025
Capital conversion reserve fund		**7,694**	7,694
Share premium	20	**21,416,085**	21,416,085
Share based payment reserve	21	**26,871**	26,871
Translation reserve		**399,461**	721,319
Retained deficit		**(21,102,593)**	(16,710,408)
TOTAL EQUITY		**1,993,543**	6,707,586

The loss for the financial year ended 31 December 2017 was €4,392,185 (2016: €256,505).

The financial statements were approved and authorised for issue by the Board of Directors on 22 June 2018 and signed on its behalf by:

John Teeling
Director

David Horgan
Director

Consolidated and Company Statements of Changes in Equity

for the financial year ended 31 December 2017

Group and company

	Share Capital €	Share Premium €	Capital Conversion Reserve Fund €	Share Based Retained Deficit €	Translation Reserve €	Retained Deficit €	Total €
At 1 January 2016	1,246,025	21,416,085	7,694	26,871	654,489	(16,453,903)	6,897,261
Total comprehensive income for the financial year	-	-	-	-	66,830	(256,505)	(189,675)
At 31 December 2016	1,246,025	21,416,085	7,694	26,871	721,319	(16,710,408)	6,707,586
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**(321,858)**	**(4,392,185)**	**(4,714,043)**
At 31 December 2017	**1,246,025**	**21,416,085**	**7,694**	**26,871**	**399,461**	**(21,102,593)**	**1,993,543**

Share premium

Share premium comprises of the excess of monies received in respect of the issue of share capital over the nominal value of shares issued.

Capital conversion reserve fund

The ordinary shares of the company were renominalised from €0.0126774 each to €0.0125 each in 2001 and the amount by which the issued share capital of the company was reduced was transferred to the capital conversion reserve fund.

Share based payment reserve

The share based payment reserve represents share options granted which are not yet exercised and issued as shares.

Translation Reserve

The translation reserve comprises of foreign exchange movement on translation from US Dollars (functional currency) to Euro (presentation currency).

Retained deficit

Retained deficit comprises accumulated losses in the current and prior financial years.

Consolidated Cash Flow Statement

for the financial year ended 31 December 2017

	Notes	2017 €	2016 €
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the financial year		**(4,392,185)**	(256,505)
Write off of financial asset		**4,094,804**	-
Investment revenue recognised in profit or loss		**-**	(1,170)
OPERATING CASHFLOW BEFORE MOVEMENTS IN WORKING CAPITAL		**(297,381)**	(257,675)
Movements in working capital:			
Increase in trade and other payables		**129,799**	49,285
Increase in trade and other receivables		**(4,570)**	(3,800)
CASH USED IN OPERATIONS		**(172,152)**	(212,190)
Investment revenue		**-**	1,170
NET CASH USED IN OPERATING ACTIVITIES		**(172,152)**	(211,020)
INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		**(259,161)**	(160,699)
Funds on disposal of financial assets		**116,319**	-
NET CASH USED IN INVESTING ACTIVITIES		**(142,842)**	(160,699)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(314,994)**	(371,719)
Cash and cash equivalents at beginning of financial year		**745,195**	1,111,257
Effect of exchange rate changes on cash held in foreign currencies		**(58,821)**	5,657
Cash and cash equivalents at end of financial year	16	**371,380**	745,195

Company Cash Flow Statement

for the financial year ended 31 December 2017

	Notes	2017 €	2016 €
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the financial year		**(4,392,185)**	(256,505)
Allowance against loan Petrel (TCI)		**4,094,804**	-
Investment revenue recognised in loss		**-**	(1,170)
OPERATING CASHFLOW BEFORE MOVEMENTS IN WORKING CAPITAL		**(297,381)**	(257,675)
Movements in working capital:			
Increase in trade and other payables		**129,799**	49,285
Decrease/(Increase) in trade and other receivables		**111,749**	(3,800)
CASH USED IN OPERATIONS		**(55,833)**	(212,290)
Investment revenue		**-**	1,170
NET CASH USED IN OPERATING ACTIVITIES		**(55,833)**	(211,020)
INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		**(259,161)**	(160,699)
NET CASH USED IN INVESTING ACTIVITIES		**(259,161)**	(160,699)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(314,994)**	(371,719)
Cash and cash equivalents at beginning of financial year		**745,195**	1,111,257
Effect of exchange rate changes on cash held in foreign currencies		**(58,821)**	5,657
Cash and cash equivalents at end of financial year	16	**371,380**	745,195

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

1. PRINCIPAL ACCOUNTING POLICIES

The significant accounting policies adopted by the Group and company are as follows:

Basis of preparation
The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union.

