



BIO REFINING

GTL Resources PLC

("GTL" or the "Group")

Unaudited Interim Results

GTL Resources PLC (AIM: GTL), the US based bio-refining company, today announced interim results for the six months ended 30 September 2010.

Highlights for the period:

- Pre-tax profit increased 148% to \$6.2 million (First Half 2010: \$2.5 million)
- EBITDA increased 28% to \$15.6 million (First Half 2010: \$12.2 million)
- Debt, net of restricted cash, decreased \$6.5 million from year end 31 March 2010 and \$23.7 million from 30 September 2009
- Revenue increased 2% to \$109.2 million (First Half 2010: \$107.2 million)
- Ethanol plant commodity margins improved 6% to \$0.56/ gallon (First Half 2010: \$0.53/ gallon)
- Ethanol production increased 4% to 55.2 million gallons (First Half 2010: 53.3 million gallons)

Commenting on the results and outlook, CEO Richard Ruebe said: "We are delighted with GTL's performance for the period. Increased production at GTL's Illinois River Energy (IRE) ethanol plant, coupled with a favourable commodity margin environment for ethanol, enabled GTL to achieve improved earnings over the same period last year. Operationally, GTL ran at a 110 million gallon annualized rate for the period, a 4% increase over the same period last year. For the six month period under review, commodity margins improved nearly 6% over the same period last year resulting in debt reduction, net of restricted cash, of \$6.5 million.

As GTL previously announced on 14 October 2010, the US Environmental Protection Agency (USEPA) ruled it would now permit gasoline blends with up to 15 percent ethanol (E15), a 50% increase from the previous limit of 10 percent, for model year 2007 and newer vehicles. The USEPA also indicated it would rule on allowing up to E15 for 2001 – 2006 model year vehicles in late November or early December. Combined, these model year vehicles represent approximately two-thirds of US gasoline demand. Even though vested interest parties are trying to oppose the USEPA in these matters, over time we expect gradual adoption at the retail level. This should effectively remove the "ethanol blend wall" and allow ethanol sales in the US to reach the levels required under the Renewable Fuels Standard (RFS2).

In 2011, RFS2 calls for baseline renewable fuels (corn based ethanol) to rise to 12.6 billion gallons, up from 12.0 billion gallons in calendar 2010. In following years, baseline renewable fuels are required to rise 0.6 billion gallons per annum, up to 15.0 billion gallons by 2015 and thereafter. With this forecasted steady increase in annual demand, and with relatively little new capacity under construction, GTL expects ethanol capacity utilisation should also increase in the future."

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CEO Statement

Interim Results

GTL's strong operational performance, together with a favourable commodity margin environment for ethanol producers, enabled the Group to achieve improved earnings compared with the same period last year. GTL continued to improve elements of the business under its control. Production has increased and yields have remained favourable versus nameplate standards. With regards to the margin environment year over year, ethanol prices and natural gas costs increased, while corn costs and dried distillers grains (DDGS) prices decreased. The effect of these key component changes resulted in a net increase in the IRE commodity margin over the same period last year.

Operating Key Performance Indicators (unaudited)

	Six Months to 30 September 2010	Six Months to 30 September 2009	Change
Production (mil. denatured gals.)	55.2	53.3	+1.9
Ethanol yield (den. gals./bushel)	2.8	2.8	-
Ethanol net price (\$/gal)	\$1.63	\$1.60	+\$0.03
DDGS net price (\$/ton)	\$121	\$131	-\$10
Corn net price (\$/bushel)	\$3.53	\$3.68	-\$0.15
Natural Gas net price (\$/MMBtu)	\$4.91	\$4.27	+\$0.64
Commodity margin (\$/gal)	\$0.56	\$0.53	+\$0.03

Results Summary (unaudited)

	Six Months to 30 September 2010	Six Months to 30 September 2009	Change
Ethanol sales (million gallons)	54.8	52.9	+1.9
	<u>\$M</u>	<u>\$M</u>	<u>\$M</u>
Revenue	109.2	107.2	+2.0
EBITDA	15.6	12.2	+3.4
Pre-tax profit	6.2	2.5	+3.7
Earnings per share (basic)	\$0.12	\$0.07	+\$0.05

Revenue of \$109.2 million for the period was \$2.0 million higher than the same period last year (First Half 2010: \$107.2 million). Ethanol sales of 54.8 million gallons were made at an average net price (after freight and commission) of \$1.63 per gallon. Ethanol revenue of \$90.7 million increased \$3.6 million over the same period last year of \$87.1 million, due to higher volume of \$3.0 million and higher sales prices of \$0.6 million. DDGS sales of 149 thousand tons realized an average net price of \$121 per ton year (First Half 2010: \$131 per ton). DDGS revenues of \$18.5 million were \$1.6 million less than the same period last year, mainly due to lower sales prices.

Cost of sales for the period of \$91.1 million includes variable costs of \$86.1 million (First Half 2010: \$85.5 million), fixed expenses of \$3.2 million (First Half 2010: \$2.8 million), and freight and marketing fees of \$1.8 million (First Half 2010: \$3.0 million). Overall, cost of sales declined \$0.2 million from the prior year period of \$91.3 million. The decrease was primarily related to lower corn costs per bushel and reduced freight rates, partially offset by higher volumes.

