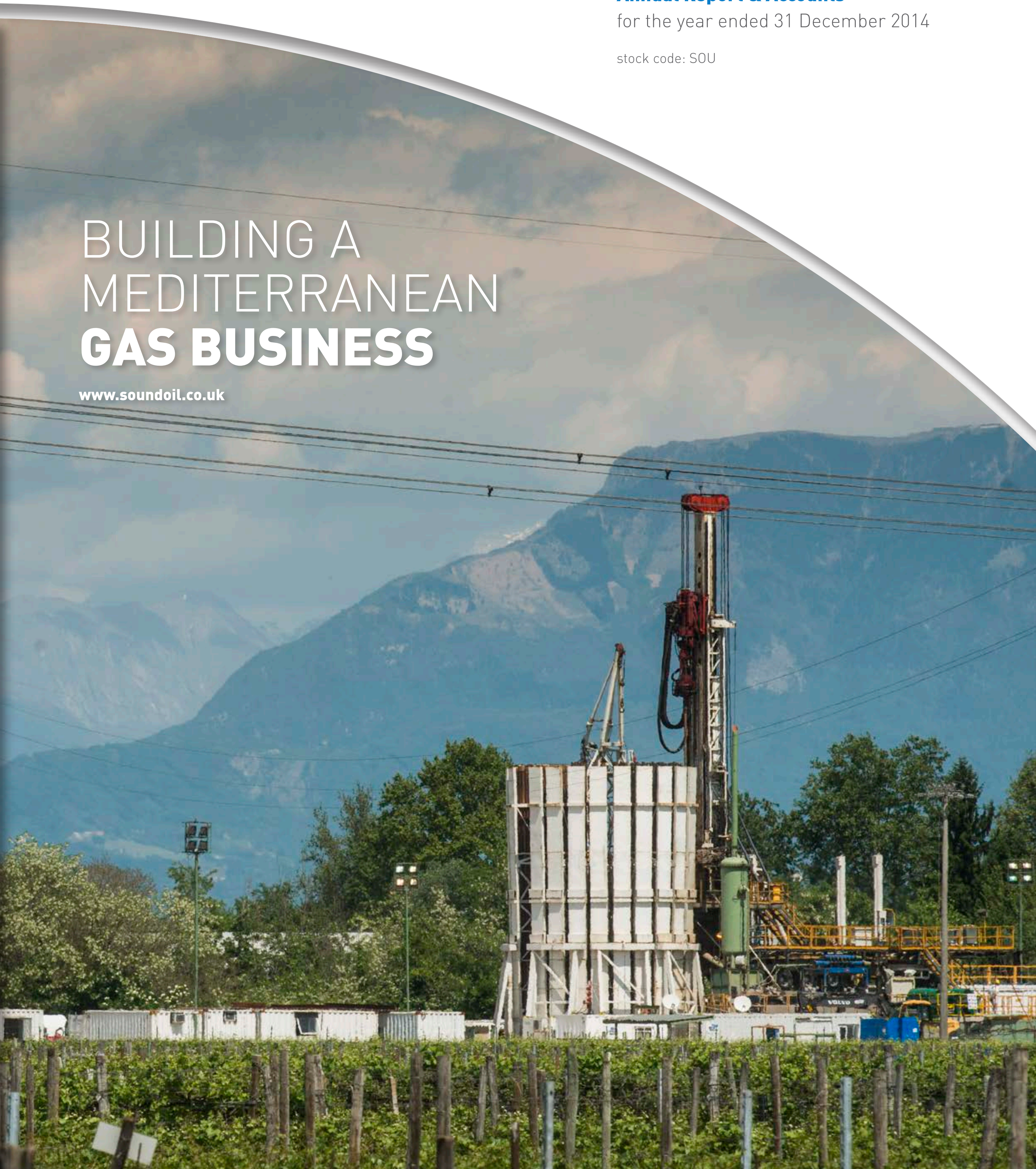
SOUND OIL plc
oil and gas exploration

Annual Report & Accounts
for the year ended 31 December 2014

stock code: SOU

BUILDING A MEDITERRANEAN **GAS BUSINESS**

www.soundoil.co.uk



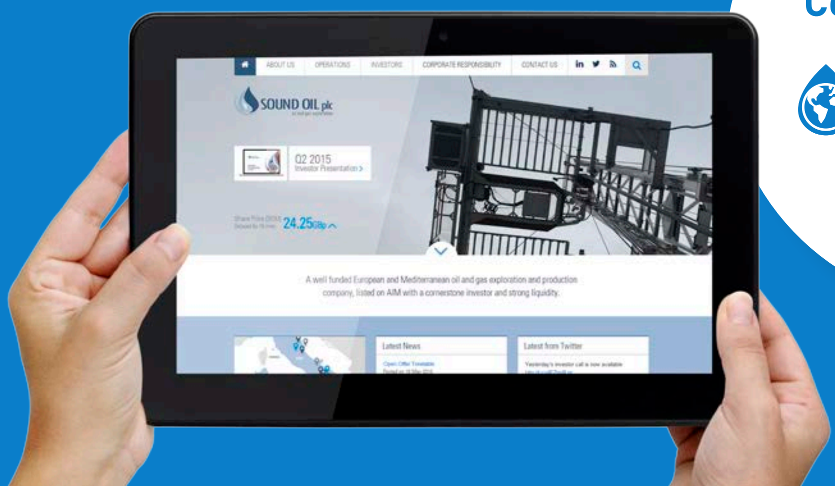
Welcome to our 2014 Annual Report

Sound Oil plc is a well funded Mediterranean oil and gas exploration and production company, listed on AIM with a cornerstone investor and strong liquidity.

We have built a high quality, action orientated, team across Milan and London focused on permitting, funding and then delivering a Mediterranean gas focused drill programme which is balanced in terms of risk and reward.

Our Investment Proposition

- Producing gas portfolio largely sheltered from recent oil price decline
- Active Drill Programme
  - Second appraisal well on Nervesa discovery underway
  - Badile exploration well within the next twelve months
  - Wells addressing Laura and SMG discoveries
- Strong funding position; First gas at Nervesa (2015) secures significant annual free cash flows
- Strong liquidity with blended institutional/retail register
- Chairman has £2.5M personally invested
- US$18.6M deferred and contingent consideration remaining from Indonesia



Corporate Website

Find out more information at: **www.soundoil.co.uk**

Key Highlights of 2014/15

Corporate Highlights

- Introduction of supportive cornerstone investor.
- Growth across the Mediterranean, including through proposed expansion into Morocco.
- Gas portfolio sheltered from recent oil price decline.
- Significant war chest (estimated £20m end May 2015) with which to pursue corporate and asset acquisitions.

Production Highlights

- First full year of production from Rapagnano. Produced volumes ahead of expectations with output of 3.82 MMScm (135 MMScf).
- First gas production from Casa Tiberi on 28 July 2014 with production of 0.62 MMScm (21.9 MMScm).
- Total revenue in the year roughly covers the Italian cost base.
- First gas at Nerversa expected during 2015 securing significant free annual cash flow.

Exploration Highlights

- Badile Environmental Impact Assessment approved in March 2015 marking a significant milestone towards drilling of the exploration well with mid-case prospective resource of 178Bscf and NPV10 of €486m.
- Completed acquisition of land to host the drill site for the initial Badile exploration well and for all other production wells required to exploit any discovery.
- Ongoing negotiations to ensure a farmout of the permit with a view to drilling within the next twelve months.

Appraisal and Development Highlights

- Final approval of the Environmental Impact Assessment for the Nervesa gas discovery production concession from the Veneto Region. The award of the Nervesa production concession award from the Italian Ministry of Economic Development is expected to follow shortly. First gas expected in 2015.
- Spudding of second Nervesa development well to address the southern limb of the field on 23 April with test results expected early June.
- Received permit for the Laura gas discovery

Contents

At a Glance

Sound Oil has developed a portfolio with a combined cumulative best estimate NPV of €950m and cumulative annual cashflows of €544m.

Producing and Developing Assets:
"Building material cash flows"

01 Nervesa Gas Discovery (100%)

Status:	First well 2013; Second well currently drilling; Production 2015
NPV[1]:	Up to €70MM
Location:	Po Valley (Northern Italy)
Resource Potential:	26.5 BSCF

- 1st well drilled July 2013; 46 metres of net pay across 13 zones; flowed 2.7 MM scf/day on test
- 3 well development plan with second well currently drilling
- Potential exploration prospect

02 Rapagnano Gas Field (100%)

Status:	Producing
NPV[1]:	Up to €4MM
Location:	Marche Region (Central Italy)
Resource Potential:	Up to 1.3 BSCF

- First gas achieved 15 May 2013 from the Sabbie reservoir
- 2013 production of 79MM scf
- 12 years production remaining

03 Casa Tiberi Gas Field (100%)

Drilling Existing Discoveries

04 Dora/Dalla (100%)

Location:	Adriatic Sea (21km offshore)
Play Type:	Faulted anticline, Gas-condensate in ScagliaFormation (TD 1,400m)
NPV[1]:	Up to €81MM
Resource Potential:	74.5 BSCF
Cost:	€13M well cost

Drilling Existing Discoveries

05 Laura Discovery (100%)

Location:	Gulf of Taranto (4km offshore)
Play Type:	Inverted fault block Gas in Pleistocene
NPV[1]:	Up to €65MM
Resource Potential:	25.6 BSCF P50
Cost:	€16.2MM (dry hole case)

06 Santa Maria Goretti Discovery (100%)

Location:	Marche Region (Central Italy)
Play Type:	Inverted fault block Gas in Pliocene
NPV[2]:	Up to €105M
Resource Potential:	67.7 BSCF
Cost:	€9MM (dry hole case)

Significant Exploration Potential

07 Badile Prospect (100%)

Location:	Po Valley (Northern Italy)
Play Type:	Inverted fault block Gas-condensate in Mesozoic
NPV[1]:	€486MM mid case | €1,745MM high case
Resource Potential:	Up to 673 BSCFe; best estimate 178 BSCFe
Cost:	€23MM (dry hole case)

08 Zibido Prospect (100%)

Location:	Po Valley (Northern Italy)
Play Type:	Downthrown fault terrace Gas/oil in Mesozoic
NPV[1]:	€225MM P50

[1] Based on €0.31/sm^3
[2] Based on €0.28/sm^3

Find out more information on pages 8-11

Find out more information at:
www.soundoil.co.uk

Chairman's Statement

Our Executive team, under the leadership of our CEO James Parsons, are a cohesive, balanced and highly ambitious group of specialists and it remains a pleasure to work with them. I look forward to further success in 2015 and beyond. ”

In this period of rapid transition, set against a challenging backdrop for the energy sector, your Company has taken great strides towards achieving its goal of becoming a medium sized, Mediterranean focused oil and gas company. Recent achievements include:

- Heads of Terms signed on a Moroccan onshore gas licence with two existing discoveries and significant upside potential
- Commenced drilling of the second well at our Nervesa discovery
- Secured the Environmental Impact Assessment ("EIA") approval for Badile whilst further progressing site preparations for the well, including purchasing the land
- Secured the EIA approval for the Nervesa concession, where first gas will be secured later this year
- Introduced a major institutional investor, Continental Investment Partners and completed a series of funding transactions with their help, including:
  - Completion of a £14m institutional funding (April 2014)
  - Completion of €7m Reserve Based Lending on Nervesa (November 2014)
  - Signature of a £12m institutional funding (April 2015)
  - Initiation of a €5m open offer, giving our loyal shareholders the opportunity to participate in our April fundraising at the same price as institutional investors (May 2015)
- Continued strong production from our two onshore producing assets, Rapagnano and Casa Tiberi, which broadly cover our Italian cost base

As a result of the above actions, the Company is now well positioned with a balanced portfolio, a significant cash position, steady positive newsflow, enhanced market credibility and a supportive major investor.

Our Executive team, under the leadership of our CEO James Parsons, are a cohesive, balanced and highly ambitious group of specialists and it remains a pleasure to work with them. I look forward to further success in 2015 and beyond.