The consolidated financial statements are presented in Euro.

(i) Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union.

The financial statements are prepared in accordance with Companies Act 2014.

The financial statements of Petrel Resources Company Plc ("the company") have been prepared in accordance with IFRS as applied in accordance with the Companies Act 2014.

The company is a public limited company incorporated and domiciled in Ireland, the number under which it is registered is 92622. The address of its registered office is 162 Clontarf Road, Dublin 3.

(ii) Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities or is exposed, or has any right to, variable return from its involvement with the investee.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

(iii) Investment in subsidiaries
Investments in subsidiaries are stated at cost less any allowance for impairment.

(iv) Intangible assets

Exploration and evaluation assets
Exploration expenditure relates to the initial search for mineral deposits with economic potential in Ireland and Ghana. Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential.

The costs of exploration properties and leases, which include the cost of acquiring prospective properties and exploration rights and costs incurred in exploration and evaluation activities, are capitalised as intangible assets as part of exploration and evaluation assets.

Exploration costs are capitalised as an intangible asset until technical feasibility and commercial viability of extraction of reserves are demonstrable, when the capitalised exploration costs are re-classed to property, plant and equipment. Exploration costs include an allocation of administration and salary costs (including share based payments) as determined by management, where they relate to specific projects.

Prior to reclassification to property, plant and equipment exploration and evaluation assets are assessed for impairment and any impairment loss is recognised immediately in the statement of comprehensive income.

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

1. PRINCIPAL ACCOUNTING POLICIES ***(continued)***

Impairment of intangible assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The Company reviews and tests for impairment on an ongoing basis and specifically if any of the following occurs:

a) the period for which the group has a right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
b) substantive expenditure on further exploration for and evaluation of oil or gas resources in the specific area is neither budgeted nor planned;
c) exploration for an evaluation of resources in the specific area have not led to the discovery of commercially viable quantities of oil or gas resources and the group has decided to discontinue such activities in the specific area; and
d) sufficient data exists to indicate that although a development in the specific area is likely to proceed the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(v) Foreign currencies

The financial statements of the Company are maintained in the currency of the primary economic environment in which it operates (its functional currency). The functional currency of the company is US Dollars. However, for the purpose of the consolidated financial statements, the results and financial position of the Company and Group are expressed in Euro (the presentation currency). This is for the benefit of the Company and Group's shareholders, the majority of whom reside in the Eurozone.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was re-determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of comprehensive income for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of comprehensive income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company and Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. All resulting exchange differences are recognised in other comprehensive income.

(vi) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on the taxable result for the financial year. Taxable result differs from net loss as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable result, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(vi) Taxation *(continued)*

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Unrecognised deferral tax assets are reassessed at each balance sheet date and are recognised to the event that it has become probable that future taxable projects will allow the deferred tax asset to be recovered.

(vii) Share-based payments

Equity settled share-based payments are measured at fair value at the date of grant. The fair value excludes the effect of non-market based vesting conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group and Company's estimate of shares that will eventually vest. At the balance sheet date the Group reviews its estimate of the nature of equity instruments expected to vest as a result of the effect of non-market based vesting conditions.

Where the value of the goods or services received in exchange for the share-based payment cannot be reliably estimated the fair value is measured by use of a Black-Scholes model.

(viii) Operating loss

Operating loss comprises general administrative costs incurred by the Company. Operating loss is stated before finance income, finance costs and other gains and losses.

(ix) Financial instruments

Financial assets and financial liabilities are recognised in the Group and Company balance sheet when the Group and Company becomes a party to the contractual provisions of the instrument.

Financial Assets

Financial assets are initially recognized at fair value. Subsequent measurement is at cost for equity instruments for which no quoted price exists on an active market and for which fair value cannot be reliably measured. If the recoverable amount falls below the carrying amount an impairment loss is recognized. Such losses are not reversed.

Trade and other receivables

Trade and other receivables are measured at initial recognition at invoice value, which approximates to fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the carrying value of the asset exceeds the recoverable amount. Subsequently, trade and other receivables are classified as loans and receivables which are measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and Company and short-term bank deposits with a maturity of three months or less from the date of placement.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

Trade payables are classified as financial liabilities, are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements *(continued)*
for the financial year ended 31 December 2017

1. PRINCIPAL ACCOUNTING POLICIES ***(continued)***

(ix) Financial instruments ***(continued)***

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(xi) Critical accounting judgments and key sources of estimation uncertainty

Critical judgments in applying the Group and Company accounting policies
In the process of applying the Group and Company accounting policies above, management has identified the judgmental areas as those that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below):

Exploration and evaluation
The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets.

Costs which can be demonstrated as project related are included within exploration and evaluation assets. Exploration and evaluation assets relate to exploration and related expenditure in Ireland, Iraq and Ghana.

The Group and Company's exploration activities are subject to a number of significant and potential risks including:

- Licence obligations;
- Funding requirements;
- Political and legal risks, including title to licence, profit sharing and taxation;
- Exchange note risk;
- Political risk;
- Financial risk management;
- Geological and development risks:

The recoverability of these exploration and evaluation assets is dependent on the discovery and successful development of economic reserves, including the ability to raise finance to develop future projects. Should this prove unsuccessful, the value included in the balance sheet would be written off as an impairment to the statement of comprehensive income.

Impairment of intangible assets
The assessment of intangible assets for any indications of impairment involves judgement. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that the carrying amount exceeds the recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

The assessment requires judgements as to the likely future commerciality of the assets and when such commerciality should be determined, future revenue and operating costs and the discount rate to be applied to such revenues and costs.

Deferred tax assets
The assessment of availability of future taxable profits involves judgement. A deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Notes to the Financial Statements *(continued)*
for the financial year ended 31 December 2017

1. PRINCIPAL ACCOUNTING POLICIES ***(continued)***

(xi) Critical accounting judgments and key sources of estimation uncertainty ***(continued)***

Going Concern
The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern assumption is dependent on finance being available for the continuing working capital requirements of the Group and Company and finance for the development of the Group's projects.

Key sources of estimation uncertainty
The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported in the statement of comprehensive income for the financial year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Intangible Assets
The assessment of intangible assets for any indication of impairment involves uncertainty. There is uncertainty as to whether the exploration activity will yield any economically viable discovery. Aspects of uncertainty surrounding the group's intangible assets include the amount of potential reserves, ability to be awarded exploration licences, and the ability to raise sufficient finance to develop the group's projects.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS
The Group did not adopt any new International Financial Reporting Standards (IFRS) or Interpretations in the year that had a material impact on the Group's Financial Statements.

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue, but not yet effective:

	Effective date
IFRS 9 – Financial Instruments	1 January 2018
IFRS 15 - Revenue from Contracts with Customers	1 January 2018
Amendments to IAS 40 Transfers of Investment Property	1 January 2018
IFRS 16 — Leases	1 January 2019
IFRS 9 Financial Instruments 2014	1 January 2019
IAS 19 Amendments	1 January 2019
Amendments to IAS 28 Long Term Interests in Associates and Joint Ventures	1 January 2019
IFRIC Interpretation 22 Foreign Currency Translation and Advance Consideration	1 January 2019
Annual Improvements to IFRS's 2015 – 2017 Cycle	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019

The Directors are currently assessing the impact in relation to the adoption of these Standards and Interpretations for future periods of the Group, however, at this point they do not believe they will have a significant impact on the financial statements of the Group in the period of initial application.

Notes to the Financial Statements *(continued)*
for the financial year ended 31 December 2017

3. GOING CONCERN

The Group and Company incurred a loss for the financial year of €4,392,185 (2016: loss of €256,505) and had a retained earnings deficit of €21,102,593 (2016 deficit of €16,710,408), at the balance sheet date leading to doubt about the Group and Company's ability to continue as a going concern.

Cashflow projections prepared by the directors indicate that the funds available are sufficient to meet the obligations of the group and company for at least 12 months from the date of approval of the financial statements.

The Group and Company had a cash balance of €371,380 (2016: €745,195) at the balance sheet date. Accordingly the directors are satisfied that it is appropriate to continue to prepare the financial statements of the Group and Company on the going concern basis, as the group has sufficient cash resources that can be used to develop exploration projects along with funding the day to day running of the Group. The financial statements do not include any adjustment to the carrying amount, or classification of assets and liabilities, which would be required if the Group or Company was unable to continue as a going concern.

4. INVESTMENT REVENUE

	2017	2016
	€	€
Interest on bank deposits	**-**	1,170

5. LOSS BEFORE TAXATION

The loss before taxation is stated after charging the following items:

		2017	2016
		€	€
Administrative expenses:			
Professional fees		**207,128**	158,366
Staff costs	- salaries	**67,848**	71,337
	- payroll taxes	**-**	-
Other administration expenses		**22,405**	27,972
		297,381	257,675

Details of auditors' and directors' remuneration are set out in Notes 6 and 7 respectively.