Simon Davies
26th May 2015

Read more in **Our Governance** section on pages 18-25

Find out more information at: **www.soundoil.co.uk**

Find out more information at: **www.soundoil.co.uk/about-us/history**

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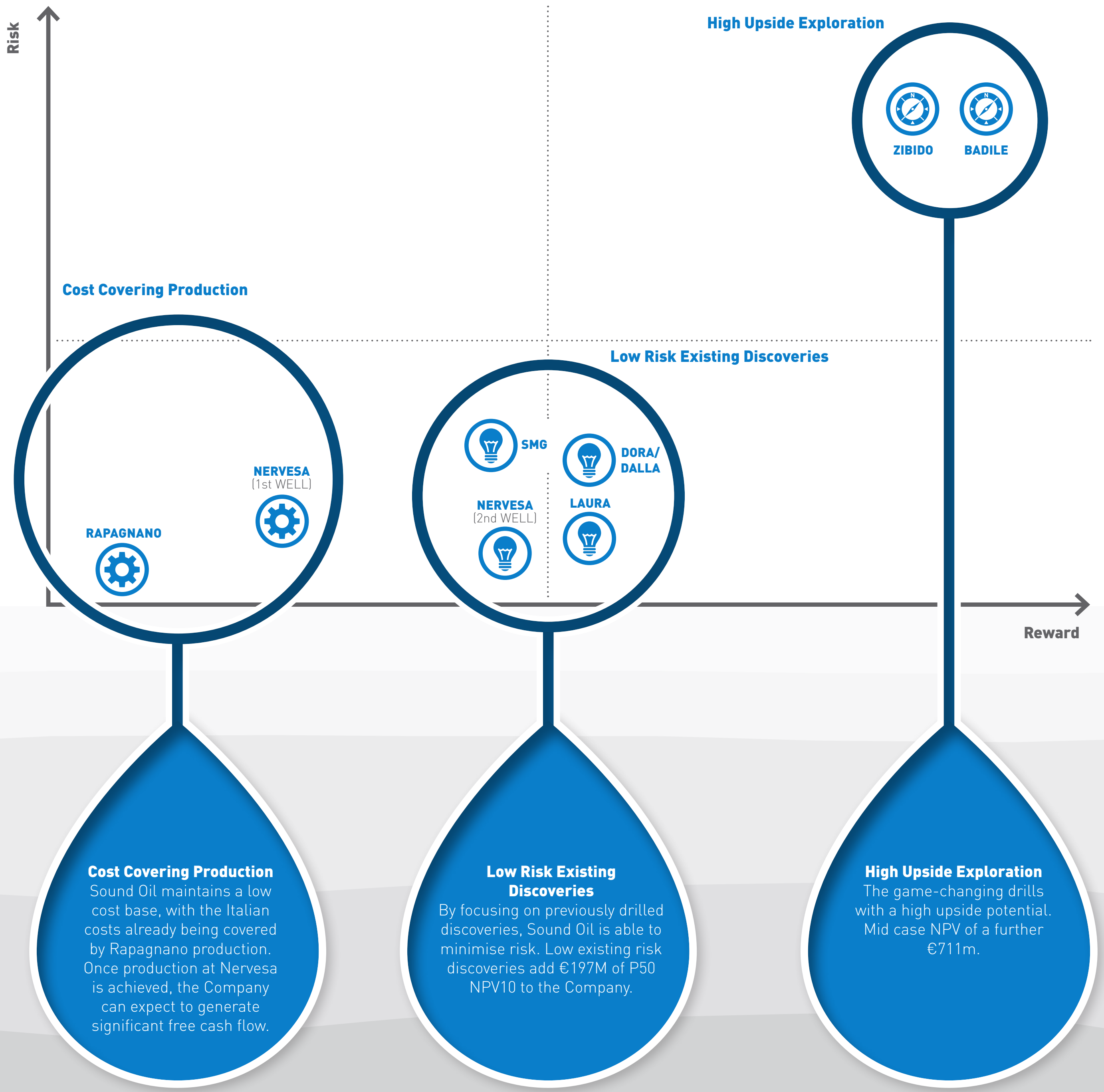
Balanced Portfolio

Sound Oil has developed a balanced portfolio of onshore production, appraisal and development gas assets in low risk geographies underpinned by strong regional gas prices.



Strategy and How We Measure Progress

Our initial strategic focus is our onshore gas portfolio in Italy, which is a healthy blend of high upside exploration, low risk appraisal/development assets and some solid, cost covering, production.

Our Journey to Date
Our Italian journey commenced in 2013 with the successful drilling of the first Nervesa well and achievement of first gas at the Rapagnano gas field. In July 2014, we secured first gas at the Casa Tiberi gas field, which again demonstrated the Company's ability to mature projects through the various stages of the industry life cycle.

The Company's strategy to date has been to develop low risk, previously drilled assets in order to minimise risk whilst accelerating revenue generation in order to cover its cost base. Once we recognise first production from Nervesa towards the end of 2015, we expect the Company to be cash flow positive on an operating basis. This will put us in a position of strength to grow the remaining world-class asset base which we anticipate will drive longer term share price accretion.

Our Future Focus
The Company has three main strategic objectives over the coming two to three years. Primary among the objectives is the desire to drill the "game-changing" assets we currently hold, mainly the Badile and Zibido exploration prospects. Badile has a best estimate resources of 187BScf, net present value of €486m and is estimated to be able to provide annual cashflows of up to €230m per year. Due to the size and nature of the drill, the Company is pursuing a farmout of Badile. Having recently received the Environmental Impact Assessment approval, the Company is hopeful of drilling the exploration well within the next twelve months following completion of a farmout. Combined with the exciting prospect of Zibido, Badile offers a potentially enormous increase to the net asset value of the Company.

The Company aims to have a balanced portfolio and therefore, in tandem with progressing our exploration prospects, we are also working hard on lower risk but still significant development assets. In the short term, we are working on a farmout of Laura with a view to drilling by end of 2015 or early 2016 with production to commence by 2017. With strong potential at both Santa Maria Goretti and Dora, Sound has an excellent diversified portfolio that provides significant upside in a variety of scenarios.

Key Performance Indicators
Management are held accountable to a variety of KPIs and their remuneration is directly linked to meeting these targets.

The health and safety of our employees and contractors is our primary concern. We are, again, proud to confirm that, in 2014, we had no lost time incidents.

In terms of current business performance, the over-riding priority for the business is to ensure the Company continues to advance through the Italian permitting regime. The Executive Team are given specific targets to meet each year on each key asset and progress is regularly reviewed.

Operating and Financial Review

Sound Oil currently has interests in 18 licences in Italy: 3 production concessions, 7 permits and 8 exclusive permit applications. The Company's interests are held through its wholly owned Italian subsidiary companies Apennine Energy SpA and Apennine Oil and Ga SpA.

Producing and Development Assets

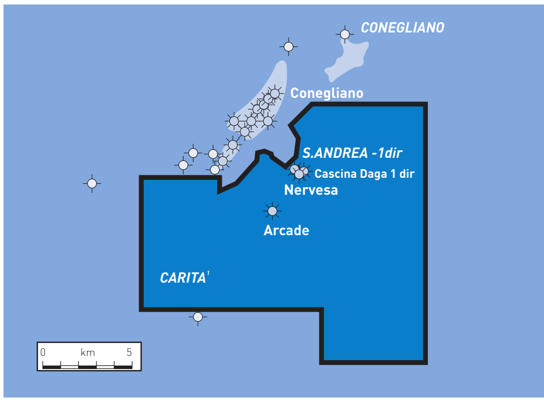
Nervesa Discovery (Sound Oil 100%)

NPV 10: Up to

€70m

Recoverable resources: Up to 26.5BScf

The permit is located in northeast Italy, within the Alpine foredeep province. The Nervesa structure was drilled by ENI in 1985 with two wells (Nervesa-1 and Nervesa-1dir A) and proved gas-bearing in at least 13 sand intervals within the Tortonian (5, 6a-d, 7a-e, 8, 9a-b). Of these intervals only one (9a) was completed in Nervesa-1 and put in production between 1989 and 1991. The permit was acquired by Celtique Energie in 2010 and subsequently operated by Sound Oil. Sound Oil acquired Celtique's 50% interest in November 2011.



The first well was drilled in July 2013 with 46 metres of net pay across 13 zones. The well test achieved a stabilised total gas flow rate of 2.7 MMscfd from multiple sandstone intervals in the Upper Miocene San Dona Formation using a dual string completion. Following these successful results, Sound Oil expects to shortly receive a Production Concession with a view to achieving first gas sales at Nervesa in late 2015.

This is the first well in a 2 or 3 well development plan with the second well, Cascina Daga-1, addressing the southern structure which spudded on 23 April. Drilling and subsequent results are expected within approximately forty days.

In 2014, Sound successfully raised a reserve based-funding facility from Greenbury SA, secured on cashflows from Nervesa.

Rapagnano Gas Field (Sound Oil 100%)

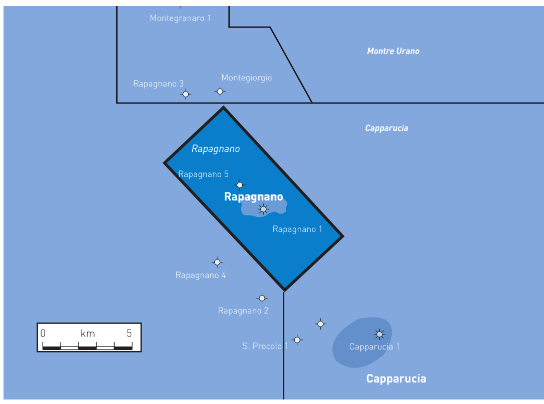
2014 Revenue

€1.1m

P2 Reserves: 1.1BScf

The concession is located in Fermo Province, Marche Region. Geologically the area is within the Ancona-Pescara Basin associated with the Central Apennine foredeep. First gas was delivered from the onshore Rapagnano field to the local gas distributor on 15 May 2013.

In 2014, Rapagnano produced 3.8MMScm and generated revenue of €1,067,000.



Drilling Existing Discoveries

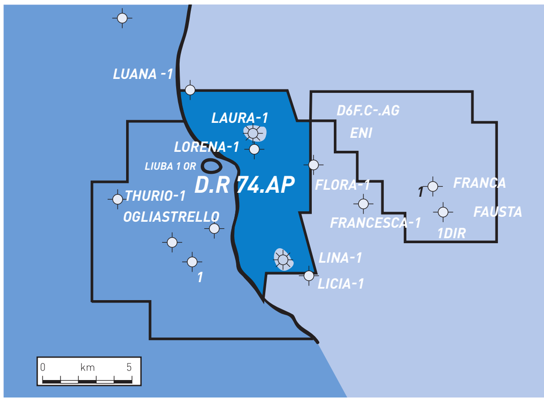
Laura Discovery (Sound Oil 100%)

NPV10: Up to

€64m

Recoverable resources: Up to 25.6BScf

DR74-AP is located in the Ionian Sea Zone D within the Sibari Basin. Average water is 200m. In 1980, commercial gas was discovered in two sand intervals in Laura-1. The Company was awarded the permit in June 2014 and intends to drill the discovery from an onshore location with a long reach deviated well. The Company intends to drill late 2015.



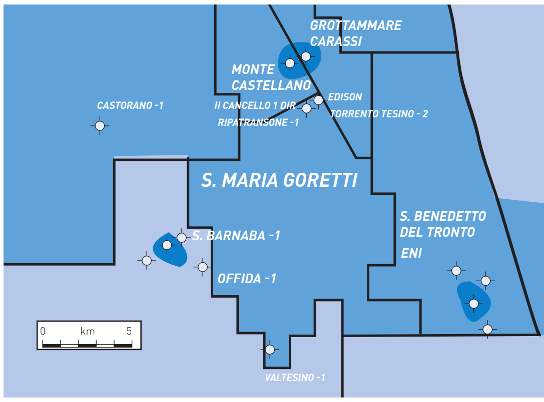
Santa Maria Goretti Permit (Sound Oil 100%)

NPV10: Up to

€36m

Recoverable resources: Up to 67.7BScf

The Santa Maria Goretti permit area is the southern extension of two significant producing gas fields operated by ENI. Sound's internal evaluation of the seismic and reservoir studies was verified by a new Competent Person's Report which was released in July 2014. The Company intends to drill Santa Maria Goretti on a back-to-back basis with Laura in late 2015/early 2016.



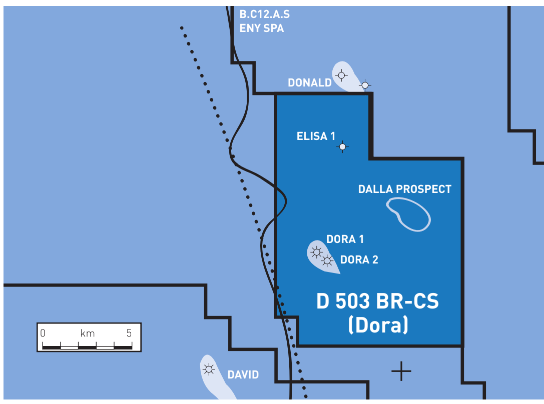
Dora/Dalla (Sound Oil 100%)

NPV10: Up to

€81m

Recoverable resources: Up to 74.5BScf

The Dora gas discovery was drilled in 1972 and flowed 200MMScf/d and lies 21km offshore in the Adriatic Sea. The Company as also started to examine the Dalla exploration project which is held within the Dora permit and believes it has exciting potential.



Operating and Financial Review
continued

Exploration Assets

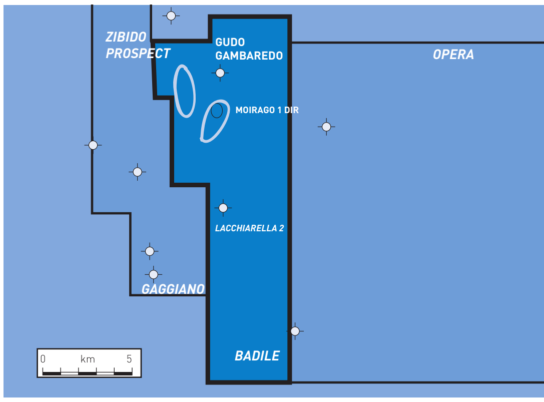
Badile (Sound Oil 100%)

NPV10: Up to

€1,745m

Recoverable resources: Up to 673BScf

The permit containing the Badile Prospect was awarded in March 2010 and the Company received the Environmental Impact Assessment approval in February 2015. A CPR was carried out at the end of 2013 and confirmed a 22% chance of success.

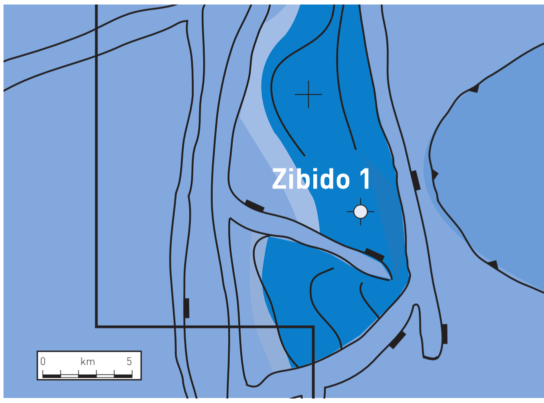


Zibido Prospect (Sound Oil 100%)

NPV10: Up to

€225m

The Zibido prospect is adjacent to the Badile prospect. It is a downthrown fault terrace play with a total depth of 5,600 metres. A CPR was carried out in 2011.



Statement of Proved and Probable Reserves

The Group's proved and probable hydrocarbon reserves as at 31 December 2014 were:

	Gas (Bscf)	MMboe
Proved reserves at 31 December 2013	**0.82**	0.14
Reclassifications	0.20	0.03
Production	(0.16)	(0.03)
Proved reserves at 31 December 2014	**0.86**	**0.14**
Probable reserves at 31 December 2013	0.60	0.10
Reclassifications	(0.20)	0.03
Revisions	(0.17)	(0.03)
Probable reserves at 31 December 2014	**0.23**	**0.04**
Total Proved and Probable Reserves at 31 December 2014	**1.09**	**0.18**

Abbreviations:
Bscf: Billion standard cubic feet of gas.
MMbo: Million barrels of oil.
MMboe: Million barrels of oil equivalent (6,000 standard cubic feet of gas = 1 barrel of oil).

Accounting Standards

The Group has reported its 2014 full year accounts under International Financial Reporting Standards (IFRS), as adopted by the European Union.

Income Statement

In 2014, the Group recorded its first full year of revenues from the Rapagnano field and also reported first revenue from the Casa Tiberi field on 28 July 2014. This drove a more than doubling of revenue in 2014.

The loss before finance costs and tax from continuing operations in 2014 was £3,245,000, a decrease from £6,437,000 in 2013. In 2014, Casa Tiberi was impaired by £723,000 to nil carrying value. Casa Tiberi continues to produce and provide revenue for the immediate future.

Administrative costs remained roughly in line with 2013 at £2,773,000 (2013: £2,616,000) which demonstrates our commitment to running a tightly controlled company.

Cash Flow/Financing

During 2014, £19,089,000 of net cash proceeds from financing were raised. The largest funding event of 2014 was the hybrid 50:50 equity/debt arrangement entered into with Continental Investment Partners in July 2014 for a total of £14,000,000 gross. The Group also entered into a reserve-based lending arrangement with Greenbury SA in November 2014 for a total of €7,000,000. The Group's Chairman, Simon Davies, also demonstrated his confidence in the Group by also providing a £1,000,000 loan in addition to owning 10 million of the Group's issued share capital.

The Group spent £3,347,000 on investing activities which consisted primarily of the purchase of land for the Badile drill and expenditure required to bring Casa Tiberi into production.

Going concern – forward cash flow projections show that the Group has sufficient financial resources for the foreseeable future. The Group consequently has sufficient resources to undertake its committed work programme over the next twelve months.

Balance Sheet

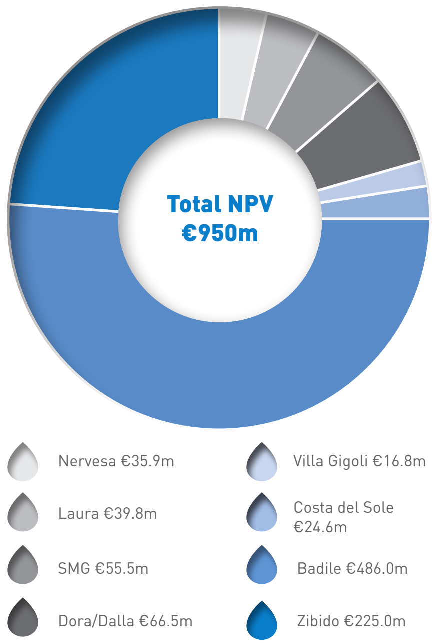
In the year, non-current assets increased by £2,545,000 which related primarily to significant purchases at Badile and Casa Tiberi. This was partially offset by the impairment of the latter asset's carrying value to nil (£723,000).

In the year, Nervesa was reallocated from exploration and evaluation to development in the balance sheet at a value of £11,555,000. This reflects Board approval to complete development of Nervesa with first production volumes expected in 2015.

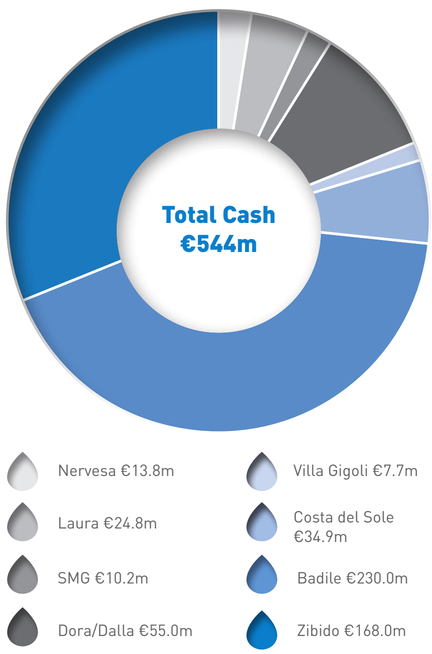
The Group's closing cash balance increased by £12,065,000 in 2014 following the successful debt and equity raises. This is offset by the increase in loans payable in over one year by £11,490,000.

Non-current provisions fell in the year following a favourable revision of the estimated costs to decommission Nervesa.

Cumulative NPV (Best Estimate) €m



Projected Cumulative Annual Cash Flows



Corporate Social Responsibility

Our business relies heavily on successful partnerships with all stakeholders. By being a responsible operator and partner we hope to build deep and constructive relationships with stakeholders, be they government, local communities, employees or suppliers.

Developing across the region using our Milan technical hub

We are totally committed to a healthy and safe workplace, whether it be on a drill site or in an office. We cannot rely purely on our employees to guarantee a safe working environment. We therefore set minimum requirements for contractor selection to ensure they share our values.

In 2014, we are again delighted to report that we recorded no lost time incidents.

Transparency and Ethical Conduct

The Group is aware of its legal obligations with regards to the UK Bribery Act of 2010. All employees underwent training in 2014 to enable them to identify and manage the risks of corruption and bribery. The Company monitors these risks continuously and actively encourages whistleblowing should any inappropriate behaviours be suspected.

People and Skills

The Company maintains a tight control on costs and consequently only employed twelve people and four contractors and consultants at the end of 2014. This makes training and development of our staff even more important to the success of our business.

Supply Chain

We are committed to building long term relationships with key suppliers. We therefore treat our suppliers with respect and aim for prompt payment.

Managing Risk

Our Risk Framework

Sound has established a risk framework whose main objective is to:

- Record and analyse principal risks facing the Group; the nature and extent of each risk is identified and assessed
- Design and implement controls to mitigate risks
- Monitor risks and test and monitor controls

The framework is regularly reviewed and assessed for completeness and relevance.

Commodity Price Risk

The recent falls in world commodity prices have demonstrated the potential for volatility in the energy markets and demonstrates the advantage of a robust risk framework. Gas price risk has been identified as one of the Company's primary risks and one that has been addressed by taking annual price contracts with a largely fixed base price. This has protected short term revenue whilst gas prices in Italy have also remained relatively strong. The Company has a low cost of production and our economics are regularly flexed for various gas price scenarios. The recent Competent Person's Report for our Italian gas assets has indicated that our projects remain economic at every price deck. We therefore continue to believe that we will be able to access the capital required to fund our pipeline.

When we approach first gas at Nervesa, the Company will look in detail at various hedging possibilities to cover the Group's first truly material revenues.

Asset Integrity and health and safety

A major incident in one of our operations could have a significant impact on the environment, employees/contractors in addition to risk of litigation and business interruption. To mitigate this risk, regular health and safety risk assessments are carried out on all operations and we have emergency response plans in place. All equipment used on site is designed to the latest technology in order to minimise the risk of accidents.

Regulation Risk and Portfolio Concentration

Since exiting Indonesia, Sound has been entirely focused on Italy. Although Sound believes strongly in Italy, with relatively low costs and strong gas prices, over-concentration in one country does lead to increased local regulation/reputational risk.

To date we have mitigated this risk by employing Italian staff with excellent knowledge of the Italian regulatory frameworks. This has worked well as the Company has demonstrated its ability to make good progress with the Badile Environmental Impact Assessment Award and the Nervesa production concession all obtained in early 2015. However, in order to further reduce country risk, we have begun to look further afield around the Mediterranean area. This culminated in our announcement of 11th May that we had been granted a 30 day period of exclusivity from the Moroccan Oil and Gas Investment Fund in relation to a potential farm in to the Tendrara licence, onshore Morocco.

Reserves and Recoverability

There is the risk that reservoir potential may not be optimised and/or reservoir potential falls below expected levels. This could lead to loss in production volumes compared to plan or increases in capital expenditure and operating costs. The Group mitigates this risk by having a high-quality Milan based technical team combined with an independent Exploration Production and Technical Committee ("EPTC").

Project Decision and Delivery

Projects may be sanctioned based on incorrect assumptions or lack of information. Major capital development programmes may be realised late, over-budget or in a sub-standard manner.

These risks are mitigated by combining decision-making authorities and processes with regular business planning and forecasting processes. All major capital projects require formal board approval and we have detailed contract selection and subsequent evaluation processes.

The Team

01 Simon Davies
Chairman (Non-Executive)

Simon was appointed as a Non-Executive Director of Sound Oil in February 2014, and has over 30 years' experience of investment management. He is also currently Chairman of the JP Morgan Overseas Investment Trust plc, a Non-Executive Director of Grainger plc and LCH Clearnet, and a Director of a number of subsidiaries of Old Mutual Wealth Management Limited. He began his investment career in 1981 with Rothschild Asset Management, and has held various positions in the City of London, including Chairman and Chief Executive of Threadneedle Asset Management Limited, and Chairman of Thames Water Pension Trustees.

Simon holds various professional and academic qualifications, including a degree in Engineering and Economics.

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02 James Parsons
Chief Executive Officer

James Parsons has 23 years' experience in the fields of strategy, management, finance and corporate development in the energy industry. James was appointed Chief Executive Officer in October 2012.

James started his career with the Royal Dutch Shell group in 1994 and spent 12 years with Shell working in Brazil, the Dominican Republic, Scandinavia, Holland and London. Leading up to 2006 (when he left Shell to join Inter Pipeline Fund), James held various positions in Shell's exploration and production business, latterly as Vice President, Finance, of New Business.

James joined Sound Oil as Chief Financial Officer in 2011 from the European division of Inter Pipeline Fund, a Toronto-listed resources business, where he held the position of Finance and Corporate Development Director of Inter Pipeline Europe.

James is a qualified accountant and has a BA Honours in Business Economics.

03 Luca Madeddu
Managing Director, Italy

Luca has over 25 years of experience in the upstream oil and gas industry with ENI, the major integrated energy company. Luca is a reservoir geologist by background and has extensive experience in hydrocarbon production, field development, petroleum engineering, supply chain management and reservoir engineering. He has managed large teams in complex operations in sensitive onshore and offshore environments and has worked in Venezuela, Nigeria, Indonesia, UK, Congo and Italy.

Luca holds a degree in Geology from Milan University, and has been a Member of the Society of Petroleum Engineers (SPE) since 1995.

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04 Leonardo Spicci
Italy Technical Manager
& Badile Director

Leonardo has over 25 years' upstream experience with ENI, Petrobel, KPO and GSA, with extensive experience of working in Italy, Northern Africa, Middle East and Central Asia.

Prior to joining Sound Oil in 2013 he was the District Manager for all Northern Italian Assets at ENI, managing a portfolio of onshore fields, offshore platforms and gas and oil treatment plants.

Leonardo has a BSc in Geological Science and is a Member of the Society of Petroleum Engineers.

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05 Marco Fumagalli
Director (Non-Executive)

Marco Fumagalli joined Sound Oil as a non-executive Director in July 2014. Marco is Managing Partner at Continental Investment Partners SA, a Swiss based investment firm and cornerstone shareholder in Sound Oil. Marco is a well-known Italian businessman who was previously a Group Partner at 3i. Marco is a qualified accountant and holds a degree in Business Administration from the University Bocconi of Milan.