6. AUDITORS' REMUNERATION

Auditors' remuneration for work carried out for the Group and Company in respect of the financial year is as follows:

	2017	2016
	€	€
Group		
Audit of Group accounts	**18,000**	18,000
Other assurance services	**1,000**	1,000
Tax advisory services	**1,000**	1,000
Other non-audit services	**-**	-
Total	**20,000**	20,000

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

6. AUDITORS' REMUNERATION *(continued)*

	2017	2016
	€	€
Company		
Audit of individual company accounts	**9,500**	9,500
Other assurance services	**9,500**	9,500
Tax advisory services	**1,000**	1,000
Other non-audit services	**-**	-
Total	**20,000**	20,000

7. RELATED PARTY AND OTHER TRANSACTIONS

Group and Company

Directors' remuneration

The remuneration of the directors is as follows:

	2017 Fees – services as directors	2017 Fees – other services	2017 Total	2016 Fees – services as directors	2016 Fees – other services	2016 Total
	€	€	€	€	€	€
John Teeling	**5,000**	**25,000**	**30,000**	5,000	25,000	30,000
David Horgan	**5,000**	**25,000**	**30,000**	5,000	25,000	30,000
Arman Kayablian	**-**	**-**	**-**	-	-	-
	10,000	**50,000**	**60,000**	10,000	50,000	60,000

The number of directors to whom retirement benefits are accruing is nil. There were no entitlements to pension schemes or retirement benefits. Details of directors' interests in the shares of the company are set out in the Directors' Report.

Directors' remuneration accrued at financial year end 31 December 2017 was €331,519 (2016: €271,519).

Directors' remuneration of €30,000 (2016: €30,000) was capitalised as exploration and evaluation expenditure as set out in Note 13.

Key management compensation

Key management personnel are deemed to be John Teeling (Chairman), David Horgan (Managing Director), and James Finn (Chief Financial Officer). The total compensation expense comprising solely of short-term benefits in respect of key management personnel was as follows:

	2017	2016
	€	€
Short-term employee benefits	**90,000**	90,000

Key management compensation accrued at financial year end 31 December 2017 was €467,019 (2016: €377,019).

Notes to the Financial Statements *(continued)*
for the financial year ended 31 December 2017

7. RELATED PARTY AND OTHER TRANSACTIONS *(continued)*

Other
Petrel Resources plc shares offices and overheads with a number of companies also based at 162 Clontarf Road. These companies have some common directors.

Transactions with these companies during the financial year are set out below:

	Botswana Diamonds plc €	Clontarf Energy plc €	Connemara Mining plc €	Total €
Balance at 1 January 2016	-	-	-	-
Office and overhead costs recharged	(13,642)	5,283	(27,780)	(36,139)
Repayments	13,642	(5,283)	27,780	36,139
Balance at 31 December 2016	-	-	-	-
Balance at 1 January 2017	**-**	**-**	**-**	**-**
Office and overhead costs recharged	**(15,618)**	**9,854**	**(28,729)**	**(34,493)**
Repayments	**15,618**	**(9,854)**	**28,729**	**34,493**
Balance at 31 December 2017	**-**	**-**	**-**	**-**

Company
At 31 December the following amount was due to the company by its subsidiary:

	2017 €	2016 €
Amounts due from Petrel Resources (TCI Limited)	-	4,207,341

The amount due was non-interest bearing, unsecured and repayable on demand. The recoverability of the amount due was dependent on the discovery and successful development of economic mineral reserves which is subject to a number of risks as set out in Note 1(xi). Accordingly, the directors decided to write off the loan due from Petrel Resources (TCI Limited). Further details are outlined in Note 12.

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

8. STAFF NUMBERS

The average number of persons employed by the group (including directors and secretary) during the financial year was:

	2017 Number	2016 Number
Management and administration	4	4

Staff costs for the above persons were:

	€	€
Wages and salaries	112,848	116,337
Social welfare costs	-	-
Pension costs	-	-
	112,848	116,337

9. SEGMENTAL ANALYSIS

The Group adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about the Group that are regularly reviewed by the chief operating decision maker. The Board is deemed the chief operating decision maker within the Group. For management purposes, the Group has one class of business: oil exploration and development. This is analysed on a geographical basis.