06 Andrew Hockey
Director (Non-Executive)

Andrew Hockey has been a non executive director of Sound Oil since May 2011 and has 30 years' technical and managerial experience in the upstream oil and gas industry. Andrew is a co-founder of Fairfield Energy Limited where he is General Manager, Joint Ventures and New Business. Andrew's previous roles include senior positions in Eni, Lasmo, Monument and Petrofina with responsibilities across Italy, Algeria, Tunisia, Morocco, Greece and the UK North Sea. Andrew has a BA Honours in Geology from Oxford University and an MSc in Petroleum Geology from Imperial College, London.

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07 Gerry Orbell
Director (Non-Executive)

Gerry Orbell retired as Chairman and CEO of Sound Oil in 2012 after founding the company in 2005, and running it for seven years. He was reappointed to the Board as a Non-Executive Director in February 2014. He is a petroleum geologist with over 40 years' international experience – including Board positions at Premier Oil and Fina.

Gerry holds a PhD in Geology from University College London, and has been a member of the American Association of Petroleum Geologists since 1975.

Corporate Governance Report

The Board recognises the importance of sound corporate governance and notes the guidelines set out in the UK Corporate Governance Code (the "Code"). Companies on the AIM market of the London Stock Exchange ("AIM") are not required to comply with the Code, and due to its size, the Company is not in full compliance. However, the Company intends to comply so far as is practicable and appropriate.

In accordance with the Code no director has an employment contract of more than one year.

The Board is responsible for overall strategy, acquisition policy, major capital expenditure projects, corporate overhead costs and significant financing matters. No one individual has unfettered powers of decision. The roles of Chairman and Chief Executive Officer are split in accordance with best practice.

Seventeen Board meetings were held during the year.

The Board has an Audit Committee comprising two of the non-executive directors. Its role is to monitor:

- the integrity of the Company's financial statements and other formal announcements relating to the Company's financial performance.
- the effectiveness of the risk management and internal control systems including the result of reviews of the system and management's response to review findings.
- the appropriateness of the Company's relationship with the external auditors and the objectivity of the audit process.
- the enforcement of the Company's code of conduct and the adequacy and security of the whistleblowing procedure.

The Committee met twice during 2014.

The Board has established levels of authorisation of financial commitments and payment approval procedures appropriate to the size of the business. The Board receives reports on income and expenditure and on the Company's financial position.

On the wider aspects of internal control, relating to operational and compliance controls and risk management as included in provision C.2.1 of the Code, the Board, in setting the control environment, identifies and reviews the key areas of business risk facing the Group.

There is close, day-to-day involvement by the Executive Director in all of the Group's activities. This includes the comprehensive review of both management and technical reports, the monitoring of foreign exchange and interest-rate fluctuations, government and fiscal-policy issues and cash-control procedures. In this way, the key-risk areas can be monitored effectively and specialist expertise is applied in a timely and productive manner.

Any system of internal control can provide only reasonable, and not absolute, assurance that the risk of failure to achieve business objectives is eliminated. The directors acknowledge that they are responsible for the Company's system of internal control and for reviewing its effectiveness. The directors, having reviewed the effectiveness of the system of internal controls and risk management, consider that the system of internal control operated effectively throughout the financial year and up to the date that the financial statements were signed.

The Company has less than twenty permanent employees and the directors do not believe the Company is sufficiently complex to warrant the establishment of an internal audit function. The directors will review this policy as and when the Company's circumstances warrant.

The Board has a Remuneration Committee as described in the Report on Directors' Remuneration. In addition to directors' remuneration, the Committee is responsible for assessing directors' performance, planning succession for the Chairman and Chief Executive and for new nominees to the Board.

Remuneration Report

Compliance

The remuneration of all Executive Directors and the Executive Team is determined by the Remuneration and Nominations Committee (the 'Committee') and ratified by the Board. The Committee is composed entirely of non-executive directors, and currently comprises Simon Davies, who chairs the Committee, Marco Fumagalli and Gerry Orbell. None of the Executive Directors of the Company is involved in determining his own remuneration.

The Committee has the authority to seek independent advice as required.

The Committee consults with the Executive Team as required during the year.

Remuneration approach

The Company's remuneration policy is to provide remuneration packages which ensure that directors and senior management are fairly and responsibly rewarded for their contributions.

The Committee endorses the principle of mitigation of damages on early termination of a service contract.

It is the Committee's current intention to continue with the above remuneration approach for 2015 and subsequent years although the Committee will keep the matter under review. The Committee's current intention with regard to share options is that they form a critical part of the long term incentive scheme for the executive team and may be awarded annually.

Remuneration structure

The executive team's remuneration is basic salary with possible share options and bonuses awarded dependent on individual and company performance. A contributory pension scheme, compliant with UK legislation, was established in 2012 for UK employees.

Base salary

Base salary is reviewed each year against other comparable companies in the oil and gas sector and general market data on the basis of companies in similar industries and those of a similar size. The objective is to ensure that the base salary provides a competitive remuneration package. The base salaries of the Executive Team are currently positioned in the median. While salary is reviewed by reference to market conditions, the performance of the Company and the performance of the individual, the Committee would not regard this element of remuneration as directly performance related.

Bonuses

The performance of the Company and the Executives over the year is taken into consideration when assessing any annual cash bonus. Both Corporate and Individual key performance indicators (KPIs) are set at the beginning of each year's budget process. Bonuses may be awarded up to a maximum of 100% of base salary depending on the seniority of the employee and following a review of corporate and individual performance against the KPIs.

Contracts of employment

The details of the Executive Director's contract of employment and non-executive directors' letters of appointment are set out below:

- James Parsons has a contract of employment with a notice period for termination of 6 months.
- Luca Madeddu has a contract of employment with a notice period for termination of 3 months.
- Non-executive directors have letters of appointment with a notice period for termination of 3 months.
- The Company has granted an indemnity to all its Directors under which the Company will, to the fullest extent permitted by applicable law and to the extent provided by the Articles of Association, indemnify them against all costs, charges, losses and liabilities incurred by them in the execution of their duties.
- In the event of a change of control of the Company, James Parsons and each of the non-executive directors has the option to give notice and receive a lump sum equivalent to 12 months salary.

Remuneration Report

Summary of actual remuneration of directors

	Salary £'000s	2014 Performance Award £'000s	Total 2014 £'000s	Total 2013 £'000s
Executive Directors				
James Parsons	260	160	**420**	294
Luca Madeddu[i]	65	39	**104**	294
Non-executive Directors and Chairman				
Simon Davies	40	–	**40**	–
Marco Fumagalli	15	–	**15**	–
Andrew Hockey[ii]	62	–	**62**	70
Gerry Orbell	30	–	**30**	–
Total for all directors	472	199	**671**	658

[i] Luca Madeddu's reported remuneration commences from the date of his appointment to the Sound Oil Board in September 2014

[ii] Includes pro-rated salary as Group Chairman until 25th June 2014

Share Options

	Date of Grant	Exercisable Date	Acquisition Price per share (pence)	Options held at 1 January 2014	Options held at 31 December 2014
J Parsons	5.09.2011	05.09.2012–4.09.2016	21.75	110,000	110,000
	5.09.2011	05.09.2013–4.09.2016	21.75	110,000	110,000
	5.09.2011	05.09.2014–4.09.2016	21.75	110,000	110,000
	1.03.2012	01.03.2013–28.02.2018	25.00	150,000	150,000
	1.03.2012	01.03.2014–28.02.2018	25.00	150,000	150,000
	1.03.2012	01.03.2015–28.02.2018	25.00	150,000	150,000
	26.10.2012	26.10.2012–25.10.2016	16.50	333,333	333,333
	26.10.2012	26.10.2013–25.10.2016	16.50	333,333	333,333
	26.10.2012	26.10.2014–25.10.2016	16.50	333,334	333,334
	6.2.2014	01.01.2015–31.12.2017	6.50	–	1,333,333
	19.6.2014	29.07.2017–29.07.2019	8.00	–	3,350,000
L Madeddu	01.03.2012	01.03.2013–28.02.2018	25.00	150,000	150,000
	01.03.2012	01.03.2014–28.02.2018	25.00	150,000	150,000
	01.03.2012	01.03.2015–28.02.2018	25.00	150,000	150,000
	02.04.2012	02.01.2013–01.01.2017	16.50	110,000	110,000
	02.04.2012	02.01.2014–01.01.2017	16.50	110,000	110,000
	02.04.2012	02.01.2015–01.01.2017	16.50	110,000	110,000
	26.09.2013	27.09.2014–26.09.2018	12.15	444,444	444,444
	26.09.2013	27.09.2015–26.09.2018	12.15	444,444	444,444
	26.09.2013	27.09.2016–26.09.2018	12.15	444,445	444,445
	06.02.2014	01.01.2015–31.12.2017	6.50	–	166,666
	19.06.2014	29.07.2017–29.07.2019	8.00	–	2,450,000
A Hockey	24.05.2011	01.04.2011–31.03.2016	49.50	100,000	100,000
	26.10.2012	26.10.2012–25.10.2016	16.50	100,000	100,000
	26.10.2012	26.10.2013–25.10.2016	16.50	100,000	100,000
	26.10.2012	26.10.2014–25.10.2016	16.50	100,000	100,000

The granting of share options under the Long Term Incentive Plan (LTIP) is designed to align Executive remuneration with the long-term interest of shareholders. Only Key Personnel, whom the Group wishes to retain over the long term, are invited to join the LTIP. The end of 2013 option coverage is relatively limited (some 2.3% of issued share capital). Over the long term the Board wish to move towards the 10% approved cap.

Directors' Report

The Directors submit their report and the audited accounts for the year ended 31 December 2014.

Directors

Directors of Sound Oil plc holding office during the year were:

Simon Davies (appointed 5 February 2014)
James Parsons
Marco Fumagalli (appointed 17 July 2014)
Andrew Hockey
Gerry Orbell (appointed 5 February 2014)
Luca Madeddu (appointed 8 September 2014)
Tony Heath (retired 25 June 2014)

Going concern

Details of going concern considerations are shown in the Operating and Financial Review on page 8.

Dividends

The Directors do not recommend the payment of a dividend.

Political contributions

During the period the Group made no political contributions.

Auditors

Crowe Clark Whitehill LLP continue as the Company's auditors until the next Annual General Meeting. A resolution to reappoint them as auditors will be put to shareholders at the forthcoming Annual General Meeting.

Exploration and Production Technical Committee

The Exploration and Production Technical Committee ("EPTC") exists to provide subsurface, technical, and operational oversight of and support to the Company's executive as Sound Oil moves its existing asset base from exploration, appraisal and development to first production as an active operator. The EPTC is also routinely involved in the technical, geological and operational screening of growth opportunities.

The CEO attends all EPTC meetings along with other Executive Team members who are invited from time to time depending on the requirement for specialist input. The EPTC has formal meetings which are minuted and has access to an annual budget for use in securing relevant professional assistance.

The CEO makes recommendations to the Board on all technical matters through the EPTC which is headed by a qualified non executive director, and may include up to two further appropriately qualified Board level members or consultant professionals.

Provision of information to auditors

Each of the persons who is a director at the date of approval of this Annual Report and Financial Statements confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- this confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Disclosure in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized companies and groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report on page 1.

Health and Safety

The Board of Sound Oil plc considers the health and safety of its employees, contractors and all stakeholders to be paramount and is determined to protect the environment in which it works. In 2012 Sound Oil convened a Board Committee dedicated to ensuring the application of our HSE policies across the Company. This Committee has continued to work through 2014. The table below sets out our operational HSE performance for 2013 and 2014, showing us continuing to execute our operations without a Lost Time Incident occurring. We are pleased with this performance and look forward to maintaining these standards through 2015.

Operations Type	2014			2013		
	Operations (Hours)	Lost time Incidents* (Numbers)	Lost time Incidents* (Hours)	Operations (Hours)	Lost time Incidents* (Numbers)	Lost time Incidents* (Hours)
Drilling	-	–	–	32,865	–	–
Well Testing	-	–	–	2,888	–	–
Facilities Construction	552	–	–	960	–	-
Production Operations	608	–	–	360	–	-
Totals	1,160	–	–	37,073	–	–

* Lost Time Incident: any work related injury or illness which prevents that person from doing any work the day after the accident (as defined by the International Association of Oil and Gas Producers Glossary of HSE Terms,1999).

By order of the Board
Stephen Ronaldson
Company Secretary
26 May 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs') as adopted by the European Union and applicable law.

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 state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and to disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 further responsible for ensuring that the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

Independent Auditor's Report

We have audited the financial statements of Sound Oil plc for the year ended 31 December 2014 which comprise Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report, Directors' Report, the Chairman's Statement, the financial and technical reviews, the statement of proved and probable reserves, the report on Directors Remuneration and the Corporate Governance Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent, with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Matthew Stallabrass (Senior Statutory Auditor)

For and on behalf of

Crowe Clark Whitehill LLP
Statutory Auditor
St. Bride's House
10 Salisbury Square
London EC4Y 8EH
26 May 2015

Note: The maintenance and integrity of Sound Oil plc website is the responsibility of the directors. The work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were originally presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2014

	Notes	**2014 £'000s**	2013 £'000s
Revenue		**983**	482
Operating costs		**(658)**	(265)
Impairment of producing assets		**(723)**	-
Exploration costs		**(74)**	(4,038)
Gross profit		**(472)**	(3,821)
Administrative expenses		**(2,773)**	(2,616)
Group operating loss from continuing operations	3	**(3,245)**	(6,437)
Finance revenue	6	**7**	9
Foreign exchange gain/(loss)		**(661)**	(304)
External interest costs		**(1,022)**	(132)
Loss for the period before taxation		**(4,921)**	(6,864)
Tax expense	7	**-**	-
Loss for the period after taxation		**(4,921)**	(6,864)
Foreign currency translation		**127**	557
Total comprehensive loss for the period		**(4,794)**	(6,307)
Loss for the period attributable to:			
Owners of the company		**(4,794)**	(6,307)
Non-controlling interests		**–**	

		2014 Pence	2013 Pence
Loss per share and diluted for the period	8	**(1.40)**	(2.40)
Attributable to the equity shareholders of the parent (pence)	8	**(1.40)**	(2.40)

Consolidated Balance Sheet

as at 31 December 2014

	Notes	31 December 2014 £'000s	31 December 2013 £'000s
Non-current assets			
Property, plant and equipment	9	13,200	1,476
Intangible assets	11	8,888	19,500
Land and buildings	10	1,433	–
		23,521	20,976
Current assets			
Other receivables	13	2,173	1,978
Prepayments		157	184
Cash and short term deposits	14	12,608	543
		14,938	2,705
Total assets		38,459	23,681
Current liabilities			
Trade and other payables	15	2,194	2,797
Loans repayable in under one year	15	131	229
		2,325	3,026
Non-current liabilities			
Deferred tax liabilities	16	2,099	2,165
Loans due in over one year	15	13,437	1,947
Provisions	17	1,164	1,226
		16,700	5,338
Total liabilities		19,025	8,364
Net assets		19,434	15,317
Capital and reserves			
Equity share capital		71,298	63,085
Warrant Reserve		369	–
Foreign currency reserve		1,388	1,261
Accumulated deficit		(53,621)	(49,029)
Total equity	18	19,434	15,317

The financial statements were approved by the Board and authorised for issue on 26 May 2015 and were signed on its behalf by:

J Parsons
Director

S Davies
Director

The accounting policies on pages 28 to 32 and notes on pages 32 to 48 form part of these financial statements.

Company Balance Sheet

as at 31 December 2014

Company Number 05344804

	Notes	31 December 2014 £'000s	31 December 2013 £'000s
Non-current assets			
Property, plant and equipment		**7**	6
Fixtures and fittings		**35**	
Investments in subsidiaries	12	**25,735**	24,252
		25,777	24,258
Current assets			
Other receivables	13	**44**	12
Prepayments		**32**	143
Cash and short term deposits	14	**11,914**	418
		11,990	573
Total assets		**37,767**	24,831
Current liabilities			
Trade and other payables	15	**1,448**	399
Non-current liabilities			
Loans	15	**6,627**	–
Net assets		**29,692**	24,432
Capital and reserves attributable to equity holders of the company			
Issued share capital and share premium		**71,298**	63,085
Accumulated deficit		**(41,606)**	(38,653)
Total equity	18	**29,692**	24,432

The financial statements were approved by the Board and authorised for issue on 26 May 2015 and were signed on its behalf by:

J Parsons
Director

S Davies
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2014

Group

	Notes	Share capital £'000s	Share premium £'000s	Accumulated Deficit £'000s	Warrant Reserve £'000s	Foreign currency reserves £'000s	Total equity £'000s
At 1 January 2014		2,876	60,209	(49,029)	–	1,261	15,317
Total Loss for the period		–	–	(4,921)	–	–	(4,921)
Other comprehensive income		–	–	–	–	127	127
Total comprehensive income/(loss)		–	–	(4,921)	–	–	(4,794)
Issue of share capital		1,277	7,442	–	–	–	8,719
Transaction costs		–	(506)	–	–	–	(506)
Fair value of warrants	25	–	–	–	369	–	369
Share based payments	23	–	–	329	–	–	329
At 31 December 2014		**4,153**	**67,145**	**(53,621)**	**369**	**1,388**	**19,434**

Company

	Notes	Share capital £'000s	Share premium £'000s	Accumulated Deficit £'000s	Warrant Reserve £'000s	Total equity £'000s
At 1 January 2014		2,876	60,209	(38,653)	–	24,432
Total Loss for the period		–	–	(3,651)	–	(3,651)
Issue of share capital		1,277	7,442	–	–	8,719
Transaction costs		–	(506)	–	–	(506)
Fair value of warrants	25	–	–	–	369	369
Share based payments	23	–	–	329	–	329
At 31 December 2014		**4,153**	**67,145**	**(41,975)**	**369**	**29,692**

Group

	Notes	Share capital £'000s	Share premium £'000s	Accumulated Deficit £'000s	Foreign currency reserves £'000s	Total equity £'000s
At 1 January 2013		2,870	60,213	(42,273)	704	21,514
Total Loss for the period		–	–	(6,864)	–	(6,864)
Other comprehensive income		–	–	–	557	557
Total comprehensive income/(loss)		–	–	(6,864)	557	(6,307)
Issue of share capital		6	43	–	–	49
Transaction costs		–	(47)	–	–	(47)
Share based payments	23	–	–	108	–	108
At 31 December 2013		2,876	60,209	(49,029)	1,261	15,317

Company

	Notes	Share capital £'000s	Share premium £'000s	Accumulated Deficit £'000s	Total equity £'000s
At 1 January 2013		2,870	60,213	(36,578)	26,505
Total Loss for the period		–	–	(2,183)	(2,183)
issue of share capital		6	43	–	49
Transaction costs		–	(47)	–	(47)
Share based payments	23	–	–	108	108
At 31 December 2013		2,876	60,209	(38,653)	24,432

Consolidated Cash Flow Statement

for the year ended 31 December 2014

	Notes	Year ended 31 December 2014 £'000s	Year ended 31 December 2013 £'000s
Cash flow from operating activities			
Cash flow from operations		**(3,327)**	(2,645)
Interest received		**7**	9
Net cash flow from operating activities		**(3,320)**	(2,636)
Cash flow from investing activities			
Capital expenditure and disposals		**(2,258)**	(706)
Exploration and development expenditure		**(1,089)**	(6,482)
Net cash flow from investing activities		**(3,347)**	(7,188)
CSTI funding contract		**(242)**	1,664
Net proceeds from debt		**11,398**	–
Net Proceeds from equity issue		**8,213**	1,576
Interest payments		**(280)**	–
Net cash flow from financing activities		**19,089**	3,240
Net increase/(decrease) in cash and cash equivalents		**12,420**	(6,584)
Net foreign exchange difference		**(355)**	218
Cash and cash equivalents at the beginning of the period		**543**	6,909
Cash and cash equivalents at the end of the period	14	**12,608**	543

Notes to Cash Flow

for the year ended 31 December 2014

	Notes	Year ended 31 December 2014 £'000s	Year ended 31 December 2013 £'000s
Cash flow from operations reconciliation			
Loss before tax		**(4,921)**	(6,864)
Finance revenue	6	**(7)**	(9)
Payroll bonuses paid in shares		**60**	60
Exploration expenditure written off and impairment of assets		**797**	4,038
Increase/(decrease) in accruals and short term payables		**(603)**	318
Depreciation	3	**225**	146
Share based payments charge	23	**329**	108
Increase in long term provisions		**(62)**	49
Finance costs and accrued interest		**1,022**	132
Decrease/(increase) in receivables		**(167)**	(623)
Cash flow from operations		**(3,327)**	(2,645)

Company Cash Flow Statement

for the year ended 31 December 2014

	Notes	2014 £'000s	2013 £'000s
Cash flow from operating activities			
Cash flow from operations		**(2,034)**	(1,820)
Interest received		**5**	9
Net cash flow from operating activities		**(2,029)**	(1,811)
Cash flow from investing activities			
Capital expenditure and disposals		**(36)**	(6)
Cash advances to subsidiaries		**(1,263)**	(1,626)
Net cash flow from investing activities		**(1,299)**	(1,632)
Net proceeds from debt		**6,430**	–
Net Proceeds from equity issue		**8,213**	1,576
Interest payments		**(185)**	–
Net cash flow from financing activities		**14,458**	1,576
Net increase/(decrease) in cash and cash equivalents		**11,130**	(1,867)
Net foreign exchange difference		**366**	144
Cash and cash equivalents at the beginning of the period		**418**	2,141
Cash and cash equivalents at the end of the period	14	**11,914**	418

Notes to Cash Flow

for the year ended 31 December 2014

	Notes	2014 £'000s	2013 £'000s
Cash flow from operations reconciliation			
Loss before tax		**(4,921)**	(2,183)
Intragroup recharges		**(408)**	-
Intercompany loans written off		**-**	18
Finance revenue		**(5)**	(9)
Finance charges to be paid in shares		**625**	-
Decrease/(increase) in other non-current assets		**-**	(3)
Payroll bonuses paid in shares		**30**	-
(Increase)/decrease in receivables		**155**	103
Increase/(decrease) in accruals and short term payables		**1,449**	139
Depreciation		**5**	7
Share based payments charge	23	**329**	108
Accrued interest		**707**	-
Cash flow from operations		**(2,034)**	(1,820)

Notes to the Financial Statements

1 Accounting policies

Sound Oil plc is a public limited company registered and domiciled in England and Wales under the Companies Act 2006.

(a) Basis of preparation

The financial statements of the Group and its parent have been prepared in accordance with:

1. International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRSs, as adopted by the European Union), IFRIC Interpretations; and

2. those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention, except to the extent that the following policies require fair value adjustments.

The Group and its parent company's financial statements are presented in sterling (£) and all values are rounded to the nearest thousand (£'000) except when otherwise indicated.

The principal accounting policies set out below have been consistently applied to all financial reporting periods presented in these consolidated financial statements and by all Group entities, unless otherwise stated. All amounts classified as current are expected to be settled/recovered in less than 12 months unless otherwise stated in the notes to these financial statements.

The Group and its parent company's financial statements for the year ended 31 December 2014 were authorised for issue by the board of directors on 26 May 2015.

The financial position of the Group, its cash flows and available debt facilities are described in the Financial Review above. As at 31 December 2014 the Group had £12.6 million of available cash. Based on the current management plan, management believe that the Group will remain a going concern for the next 12 months from the date of the authorisation of the financial statements on the basis that forecast expenditure (12 months through 26 May 2016) will be less than the funds available as at 31 December 2014.

Use of estimates and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. 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 the impairment of intangible exploration and evaluation (E&E), investments and goodwill and the estimation of share based payment costs.

The Group determines whether E&E assets are impaired in cost pools when facts and circumstances suggest that the carrying amount of a cost pool may exceed its recoverable amount. As recoverable amounts are determined based upon risked potential, or where relevant, discovered oil and gas reserves, this involves estimations and the selection of a suitable discount rate. The capitalisation and any write-off of E&E assets necessarily involve certain judgements with regard to whether the asset will ultimately prove to be recoverable.

In determining the treatment of E&E assets and investments the directors are required to make estimates and assumptions as to future events and circumstances. There are uncertainties inherent in making such assumptions, especially with regard to oil and gas reserves and the life of, and title to, an asset; recovery rates; production costs; commodity prices; and exchange rates. Assumptions that are valid at the time of estimation may change significantly as new information becomes available and changes in these assumptions may alter the economic status of an E&E asset and result in resources or reserves being restated. The estimation of recoverable amounts, based on risked potential and the application of value in use calculations, are dependent upon finance being available to fund the development of the E&E assets.

Goodwill is tested annually and at other times when impairment indications exist. When value in use calculations are undertaken, management estimates the expected future cash-flows from the asset and chooses a suitable discount rate in order to calculate the present value of those cash-flows. In undertaking these value in use calculations, management is required to make use of estimates and assumptions similar to those described in the treatment of E&E assets above. Further details are given in note 11.

The estimation of share-based payment costs requires the selection of an appropriate valuation model, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest, inputs for which arise from judgements relating to the continuing participation of key employees (see note 19).

1 Accounting policies continued

(b) Basis of consolidation

The Group financial statements consolidate the Income Statements and Balance Sheets of the Company and its subsidiary undertakings. Joint venture undertakings are accounted for using the proportionate consolidation method from the date that significant influence or joint control (respectively) commences until the date this ceases. Associates are accounted for using the equity method.

Investments in subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Such power, generally but not exclusively, accompanies a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, until the date that control ceases.

The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Separate financial statements

Investments in subsidiaries, joint ventures and associates are recorded at cost, subject to impairment testing in the Group's financial statements.

(c) Foreign currency translation

The functional currency of the Company is pound sterling. The functional currency of the Italian subsidiaries is the Euro.

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at weighted average exchange rates for the year. The resulting exchange differences are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

(d) Oil and gas assets

The Group's capitalised oil and gas costs principally relate to properties that are in the exploration and evaluation stage.

As allowed under IFRS 6 the Group has continued to apply its existing accounting policy to exploration and evaluation activity, subject to the specific requirements of the standard.

The Group will continue to monitor the application of these policies in the light of expected future guidance on accounting for oil and gas activities.

The Group applies the successful efforts method of accounting for E&E costs.

Exploration and evaluation assets

Under the successful efforts method of accounting, all licence acquisition, exploration and appraisal costs are initially capitalised in well, field or specific exploration cost centres as appropriate, pending determination.