9A. Segment Results

	2017 €	2016 €
Continuing Operations		
Iraq	(4,094,804)	-
Africa	-	-
Ireland	-	-
Total for continuing operations	(4,094,804)	-
	(297,381)	(256,505)
	(4,392,185)	(256,505)

There was no revenue earned during the financial year (2016: €Nil).

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

9. SEGMENTAL ANALYSIS *(continued)*

9B. Segment Assets and Liabilities

	Assets		Liabilities	
	2017	2016	**2017**	2016
	€	€	**€**	€
Iraq	**-**	4,214,904	**-**	-
Africa	**843,987**	962,378	**-**	-
Ireland	**1,335,296**	1,175,781	**-**	-
Total for continuing operations	**2,179,283**	6,353,063	**-**	-
Unallocated Head Office	**398,953**	764,417	**(584,693)**	(409,894)
	2,578,236	7,117,480	**(584,693)**	(409,894)

Additions to non-current assets (Group and Company)

	2017	2016
	€	€
Iraq	**-**	-
Africa	**-**	21,159
Ireland	**304,159**	184,540
Total for continuing operations	**304,159**	205,699
Unallocated head office	**-**	-
	304,159	205,699

10. INCOME TAX EXPENSE

	2017	2016
	€	€
Factors affecting the tax expense:		
Loss on ordinary activities before tax	**(4,392,185)**	(256,505)
Income tax calculated @ 12.5%	**(549,023)**	(32,063)
Effects of:		
Expenses not allowable	**525,863**	-
Tax losses carried forward	**23,160**	31,795
Income taxed at higher rate	**-**	268
Tax charge	**-**	-

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

10. INCOME TAX EXPENSE ***(continued)***

No corporation tax charge arises in the current or prior financial years due to losses brought forward.

At the balance sheet date, the Group had unused tax losses of €5,801,302 (2016: €5,616,024) which equates to a deferred tax asset of €725,163 (2016: €702,003). No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

11. LOSS PER SHARE

	2017 €	2016 €
Loss per share - basic and diluted	**(4.40c)**	(0.26c)

Basic loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2017 €	2016 €
Loss for the financial year attributable to equity holders	**(4,392,185)**	(256,505)

	2017 Number	2016 Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	**99,681,992**	99,681,992

Basic and diluted loss per share are the same as the effect of the outstanding share options is anti-dilutive.

12. FINANCIAL ASSET

Investment

	2017 €	2016 €
Group		
At the beginning of the financial year	**4,211,123**	4,211,123
Additions	**-**	-
Disposal	**(116,319)**	-
Impairment	**(4,094,804)**	-
At the end of the financial year	**-**	4,211,123

The Company's investment in financial assets, through its wholly owned subsidiary Petrel Resources (TCI) Limited, consisted of a 20 per cent shareholding in Amira Hydrocarbons Wasit B.V. ("Amira") which was acquired from Amira Petroleum N.V. on 14 August 2013. Amira is a special purpose vehicle which holds a 25 per cent carried to production interest in an early stage oil opportunity in the large, underexplored and underdeveloped province of Wasit.

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

12. FINANCIAL ASSET ***(continued)***

The consideration for the acquisition included the issue of 18,947,368 shares in Petrel. The Initial Consideration Shares were agreed to be locked-in until the date of spudding the first conventional oil well in respect of Amira's interest in the Wasit province but that, if the Spudding Date had not occurred by 19 August 2018, Petrel could, amongst other things, elect to re-acquire the Initial Consideration Shares for a nominal amount. As part of the agreement with Amira Petroleum, 2.8 million of the Initial Consideration Shares were, at the direction of Amira Petroleum, issued to its advisers in satisfaction of fees payable by Amira Petroleum and were subject to a lock in agreement as detailed above.

During December 2017, the Directors learnt that 2.2 million of the Adviser Shares had been sold between March and July 2017, notwithstanding the lock-in agreement. The parties have reached a settlement and agreed that the vendors of the 2.2 million Adviser Shares make a payment of £100,000 to the Company which has been received pre year end (representing approximately 4.5p per Adviser Share sold). The remaining Adviser Shares shall remain subject to the lock-in agreed in 2013.

As of the date of this announcement, the Spudding Date has not occurred. Accordingly, the directors have decided to write off the investment in Amira Hydrocarbons Wasit B.V. and an impairment charge of €4,094,804 was recorded. No further shares will be issued to Amira and the 16,747,368 shares already issued will be re-acquired for nominal consideration, subject to shareholder approval at the AGM and the shares will be cancelled.