Expenditure incurred during the various exploration and appraisal phases is then written off unless commercial reserves have been established or the determination process has not been completed.

The useful lives of the assets are considered to be finite.

Notes to the Financial Statements
continued

1 Accounting policies continued

Exploration and evaluation costs

Costs are initially capitalised as E&E assets. Payments to acquire the legal right to explore, costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as exploration and evaluation assets.

Treatment of exploration and evaluation expenditure at the end of appraisal activities

Intangible E&E assets relating to each exploration licence/prospect are carried forward, until the existence (or otherwise) of commercial reserves has been determined subject to certain limitations including review for indications of impairment. If commercial reserves have been discovered and development has been approved, the carrying value, after any impairment loss, of the relevant E&E assets is then reclassified as development and production assets. If, however, commercial reserves have not been found, the capitalised costs are charged to expense after conclusion of appraisal activities.

Development and production assets

Development and production assets are accumulated generally on a field-by-field basis and represent the cost of developing the commercial reserves discovered and bringing them into production, together with the E&E expenditures incurred in finding commercial reserves transferred from intangible E&E assets as outlined in the accounting policy above.

The cost of development and production assets also includes the cost of acquisitions and purchases of such assets, directly attributable overheads, finance costs capitalised, and the cost of recognising provisions for future restoration and decommissioning.

Impairment of development and production assets

An impairment test is performed whenever events and circumstances arising during the development or production phase indicate that the carrying value of a development or production asset may exceed its recoverable amount.

The carrying value is compared with the expected recoverable amount of the asset, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves. The cash generating unit applied for impairment test purposes is generally the field, except that a number of field interests may be grouped as a single income generating unit where the cash flows of each field are inter-dependent.

Acquisitions, asset purchases and disposals

Acquisitions of oil and gas properties are accounted for under the purchase method where the transaction meets the definition of a business combination or joint venture.

Transactions involving the purchase of an individual field interest, or a group of field interests, that do not qualify as a business combination are treated as asset purchases, irrespective of whether the specific transactions involve the transfer of the field interests directly, or the transfer of an incorporated entity. Accordingly, no goodwill arises, and the consideration is allocated to the assets and liabilities purchased on an appropriate basis.

(e) Expenses recognition

Expenses are recognised on the accruals basis unless otherwise stated.

(f) Property, plant and equipment

Fixtures, fittings and equipment are recorded at cost as tangible assets.

The straight-line method of depreciation is used to depreciate the cost of these assets over their estimated useful lives, which is estimated to be four years.

(g) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at its original value, less any accumulated impairment losses subsequently incurred.

Goodwill is not amortised. Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash generating units is less than the carrying amount, an impairment loss is recognised.

1 Accounting policies continued

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) Income tax

Current tax

The current tax expense is based on the taxable results for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, including any adjustments in respect of prior years.

Amounts are charged or credited to the Income Statement or equity as appropriate.

Deferred tax

Deferred tax is provided using the Balance Sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable results will be available against which the temporary differences can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

Temporary differences arising from investments in subsidiaries give rise to deferred tax in the Company Balance Sheet only to the extent that it is probable that the temporary difference will reverse in the foreseeable future or the Company does not control the timing of the reversal of that difference.

Deferred tax is provided on unremitted earnings of subsidiaries to the extent that the temporary difference created is expected to reverse in the foreseeable future.

Deferred tax is recognised in the Income Statement except when it relates to items recognised directly in the Statement of Changes in Equity in which case it is credited or charged directly to Retained Earnings through the Statement of Changes in Equity.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

(k) Financial instruments

Financial assets and financial liabilities are recognised on the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. Trade and other receivables are initially measured at fair value and are subsequently reassessed at the end of each accounting period. Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Shares issued are held at their fair value.

(l) Share based payments

The Group issues equity-settled share-based payments to certain employees. The fair value of each option at the date of the grant is estimated using the Black–Scholes option-pricing model based upon the option price, the share price at the date of issue, volatility and the life of the option. The estimated fair value of the option is amortised to expense over the options' vesting period with a corresponding increase to equity. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Notes to the Financial Statements
continued

1 Accounting policies continued

(m) Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have not been applied in preparing this financial report.

- IFRS 11 Amendments: Accounting for Acquisitions of Interests in Joint Operations for accounting periods beginning on or after 01/01/2016
- IAS 16 and IAS 38 Amendments: Clarification of Acceptable Methods of Depreciation and Amortisation for Accounting periods beginning on or after 01/01/2016
- IAS 16 and IAS 41 Amendments: Agriculture: Bearer Plants June 2014 for accounting periods beginning on or after 01/01/2016
- IAS 27 Amendment – Equity Method in Separate Financial Statements for accounting periods beginning on or after 01/01/2016
- IFRS 10 and IAS 28 Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture for accounting periods beginning on or after 01/01/2016
- IFRS 14 Regulatory Deferral accounts for accounting periods beginning on or after 01/01/2016
- IFRS 15 Revenue From Contracts with Customers for accounting periods beginning on or after 01/01/2017
- IFRS 9 Financial Instruments for accounting periods beginning on or after 01/01/2018

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the year of initial application.

(n) Earnings per share

Earnings per share are calculated using the weighted average number of ordinary shares outstanding during the period per IAS 33. Diluted earnings per share are calculated based on the weighted average number of ordinary shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all potentially dilutive shares to ordinary shares. It is assumed that any proceeds obtained on the exercise of any options and warrants would be used to purchase ordinary shares at the average price during the period. Where the impact of converted shares would be anti-dilutive, these are excluded from the calculation of diluted earnings.

(o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(p) Revenue Recognition

Revenue associated with production sales of natural gas is recorded when title passes to the customer.

2 Segment information

The Group categorises its operations into three business segments based on corporate, exploration and appraisal and development and production.

In the year ended 31 December 2014 the Group's exploration and appraisal activities were carried out solely in Italy.

The Group's reportable segments are based on internal reports about components of the Group which are regularly reviewed and used by the board of directors, being the Chief Operating Decision Maker ("CODM"), for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance.

Details regarding each of the operations of each reportable segment is included in the following tables.

2 Segment information continued

Segment results for the period ended 31 December 2014

	Corporate £'000s	Development & Production £'000s	Exploration & Appraisal £'000s	Total £'000s
Sales and other operating revenues	–	983	–	983
Operating costs	–	(658)	–	(658)
Exploration costs	–	–	(74)	(74)
Impairment of producing assets	–	(723)	–	(723)
Administration expenses	(2,773)	–	–	(2,773)
Operating loss segment result	(2,773)	(398)	(74)	(3,245)
Interest receivable	7	–	–	7
Finance costs	(1,552)	(131)	–	(1,683)
Loss for the period before taxation	(4,318)	(529)	(74)	(4,921)

Segment revenue reported above represents revenue generated from external customers. All the revenue arose from operations in Italy.

The segments assets and liabilities at 31 December 2014 are as follows:

	Corporate £'000s	Development & Production £'000s	Exploration & Appraisal £'000s	Total £'000s
Capital expenditure	–	13,112	10,409	23,521
Other assets	14,938	–	–	14,938
Total liabilities	(2,099)	(1,557)	(15,369)	(19,025)

The geographical split of non-current assets is as follows:

	UK £'000s	Italy £'000s
Development and production assets	–	13,112
Land and buildings	–	1,433
Fixtures, fittings and office equipment	42	46
Goodwill	–	2,099
Exploration and evaluation assets	–	6,789
Total	42	23,479

Segment results for the year ended 31 December 2013 were as follows:

	Corporate 2013 £'000s	Development & Production 2013 £'000s	Exploration & Appraisal 2013 £'000s	Total 2013 £'000s
Sales and other operating revenue from external customers	–	482	–	482
Operating costs	–	(265)	–	(265)
Impairment of exploration and evaluation assets	–	–	(4,038)	(4,038)
Administration expenses	(2,616)	–	–	(2,616)
Operating loss segment result	(2,616)	217	(4,038)	(6,437)
Interest receivable	9	–	–	9
Interest payable	(436)	–	–	(436)
Loss for the year before taxation	(3,043)	217	(4,038)	(6,864)

During the period, revenues amounting to £482,000 arose from a single customer.

Notes to the Financial Statements
continued

2 Segment information continued

	Corporate 2013 £'000s	Development & Production 2013 £'000s	Exploration & Appraisal 2013 £'000s	Total 2013 £'000s
Capital expenditure	88	1,388	19,500	20,976
Other assets	2,705	–	2,705	14,938
Total liabilities	(2,165)	(578)	(5,621)	(8,364)

The geographical split of non-current assets were as follows:

	UK 2013 £'000s	Italy 2013 £'000s
Sales and other operating revenue	–	482
Development and production assets	–	1,388
Fixtures, fittings and office equipment	6	82
Goodwill	–	2,167
Exploration and evaluation assets	–	17,333
Total Assets	6	20,970

3 Operating Loss

	2014 £'000s	2013 £'000s
Operating loss is stated after charging:		
Auditors's remuneration	**75**	82
Depreciation	**225**	146
Share based payments	**329**	108
Employee costs	**2,192**	2,045
Impairment charges	**723**	3,984

4 Auditors' Remuneration

	2014 £'000s	2013 £'000s
Fees payable to company's auditor for the audit of company's annual account	**65**	67
Fees payable to the company's auditor and its associates for other services:		
The audit of the company's subsidiaries pursuant to legislation	**6**	7
Tax services	**4**	8
	75	82

5 Employee Costs

	2014 £'000s	2013 £'000s
Staff costs, including executive directors		
Share based payments	**329**	108
Wages and salaries	**1,507**	1,616
Social security costs	**347**	311
Employee benefits	**9**	10
Total	**2,192**	2,045

5 Employee Costs continued

	2014 Number	2013 Number
Number of employees (including executive directors) at the end of the year		
Technical and operations	5	5
Management and administration	11	11
Total	16	16

6 Finance Revenue

	2014 £'000s	2013 £'000s
Interest on cash at bank and short term deposits	7	9

7 Taxation

(a) Analysis of the tax charge for the year:

	2014 £'000s Group	2013 £'000s Group
Current tax		
UK Corporation tax (charge)/credit	–	–
Adjustment to tax expense in respect of prior years	–	–
Overseas tax	–	–
Total current tax (charge)/credit	–	–
Deferred tax income arising in the current year	–	–
Total tax (charge)/credit	–	–

(b) Reconciliation of tax charge

	2014 £'000s Group	2013 £'000s Group
(Loss)/profit before tax	(4,921)	(6,864)
Tax (charge)/credit charged at UK corporation tax rate of 21% (2012: 23%)	1,033	1,579
Temporary differences not recognised	(625)	(474)
Differences in overseas tax rates	(408)	(1,105)
Total tax (charge)/credit	–	–

8 Profit/(loss) per share

The calculation of basic profit/(loss) per Ordinary Share is based on the profit/(loss) after tax and on the weighted average number of Ordinary Shares in issue during the period. Basic profit/(loss) per share is calculated as follows:

	2014 £'000s	2013 £'000s
Loss after tax from continuing operations	(4,921)	(6,864)

	2014 million	2013 million
Weighted average shares in issue	360	288

	2014 pence	2013 pence
Loss per share (basic) from continuing operations	(1.40)	(2.40)

Notes to the Financial Statements
continued

9 Property, plant and equipment

	2014 £'000s	2013 £'000s
Development and production assets		
Cost		
At start of period	2,947	2,218
Exchange adjustments	(548)	21
Additions	1,612	706
Decommissioning provisions	–	2
Transfers	11,555	–
At end of period	15,566	2,947
Depreciation		
At start of period	1,559	1,453
Impairment of assets	712	–
Charge for period	183	106
At end of period	2,454	1,559
Net book amount	13,112	1,388
Fixtures, fittings and office equipment		
Cost		
At start of period	231	191
Exchange adjustments	(4)	3
Acquisitions	46	37
At end of period	273	231
Depreciation		
At start of period	143	103
Charge for period	42	40
At end of period	185	143
Net book amount	88	88
Total net book amount	13,200	1,476

In 2014, the impairment costs related entirely to San Lorenzo due to latest revisions on the remaining life of production from the field. In 2013, the impairment costs related primarily to the decision to relinquish the Sambucheto and Monteluro licences whilst reducing the carrying value of the Strombone license.

	2014 £'000s	2013 £'000s
Italy	712	4,038
Total	712	4,038

10 Land and Buildings

	2014 £'000s	2013 £'000s
Cost		
At start of period	–	–
Additions	1,433	–
At end of period	1,433	–
Depreciation		
At start of period	–	–
Additions	–	–
At end of period	–	–
Net book amount	1,433	–

11 Intangibles

	Goodwill £'000s	Software £'000s	Exploration and Evaluation Assets £'000s	**2014 £'000s**
Cost				
At 1 January 2014	2,167	–	22,393	**24,560**
Additions	–	91	998	**1,089**
Transfers	–	–	(11,555)	**(11,555)**
Exchange adjustments	(68)	–	(78)	**(146)**
At 31 December 2014	2,099	91	11,758	**13,948**
Impairment				
At start of period	–	–	5,060	**5,060**
Exchange adjustments	–	–	–	**–**
Charge for period	–	–	–	**–**
At end of period			5,060	**5,060**
Net book amount at 31 December 2014	2,099	91	6,698	**8,888**

	Goodwill £'000s	Software £'000s	Exploration and Evaluation Assets £'000s	2013 £'000s
Cost				
At 1 January 2013	2,126	–	13.494	15,620
Exchange adjustments	41	–	180	221
Additions	–	–	8,719	8,719
At 31 December 2013	2,167	–	22,393	24,560
Impairment				
At 1 January 2013	–	–	1,076	1,076
Additions	–	–	3,984	3,984
At 31 December 2013	–	–	5,060	5,060
Net book amount at 31 December 2013	2,167	–	17,333	19,500

Group

Goodwill arises on acquisitions accounted for at fair value and consists largely of the synergies expected from combining acquired operations with those of the Group. In accordance with IFRS, goodwill is assessed annually for impairment. On the basis there is considerable headroom within the calculations and there have been no changes in the assumptions, no impairment is considered necessary.