13. INTANGIBLE ASSETS

Exploration and evaluation assets

	Group		Company	
	2017	2016	**2017**	2016
	€	€	**€**	€
Cost:				
Opening balance	**2,138,159**	1,871,288	**2,126,922**	1,860,051
Additions	**304,159**	205,699	**304,159**	205,699
Exchange translation adjustment	**(263,035)**	61,172	**(263,035)**	61,172
Closing balance	**2,179,283**	2,138,159	**2,168,046**	2,126,922

Segmental Analysis

	Group	Group
	2017	2016
	€	€
Ghana	**843,988**	962,377
Ireland	**1,335,295**	1,175,782
	2,179,283	2,138,159

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

13. INTANGIBLE ASSETS ***(continued)***

Exploration and evaluation assets at 31 December 2017 represent exploration and related expenditure in respect of projects in Ireland and Ghana. The directors are aware that by its nature there is an inherent uncertainty in relation to the recoverability of amounts capitalised on the exploration projects.

Relating to the remaining exploration and evaluation assets at the financial year end, the directors believe there were no facts or circumstances indicating that the carrying value of the intangible assets may exceed their recoverable amount and thus no impairment review was deemed necessary by the directors. The realisation of these intangible assets is dependent on the successful discovery and development of economic reserves and is subject to a number of significant potential risks, as set out in Note 1 (xi).

Directors' remuneration of €30,000 (2016: €30,000) and salaries of €15,000 (2016: €15,000) were capitalised as exploration and evaluation expenditure during the financial year.

14. INVESTMENT IN SUBSIDIARIES

	2017	2016
	€	€
Company		
At beginning of the financial year	**15,019**	15,019
Additions	**-**	-
At end of the financial year	**15,019**	15,019

The directors are satisfied that the carrying value of the investment, is not impaired.

The realisation of the investment in subsidiaries is dependent on the discovery and successful development of economic resources and is subject to a number of significant potential risks, set out in Note 1 (xi).

The Group consisted of the parent company and the following wholly owned subsidiaries as at 31 December 2017:

Name	**Nature of Business**	**Registered Office**	**Share**
Petrel Industries Limited	Dormant	162 Clontarf Road, Dublin 3, Ireland	100%
Petrel Resources of the Middle East Offshore S.A.L.	Dormant	Damascus Street Beirut, Lebanon	100%
Petrel Resources (TCI) Limited	Holding	Duke Street, Grand Turk, Turks & Caicos Island	100%

The company also holds a 30% interest in Pan Andean Resources Limited, an early stage exploration company incorporated in Ghana. Pan Andean Resources Limited has not traded since incorporation.

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

15. TRADE AND OTHER RECEIVABLES

	Group 2017 €	Group 2016 €	**Company 2017 €**	Company 2016 €
VAT refund due	**19,603**	18,959	**19,603**	18,959
Other receivables	**7,971**	4,044	**4,188**	4,044
Due by group undertakings (Note 7)	**-**	-	**-**	4,207,341
	27,573	23,003	**23,791**	4,230,344

The amount due by group undertakings was written off in December 2017. Further details are outlined in Note 7.

The carrying value of trade and other receivables approximates to their fair value. The realisation of the investment in subsidiaries is dependent on the discovery and successful development of economic reserves and is subject to a number of significant potential risks, as set out in Note 1 (xi).

16. CASH AND CASH EQUIVALENTS

	Group 2017 €	Group 2016 €	**Company 2017 €**	Company 2016 €
Cash and cash equivalents	**371,380**	745,195	**371,380**	745,195

Cash at bank earns interest at floating rates on daily bank rates. The fair value for cash and cash equivalents is €371,380 (2016: €745,195) for Group and €371,380 (2016: €745,195) for Company. The Group and Company only deposits cash surpluses with major banks.

17. TRADE AND OTHER PAYABLES

	Group 2017 €	Group 2016 €	**Company 2017 €**	Company 2016 €
Accruals	**485,019**	395,019	**485,019**	395,019
Other payables	**99,674**	14,875	**99,674**	14,875
	584,693	409,894	**584,693**	409,894

It is the Group's normal practice to agree terms of transactions, including payment terms, with suppliers. It is the Group's policy that payments are made between 30 - 45 days and suppliers are required to perform in accordance with the agreed terms. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The carrying value of trade and other payables approximates to their fair value.

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

18. FINANCIAL INSTRUMENTS

The Group and Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group and Company holds cash as a liquid resource to fund the obligations of the Group. The Group's cash balances are held in Euro, Sterling and in US dollar. The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure.