The Company has no goodwill.

Exploration and Evaluation Assets

Intangible assets are allocated to the cash generating unit ("CGU") identified according to business segment.

In assessing whether impairment indications exist in relation to intangible assets, the directors have regard to the results of the Group's exploration and evaluation programme and to the most recent review and valuation of the Group's assets prepared independently by its geoscience advisers in competent persons' report ("CPRs").

A CPR covering the Group's material assets (other than Badile and Santa Maria Goretti) was released in April 2015. A CPR for Santa Maria Goretti was performed in July 2014. A Badile CPR was executed in October 2013 which gave a Best estimate NPV10 of €486m, an increase of 60% on the previous CPR. The values attributed to the Group's assets in the most recent CPRs are very significantly in excess of the carrying amounts of the Italian CGU, including goodwill and considered a variety of pricing scenarios. Consequently, other than in relation to San Lorenzo, the directors do not therefore consider that any impairment indications exist in relation to the remaining Italian CGU.

Notes to the Financial Statements
continued

11 Intangibles continued

The valuation calculations included in the CPRs are entirely dependent on the availability of finance to fund capital expenditure on the development of exploration and evaluation assets. Should finance not be available the carrying amounts of the Group's exploration and evaluation assets are likely to be impaired to their market value in a distressed sale.

The methodology to arrive at the values attributed to the Group's assets in the CPRs was as follows:

- Net present value ("NPV") calculations were prepared for proven contingent resources, including all the Italian licences.

Estimates of the NPV of any project are always subject to many factors and wide margins of error. NPV calculations have been prepared over the period of the expected production profile and duration of sales contracts. The principal assumptions on which the NPV calculations are based are as follows:

- The 2015 Italian CPR was produced with five different pricing scenarios with base gas prices of between 23 euro cents and 31 euro cents for 2015. Gas prices, in all cases, were then escalated at 2% per annum from 2016. The oil price scenarios were priced from 38.64 euros per barrel to 57.96 euros per barrel with future years being escalated according to a Brent futures curve until 2022 and from then on at 2% per annum.
- A discount rate of 10% (2013: 10%) has been used which the directors believe to be standard industry practice and approximate to the Groups' weighted average cost of capital.
- The NPV calculations are most sensitive to the assumptions for production and operating expenditure.

During the year, the Group capitalised interest costs of £799,000 (2013:£586,000); 44% of the interest costs incurred in the year have been capitalised on the basis that costs were directly attributable to the ongoing development of Nervesa.

12 Investment in subsidiaries

	2014 £'000s Company	2013 £'000s Company
At 1 January	24,252	22,880
Net advances to group companies	1,483	1,372
At 31 December	**25,735**	24,252

The subsidiary companies of the Company at 31 December 2014 which are all 100% owned by the Company are:

Name	Incorporated	Principal Activity
Sound Oil International Limited	British Virgin Isles	Holding Company
Sound Oil Asia Limited*	British Virgin Isles	Holding Company
Mitra Energia Citarum Limited*	Mauritius	Exploration Company
Consul Oil and Gas Limited	UK	Holding Company
Apennine Energy SpA	Italy	Exploration, Development and Production Company
Apennine Oil and Gas SpA	Italy	Exploration, Development and Production Company

* The investments in Mitra Energia Citarum Limited are held indirectly via Sound Oil International Limited.

The investments in Apennine Energy SpA and Apennine Oil and Gas SpA are held indirectly through Consul Oil and Gas Limited.

Consul Oil and Gas Limited is directly funded through non-current, non-interest bearing loans from Sound Oil Plc.

Given that Sound Oil has no intention to call the loans in the foreseeable future, the loans are treated as "permanent as equity". As a result, Sound Oil has classified these loans as investments which represent the carrying value of the investment in the Sound Oil International and Consul group of companies.

12 Investment in subsidiaries continued

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly owned subsidiaries 2014	2013
Gas exploration and production	Italy	2	2
Holding companies	UK	2	2
Holding companies	British Virgin Isles	2	2
Holding companies	Mauritius	1	2
		7	8

13 Other Receivables

Group

	2014 £'000s	2013 £'000s
Italian VAT	**1,975**	1,923
UK VAT	**24**	10
Other receivables	**174**	45
	2,173	1,978

Currency Analysis

	2014 £'000s	2013 £'000s
Euro	**2,117**	1,955
GBP Sterling	**56**	12
US Dollar	**–**	11
	2,173	1,978

Company

	2014 £'000s	2013 £'000s
UK VAT	**24**	10
Other receivables	**20**	2
	44	12

Currency Analysis

	2014 £'000s	2013 £'000s
GBP Sterling	**44**	12
Total	**44**	12

Notes to the Financial Statements
continued

14 Cash and Cash Equivalents

Group

	2014 £'000s	2013 £'000s
Cash at bank and in hand	12,608	211
Cash equivalents:		
Short term deposits	–	332
Carrying amount 31 December	12,608	543
being		
In US Dollar	1	23
In Euros	11,205	187
In Sterling	1,402	333
	12,608	543

Company

	2014 £'000s	2013 £'000s
Cash at bank and in hand	25	104
Cash equivalents:		
Short term deposits	11,889	314
Carrying amount 31 December	11,914	418
being		
In US Dollar	1	23
In Euros	10,511	62
In Sterling	1,402	333
Total	11,914	418

15 Trade & Other Payables

Company

	2014 £'000s	2013 £'000s
Trade Payable	1,016	2,317
Payroll taxes and social security	88	79
Accruals	1,090	401
	2,194	2,797

Currency Analysis

	2014 £'000s	2013 £'000s
Euro	747	2,397
Sterling	1,447	400
Total	2,194	2,797

Company

	2014 £'000s	2013 £'000s
Trade Payable	502	64
Payroll taxes and social security	34	38
Accruals	912	297
Total	1,448	399

Currency Analysis

	2014 £'000s	2013 £'000s
Sterling	1,448	399
Total	1,448	399

15 Trade & Other Payables continued

Loans and Borrowings
Group

	2014 £'000s	2013 £'000s
Current liabilities		
Other loans	131	229
Non-current liabilities		
Other loans	13,437	1,947

Loans and Borrowings
Company

	2014 £'000s	2013 £'000s
Current liabilities		
Other loans	–	–
Non-current liabilities		
Other loans	6,627	–

16 Deferred tax liabilities

	2014 £'000s	2013 £'000s
1 January	2,165	2,125
Unreleased foreign exchange (decrease)/increase	(66)	40
31 December	2,099	2,165

Deferred tax assets have not been recognised in respect of tax losses available due to the uncertainty of utilisation of those assets.

17 Provisions

	Abandonment £'000s	Other provisions £'000s	Total £'000s
At 1 January 2014	1,164	62	1,226
Discount unwind	110	–	110
Additions in 2014	–	–	(58)
Released in the year	(58)	(62)	(120)
Unrealised forex increase	(52)	–	(52)
At 31 December 2014	**1,164**	**–**	**1,164**

The provision of £1,164,000 relates to the following licenses:-

	£'000s
Rapagnano	139
Montemarciano	254
Marciano	255
Carita	516

Decomissioning is likely to occur within one year for Marciano and between 2016 and 2025 for the other licenses. Expected abandonment costs are capitalised and depreciated on a unit of production basis once gas sales commence.

There are no provisions in the parent company.

Notes to the Financial Statements
continued

18 Capital and Reserves

Group

	2014 Number of shares	£'000s	2013 Number of shares	£'000s
Ordinary shares – 1p	**415,300,815**	**4,153**	2,870,012,882	2,870

Company

	2014 Number of shares	£'000s	2013 Number of shares	£'000s
Ordinary shares – 1p	**415,300,815**	**4,153**	2,870,012,882	2,870

Share option schemes

Options to subscribe for the Company's shares were granted to certain executives in 2013 and 2014 (note 19).

Statement of Equity

Group

	Share capital £'000s	Share premium £'000s	Accumulated deficit £'000s	Warrant reserve £'000s	Foreign currency reserves £'000s	Total equity £'000
At 1 January 2014	2,876	60,209	(49,029)	–	1,261	15,317
Total loss for the period	–	–	(4,921)	–	–	(4,921)
Other comprehensive income	–	–	–	–	127	127
Total comprehensive income/(loss)	–	–	(4,921)	–	127	(4,794)
Issue of share capital	1,277	7,442	–	–	–	8,719
Fair value of warrants	–	–	–	369	–	369
Transaction costs	–	(506)	–	–	–	(506)
Share based payments	–	–	329	–	–	329
At 31 December 2014	**4,153**	**67,145**	**(53,621)**	**369**	**1,388**	**19,434**

Company

	Share capital £'000s	Share premium £'000s	Accumulated deficit £'000s	Warranty reserve £'000s	Total equity £'000s
At 1 January 2014	2,876	60,209	(38,653)	–	24,432
(Loss for year)	–	–	(3,650)	–	(3,650)
Issued of share capital	1,277	7,442	–	–	8,719
Fair value of warrants	–	–	–	369	369
Transaction costs	–	(506)	–	–	(506)
Share based payments	–	–	329	–	329
At 31 December 2014	**4,153**	**67,145**	**(41,3974)**	**369**	**29,693**

For details on the warrant reserve see note 25.

Share Issues

On 3 February 2014, Sound Oil announced the results of its Open Offer which had been announced on 16 January 2014 with an offer price of 4.2 pence per New Ordinary Share. The Company received valid acceptances in respect of 38,349,139 Open Offer Shares from eligible shareholders and these new shares were admitted to the AIM market on 4 February 2014.

Various bonuses in the forms of shares were awarded to the Executive Team in 2014 which resulted in the issue of 1,833,132 new ordinary shares.

On 10 July 2014, the Company issued 23,212,500 new ordinary shares to related parties of Continental Investment Partners, being the first tranche of the £7 million equity issue associated with the Institutional Funding announced on 18 June 2014.

On 23 July, the Company issued a total of 64,287,500 new ordinary shares to Metano Capital S.A. and represented the final issue of two tranches of the £7 million equity issue associated with the institutional funding.

Consequently, at the end of December 2014, the Company had 415,300,815 ordinary shares in issue.

19 Related Party Disclosures

The financial statements include the financial statements of Sound Oil Plc (the parent) and the subsidiaries listed in the following table:

Name	Country of Incorporation	2014	2013
Sound Oil International Limited	British Virgin Isles	**100%**	100%
Sound Oil Asia Limited	British Virgin Isles	**100%**	100%
Consul Oil and Gas Limited	UK	**100%**	100%
Apennine Energy SPA	Italy	**100%**	100%
Apennine Oil and Gas SPA	Italy	**100%**	100%
Mitra Energia Limited	Mauritius	**0%**	100%
Mitra Energia Citarum Limited	Mauritius	**100%**	100%

Terms and conditions of transactions with related parties

There were no sales or purchases to or from related parties (2013: none). There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2013: none) and is not owed or owes amounts to/from any related parties.

Key Management

There is currently one key management personnel other than directors of the Company (2013: two). Details of the directors' remuneration are set out in the Report of Directors' Remuneration.

	2014 £'000s	2013 £'000s
Salaries and employee benefits	**1,219**	871
Share based payments	**329**	108

Directors Interest in employees share options

At 31 December 2014, the Chairman of directors had no interest in share options in the Group.

Other non-executive directors of the board held the following options:

	Expiry Date	Exercise price Pence	2014 Number	2013 Number
2011	2016	49.5p	**100,000**	100,000
2012	2016	16.5p	**300,000**	300,000

Share options held by the executive members of the Board of Directors have the following expiry dates and exercise prices:

	Expiry Date	Exercise price Pence	2014 Number	2013 Number
2011	2016	21.75p	**330,000**	330,000
2012	2018	25.0p	**900,000**	900,000
2012	2016	16.5p	**1,000,000**	1,000,000
2012	2017	16.5p	**330,000**	330,000
2013	2018	12.15p	**1,333,333**	1,333,333
2014	2017	6.50p	**1,499,999**	–
2014	2019	8.0p	**5,800,000**	–

Key management's interest in employee share options

	Expiry Date	Exercise price Pence	2014 Number	2013 Number
2013	2018	12.15p	**1,288,888**	1,288,888
2014	2017	6.50p	**166,666**	–
2014	2019	8.0p	**2,050,000**	–

Notes to the Financial Statements
continued

20 Financial Instruments risk management objectives and policies

A financial instrument is defined as any contract that gives rise to a financial asset of one equity and a financial liability or equity instrument of another entity. The Group's financial instruments comprise trade payables, receivables, cash and short term deposits. The Group has no long term borrowings. The main purpose of the financial instruments is to finance the Group's operations. The fair value of the financial instruments is their carrying value, with the carrying value amounts included in the Group Balance Sheet with further analysis in note 13 (other debtors), note 14 (cash and cash equivalents) and note 15 (trade and other payables).