The Group and Company has a policy of not hedging due to no significant dealings in currencies other than euro and dollar denominated transactions and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposures on an ad hoc basis.

The Group and Company has relied upon equity funding to finance operations. The directors are confident that adequate cash resources exist to finance operations for future exploration but expenditure is carefully managed and controlled.

The carrying amounts of the Group and Company's foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

GROUP AND COMPANY	**Assets 2017 €**	Assets 2016 €	**Liabilities 2017 €**	Liabilities 2016 €
Sterling	**112,573**	32,330	**214**	-
US Dollar	**221,788**	686,327	**89,034**	-

19. FINANCIAL RISK MANAGEMENT

The Group's financial instruments comprise cash balances and various items such as trade receivables and trade payables which arise directly from exploration and evaluation activities. The main purpose of these financial instruments is to provide working capital to finance Group operations.

The Group and Company do not enter into any derivative transactions, and it is the Group's policy that no trading in financial instruments shall be undertaken. The main financial risk arising from the Group's financial instruments is currency risk. The board reviews and agrees policies for managing financial risks and they are summarised below.

Interest rate risk profile of financial assets and financial liabilities

The Group finances its operations through the issue of equity shares, and had no exposure to interest rate agreements at the financial year end date.

Liquidity Risk

As regards liquidity, the Group's policy is to ensure continuity of funding primarily through fresh issues of shares. Short-term funding is achieved through utilizing and optimising the management of working capital. All financial liabilities are due within 1 year from the year end. The directors are confident that adequate cash resources exist to finance operations in the short term, including exploration and development expenditure

Foreign Currency Risk

The Group has transactional currency exposures. Such exposures arise from expenses incurred by the Group in currencies other than the functional currency. The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates, and maintaining a level of cash in foreign denominated currencies sufficient to meet planned expenditure in that currency. Foreign currency denominated assets and liabilities are set out in Note 18.

Notes to the Financial Statements *(continued)*

for the financial year ended 31 December 2017

19. FINANCIAL RISK MANAGEMENT *(continued)*

Credit risk

The maximum credit exposure of the group and company at 31 December 2017 amounted to €5,337,801 and €1,130,460 respectively relating to cash and cash equivalents and receivables. The directors believe there is limited exposure to credit risk on the group and company's cash and cash equivalents as they are held with major financial institutions. The credit risk on receivables is significant and their recoverability is dependent on the discovery and successful development of economic reserves by those subsidiary undertakings. Given the nature of the group's business significant amounts are required to be invested in exploration and evaluation activities at various locations. The directors manage this risk by reviewing expenditure plans in relation to projects before any monies are advanced.

Capital Management

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group does not hold any external debt and is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 31 December 2017.

20. SHARE CAPITAL

	Group and Company	
	2017	2016
	€	€
Authorised:		
200,000,000 ordinary shares of €0.0125	**2,500,000**	2,500,000

Allotted, called-up and fully paid:

	Number	Share Capital €	Share Premium €
At 1 January 2016	99,681,992	1,246,025	21,416,085
Issued during the financial year	-	-	-
At 31 December 2016	99,681,992	1,246,025	21,416,085
At 1 January 2017	99,681,992	1,246,025	21,416,085
Issued during the financial year	-	-	-
At 31 December 2017	**99,681,992**	**1,246,025**	**21,416,085**

Movements in share capital

There was no movement in share capital in the current year.

Notes to the Financial Statements *(continued)*
for the financial year ended 31 December 2017

21. SHARE BASED PAYMENT

The Group issues equity-settled share-based payments to certain directors and individuals who have performed services for the Group. Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by the use of a Black-Scholes model.

Options

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant. The options vest immediately.

	Year ended 31/12/2017 Options	**Year ended 31/12/2017 Weighted average exercise price in pence**	Year ended 31/12/2016 Options	Year ended 31/12/2016 Weighted average exercise price in pence
Outstanding at beginning of financial year	**500,000**	**10.50**	500,000	10.50
Granted during the financial year	**-**	**-**	-	-
Outstanding and exercisable at the end of financial year	**500,000**	**10.50**	500,000	10.50

The options outstanding at 31 December 2017 had a weighted average exercise price of 10.50p, and a weighted average remaining contractual life of 2.97 years.

22. LOSS ATTRIBUTABLE TO PETREL RESOURCES PLC

In accordance with Section 304 of the Companies Act 2014, the company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies. The loss for the financial year in the parent company was €4,392,185 (2016: €256,505).

23. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

24. POST BALANCE SHEET EVENTS

There were no material post balance sheet events affecting the company or group.

25. CONTINGENT LIABILITIES

There are no contingent liabilities (2016: €Nil) other than those disclosed in Note 12.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Petrel Resources plc will be held on Wednesday, 25th July 2018 at the Gresham Hotel, 23 O'Connell Street Upper, Dublin 1, D01 C3W7 at 10.30am for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Director's Report, Audited Accounts and Auditor's Report for the year ended 31 December, 2017.
2. To re-elect Director: John Teeling retires in accordance with Article 95 and seeks re-election.
3. To re-appoint Deloitte as auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business of an annual general meeting.

SPECIAL BUSINESS

Special Resolution

5. (1) that the buy back and cancellation by the Company of shares pursuant to the terms of the contract proposed to be made between Amira Petroleum N.V., Amira International Holding Limited and the Company for the purchase of 16,147,368 ordinary shares of €0.0125 each in the capital of the Company, which terms are set out in the copy of the proposed contract produced to this meeting and for the purpose of identification signed by the chairman hereof, be and is hereby authorised; and

   (2) that the buy back and cancellation by the Company of shares pursuant to the terms of the contract proposed to be made between Hannam & Partners (Advisory) Group Services Ltd (formerly known as Strand Partners Limited) and the Company for the purchase of 600,000 ordinary shares of €0.0125 each in the capital of the Company, which terms are set out in the copy of the proposed contract produced to this meeting and for the purpose of identification signed by the chairman hereof, be and is hereby authorised

By order of the Board:

James Finn
Secretary
Registered Office: 162 Clontarf Road, Dublin 3.

22 June 2018

Notes:

a. Any shareholder of the Company entitled to attend and vote may appoint another person (whether a member or not) as his/her proxy to attend, speak and on his/her behalf. For this purpose a form of proxy is enclosed with this Notice. A proxy need not be a shareholder of the Company. Lodgement of the form of proxy will not prevent the shareholder from attending and voting at the meeting.
b. Only shareholders, proxies and authorised representatives of corporations, which are shareholders, are entitled to attend the meeting.
c. To be valid, the form of proxy and, if relevant, the power of attorney under which it is signed, or a certified copy of that power of attorney, must be received by the Company's share registrar, Computershare Investor Services (Ireland), Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 at not less than 48 hours prior to the time appointed for the meeting.
d. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of member of the Company in respect of the joint holding.
e. The Company, pursuant to Section 1095 of the Companies Act 2014 and regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulation 1996 (as amended) specifies that only those shareholders registered in the Register of Member of the Company (the "Register") at the close of business on the day which is two days before the date of the Meeting, (or in the case of an adjournment at the close of business on the day which is tow day prior to the adjourned Meeting), shall be entitled to attend and vote at the Meeting or any adjournment thereof in respect only of the number of shares registered in their name at that time. Changes to entries in the Register after that time will be disregarded in determining the right of any person to attend and/or vote at the Meeting.

Directors and Other Information

CURRENT DIRECTORS	John Teeling (Chairman) David Horgan (Managing Director) Arman Kayablian
SECRETARY	James Finn
REGISTERED OFFICE	162 Clontarf Road Dublin 3 Ireland Telephone: 353-1-833 2833 Fax: 353-1-833 3505 E-Mail: info@petrelresources.com Website: www.petrelresources.com
AUDITORS	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
BANKERS	Barclays Bank Ireland plc. Two Park Place Hatch Street Upper Dublin 2 Ireland
SOLICITORS	McEvoy Corporate Law 22 Fitzwilliam Place Dublin 2 Ireland
NOMINATED BROKER & ADVISOR	Northland Capital Partners Limited 40 Gracechurch Street 2nd Floor, London EC3V 0BT60 United Kingdom
JOINT BROKER	Novum Securities Limited 8-10 Grosvenor Gardens London, SW1W 0DH United Kingdom
REGISTRARS	Computershare Investor Services (Ireland) Limited Heron House, Corrig Road Sandyford Industrial Estate Dublin 18 Ireland
REGISTRATION NUMBER	92622
AUTHORISED CAPITAL	200,000,000 €0.0125 Ordinary Shares
CURRENT ISSUED CAPITAL	99,681,992 Ordinary Shares
MARKET	Alternative Investment Market

Corporate Office:
162 Clontarf Road, Dublin 3, Ireland.
Tel: +353 (0)1 833 2833
Fax: + 353 (0)1 833 3505
Company Registration Number: 92622

www.petrelresources.com