The main risks arising from the Group's financial instruments are interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's deposit accounts and short term debt instruments.

The Group's policy is to manage this exposure by investing in short term, low risk bank deposits.

Interest rate risk table

	Increase/ (decrease) %	Effect on profit before tax £'000s
2014		
Sterling	**10**	**1**
US Dollar	**10**	**–**
Euro	**10**	**–**
Sterling	**(10)**	**(1)**
US Dollar	**(10)**	**–**
Euro	**(10)**	**–**
2013		
Sterling	10	1
US Dollar	10	–
Euro	10	–
Sterling	(10)	(1)
US Dollar	(10)	–
Euro	(10)	–

Capital Management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide return for shareholders, benefit for other stakeholders and to maintain optimal capital structure and to reduce the cost of capital.

Management considers as part of its capital, the financial sources of funding from shareholders and third parties.

In order to ensure an appropriate return for shareholder capital invested in the Group, management thoroughly evaluates all material projects and potential acquisitions and has them approved by the Board of Directors where applicable.

The Group monitors capital on a short and medium term view. During 2014 the Group's strategy was to fund capital expenditure through a mix of debt and equity. The table below illustrates the changes in capital during the year.

	2014 £000s	2013 £000s
Borrowings	**(13,568)**	(2,176)
Cash and cash equivalents	**12,608**	543
Net (debt)/cash	**(960)**	(1,633)
Total capital excluding reserves:		
Equity Share capital	**4,153**	2,876
Equity share premium	**67,145**	60,209
Shareholders equity	**19,434**	15,317

21 Foreign Currency Risk

As a result of the bulk of the Group's operations being denominated in Euros, the Group's balance sheet can be impacted by movements in these exchange rates againt Sterling. Such movements will result in book gains or losses which are unrealised and will be offset if the currencies involved move in the opposite direction.

The Sterling cost of the assets being acquired with the Euro or US Dollar deposits rises or falls pro rata to the currency movements, so the purchasing power of the respective currency remains the same.

As the Group also holds some US Dollar assets at the end of the year, the following table demonstrates the sensitivity to a reasonably possible change in the US dollar or Euro exchange rates, with all other variables held constant, of the Group's profit or loss before tax. Wherever possible the company holds the same currency as our liabilities, thereby providing a natural hedge.

	Increase/ (decrease) in Euro rate %	Effect on profit or loss before tax £'000s	Increase/ (decrease) in US Dollar rate %	Effect on profit or loss before tax £'000s
2014	**5**	**(708)**	**5**	**–**
	(5)	**745**	**(5)**	**–**
2013	5	(283)	5	(2)
	(5)	298	(5)	1

Credit risk

The Group currently has sales to two customers. The maximum credit exposure at the reporting date of each category of financial assets above is the carrying value as detailed in the relevant notes. The Group's management considers that the financial assets that are not impaired for each of the reporting dates are of good credit quality. Payment terms are limited to one month's gas sales at any one time and therefore the credit risk is considered negligible.

Liquidity Risk

The Group and Company have significant liquid assets and are not materially exposed to liquidity risk. For further details on the maturity of financial liabilities see note 15.

22 Financial Instruments

	Floating Rate £'000s	Interest-free £'000s	Total £'000s	Weighted average £'000s
2014				
Cash and short term deposits				
Sterling	**39**	**1,363**	**1,402**	**0.00%**
Euro	**696**	**10,511**	**11,205**	**0.00%**
US Dollar	**1**	**–**	**1**	**0.25%**
	736	**11,874**	**12,608**	**–**
2013				
Cash and short term deposits				
Sterling	315	18	333	0.45%
Euro	126	61	187	1.27%
US Dollar	17	6	23	0.25%
	458	85	543	–

Euro cash balances have been converted at the exchange rate of €1.2565:£1.00 (2013: €1.2015:£1.00).

US Dollar cash balances have been converted at the exchange rate of US$1.5649:£1.00 (2013: USD$1.6349:£1.00).

The floating rate cash and short term deposits comprise cash held in interest bearing deposit accounts.

Notes to the Financial Statements
continued

23 Share Based Payments
The Group has a Long Term Incentive Plan under which share options have been granted to the executive team.

The expense recognised for employee services in the Consolidated Income Statement is as follows:

Group

	2014 £'000s	2013 £'000s
Expense arising from equity-settled share options	329	108

Company

	2014 £'000s	2013 £'000s
Expense arising from equity-settled share options	329	108

The fair value of equity-settled share options granted is estimated at the date of grant using a Black–Scholes model, taking into account the terms and conditions upon which the options were granted.

	Granted	Period (years)	Price (pence)
2014	**1,833,331**	**3**	**6.50**
	1,833,334	**4**	**6.06**
	1,833,335	**5**	**6.06**
	500,000	**5**	**12.15**
	500,000	**6**	**12.15**
	500,000	**7**	**12.15**
	7,850,000	**5**	**8.0**
	250,000	**4**	**12.6**
	250,000	**4**	**12.4**
Total	**15,350,000**		
2013	2,622,219	5	12.15
Total	2,622,219		

The expected life of the options is based on the maximum option period and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

No other features of options grant were incorporated into the measurement of fair value

	2014	2013
Share options outstanding at the start of the year	6,182,220	6,169,334
Share options granted	15,350,000	2,622,219
Share options expired	(5,833,335)	(2,609,333)
Share options outstanding at the end of the year	15,698,885	6,182,220

If all equity share options were exercisable immediately, new ordinary shares equal to approximately 3.7% would be created.

24 Commitment and guarantees

At 31 December 2014, the Group had no commitments other than for decommissioning (note 17) and no capital commitments (2013: nil).

25 Debt and Warrant Instruments

On 28 July, the Company issued £8m of debt to Continental Investment Partners (£7m) and Simon Davies (£1m) combined with equity and warrants with a two year term with an annual coupon of 8%. Each warrant is convertible into equity at a price of 10.4p for that two year term.

The loan notes therefore contain two components: liability and equity elements. The equity element is presented in equity under the heading of "warrant reserve".

	GBP £'000s
Proceeds of issue	6,605
Liability at date of issue	(6,236)
Equity Component	**369**
Liability Component at date of issue	6,236
Interest charge calculated at effective interest rate	491
Interest paid	(139)
Liability component at 31 December 2014	**6,588**

26 Post Balance Sheet Events

On 22 January 2015, the Company announced the issuance of 3,906,250 new ordinary shares in the Company in satisfaction of the introduction fee for the Reserve Based Lending facility announced on 13 November 2014. The effective price of the issued shares was 16p and as result the Company revised ordinary shares in issue stood at 419,207,065.

On 17 March, the Company announced the approval of the Environmental Impact assessment ("EIA") for Badile from the Italian Ministry of Economic Development from the Lombardy Regional Government. This marks an important step in the local permitting process and enables the Company to prepare for the forthcoming exploration well.

On 17 April, the Company was pleased to announce it had received the final approval of the Environmental Impact Assessment ("EIA") for the Nervesa field production concession from the Veneto Region. The award of the Nervesa field production concession from the Italian Ministry of Economic Development is expected shortly.

On 28 April, the Company announced a placing to raise a total of £12.0 million, before expenses, through the issue of 63,157,895 new ordinary shares at a price of 19 pence per ordinary share with an equal number of detachable warrants to subscribe for new ordinary shares in the Company at a price of 24 pence per ordinary share for a period of 5 years from issue.

Metano Capital SA ("Metano"), a wholly owned subsidiary of Continental Investment Partners SA ("Continental"), agreed to arrange a subscription for a total of 63,157,895 new ordinary 1p shares in the Company.

Continental is contractually precluded from exercising any Warrants that it holds to the extent that any such exercise would see Continental's (together with its related parties or concert parties) ownership exceeding 29.9% of the issued share capital of the Company.

The Placing Shares and the Warrants are to be issued in two tranches, the second of which is conditional, *inter alia*, on the approval of Sound Oil shareholders:

Notes to the Financial Statements
continued

26 Post Balance Sheet Events continued

A first tranche of 48,000,000 new Ordinary Shares (the "First Tranche Shares") and 48,000,000 Warrants (the "First Tranche Warrants") was issued following settlement, raising £9.1 million before expenses. The first tranche was admitted for trading on AIM on 22nd May 2015.

A second tranche of 15,157,895 new Ordinary Shares (the "Second Tranche Shares") and 15,157,895 Warrants (the "Second Tranche Warrants") will be issued on or before 30 June 2015, subject to, *inter alia*, the receipt of shareholder approval of the necessary resolutions to enable the issue of the Second Tranche Shares and the exercises of the Second Tranche Warrants. The Company will be convening a general meeting for the purpose of considering, *inter alia*, the necessary resolutions shortly. Continental (or an affiliate of Continental) will be paid a fee of 8% of the gross proceeds of the Placing (the "Placing Fee"), payable in two proportional tranches.

Following the issue of the 48,000,000 First Tranche Shares, the Company has 467,207,065 Ordinary Shares in issue and there are no shares held in treasury. This is the total number of voting rights in the Company and may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or change to their interest in, the Company under the Disclosure Rules and the Transparency Rules.

The Company also announced on 28 April that existing shareholders will be offered the chance to participate in an open offer of new shares and warrants up to a maximum of €5.0 million. On 18 May the Company confirmed that is was offering one share for every 23 shares held at the record date of 5pm of 15 May 2015. The Company expects the open offer shares to be admitted for trading on AIM at 8am on 10 June 2015.

List of Licences and Interests

Licence	Status[1]	Key Project or Prospect Name	Type	WI (%)	Area (km^2)	Operator
Rapagnano	Concession	Rapagnano	Gas Production	100	8.5	Apennine Energy
San Lorenzo	Concession	Casa Tiberi	Gas Production	100	4.9	Apennine Energy
Fonte San Damiano	Concession	Marciano	Awaiting Abandonment	100	23.7	Apennine Energy
Carità[2]	App Conc.	CasaTonetto	Gas Discovery	100	4.2	Apennine Energy
Torrente Alvo[2]	Permit	Strombone	Oil Discovery	100	84.3	Apennine Energy
Carità[2]	Permit	Nervesa	Appraisal	100	529.8	Apennine Energy
Badile	Permit	Badile	Prospect	100	154.5	Apennine Energy
S.Maria Goretti	Permit	T.Tesino	Appraisal	100	101.3	Apennine Energy
Villa Gigli[3]	Permit	Musone	Oil Discovery	100	100.9	Apennine Energy
Monte Negro[2]	Permit	–	–	100	287.7	Apennine Energy
Montemarciano	Permit	–	–	75	49.4	Apennine Energy
D-R74-AP	Permit	Laura	Gas Discovery	100	65.2	Apennine Energy
D503 BR-CS	Application	Dora / Dalla	Gas Discovery	100	138.1	Apennine Energy
Posta Del Giudice[3]	Application	–	–	100	113.6	Apennine Energy
Solfara Mare	Application	–	–	100	337	Apennine Energy
D148 DR-CS	Application	–	–	100	162.3	Apennine Energy
Costa Del Sole	Application	Manfria	Oil Discovery	100	41.5	Apennine Energy
Tardiano	Application	–	–	100	212.4	Apennine Energy
Torre del Ferro	Application	–	–	100	118.0	Apennine Energy

Notes:

1. A Concession allows hydrocarbon production and is valid for twenty years. An Application for a Concession can be made following a declaration of commercial discovery ratified by the Ministry of Economic Development. The Concession requires the approval of an Environmental Impact Assessment and becomes exclusive after publication in the Official Journal of the EU. A Permit is valid for six years and allows seismic and drilling operations. An Application for a permit can be made at any time, it becomes exclusive to the applying company three months after publication in the Official Journal of the EU. All the applications listed here are exclusive to Apennine Energy. The conversion of an application to a full permit requires the approval of an Environmental Impact Assessment.

2. Carità, Monte Negro and Torrente Alvo Permit: 100 per cent. SOU (50 per cent. Apennine Energy - 50 per cent. Apennine Oil and Gas).

3. Prior to the asset swap transaction announced by the Company on 28 February 2013, Compagnia Generale Idrocarburi SpA and Sound Oil each held a 50 per cent. equity position in four assets: two awarded licences (Villa Gigli and Colle Ginestre) and two outstanding applications (Posta del Guidice and Il Convento). Sound Oil increased its equity position to 100 per cent. in Villa Gigli and Posta Del Giudice in exchange for eliminating any equity interest in Il Convento and Colle Ginestre.

Shareholder Notes

Dealing Information

FT Share Price Index – Telephone 0906 8433711
SEAQ short code – SOU

Financial Calendar

Meetings
Annual General Meeting – 30 June 2015

Announcements
2015 Interim – 18 September 2015
2015 Preliminary – May 2015

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