Administrative expenses - exceptional is a \$1.7 million credit during the period relating to business interruption insurance proceeds as a result of the fire in October 2009. The final claim proceeds were received in July 2010. The plant replaced the damaged heat exchanger in April 2010 during its normal shut down with no incident or delays.

Administrative expenses for the period were \$10.0 million, \$0.3 million higher than the prior year amount of \$9.7 million. Administrative expenses include depreciation, plant administrative expenses, and corporate overhead costs. The increase in administrative expenses consisted mainly of expenses related to new strategic initiatives.

Finance expenses for the period of \$4.3 million were down from last year's expenses by \$0.2 million (First Half 2010: \$4.5 million) as a result of reduced debt levels.

For the six months ended 30 September 2010, the Group reported Profit before tax of \$6.2 million versus prior year's \$2.5 million. The increase of \$3.7 million was primarily due to higher ethanol volumes, improved net commodity margins, and business interruption insurance proceeds.

Income tax (expense) / credit was \$1.6 million of expense for the period versus a credit of \$0.2 million in the prior year. In the prior year, GTL received a refund of an earlier year's taxes paid as a result of an amended tax return filing. For the current period, the Group reversed the remaining valuation allowance of \$1.0 million as of 31 March 2010 relating to Net Operating Loss (NOL) utilisation in the US. Upon elimination of the valuation allowance, GTL must now record income tax expense at the statutory tax rates on book income. However, based on accelerated depreciation for tax purposes, it is expected that GTL will not be in a tax paying position for several years. GTL expects the effective tax rate for book purposes to be in the 30% range for FY 2011 and in the 40% range for subsequent years.

GTL's profit for the period attributable to the equity holders of the Group was \$3.8 million (First Half 2010: \$2.2 million), and represented a profit of \$0.12 per basic share (First Half 2010: \$0.07 per basic share).

Inventory Levels

A planned shutdown for semiannual IRE plant maintenance occurred the first week of October 2010 and progressed as planned. In preparation for that shutdown, inventory levels were increased in order to meet demand. The major contributors to the increased inventory, when compared to the prior year, were corn, natural gas, and ethanol. Corn inventory of \$3.9 million (including work in process) increased \$1.5 million over the prior year balance of \$2.4 million. Natural gas of \$0.9 million increased \$0.7 million over the prior year balance of \$0.2 million. Ethanol inventory of \$1.9 million increased \$0.6 million over the prior year balance of \$1.3 million.

Net Debt

IRE maintains restricted use, debt service and contingency bank deposits. The restricted use bank deposits are current cash funds drawn down under the terms of the senior debt agreement that are to be applied to specific trade creditor balances. The debt service bank deposits must be maintained under loan covenants to service minimum principal and interest payments. IRE's debt service bank deposits and restricted cash deposits amounted to \$14.6 million as of 30 September 2010. Debt, net of restricted cash, decreased \$6.5 million to \$107.2 million from year end 31 March 2010 and \$23.7 million from 30 September 2009. The net debt balance excludes cash and cash equivalents held at the GTL corporate level.

	6 months ended 30 September 2010 (Unaudited) \$000	6 months ended 30 September 2009 (Unaudited) \$000	Year ended 31 March 2010 (Audited) \$000
Loans and borrowings			
Non-current liabilities	114,752	138,512	123,752
Current liabilities	7,038	7,082	7,039
Total loans and borrowings	121,790	145,594	130,791
Less: Other Financial Assets - debt service and restricted use bank deposits	14,640	14,774	17,164

Net debt	107,151	130,820	113,627
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Current Trading and Prospects

We are encouraged to have achieved such a strong performance during the period under review. The IRE plant is performing well and continues to produce above nameplate capacity which is also encouraging. The ethanol margin environment has been favourable for producers during this period and in the weeks since the period ended. Although, as highlighted in our recent AGM Trading Statement in September, with certain regulatory and legislative issues pending, we appreciate that long term visibility on commodity margins is hard to predict. However, the USEPA has recently announced supportive regulations allowing the increasing RFS2 ethanol volumes to be achieved over time and industry supply and demand forces point to higher future industry capacity utilisation. IRE continues to reduce its debt levels and has substantial cash reserves to service future debt payment requirements.

The pursuit of GTL's growth strategy remains on track as we continue to identify and evaluate opportunities in the ethanol industry. In addition, we continue to develop profit enhancing technologies including food corn oil separation and zein protein extraction at our IRE subsidiary's pilot facilities that will allow GTL to expand further and diversify its revenue and profit base.

Again, we are delighted with GTL's performance for this reporting period. We accredit this to all members of the extended GTL team that are focused on delivering results and creating value for our shareholders.

16 November 2010

Richard Ruebe
Company CEO
GTL Resources PLC

Condensed consolidated statement of comprehensive income
for the 6 months ended 30 September 2010

	6 months ended 30 September 2010 (Unaudited) \$000	6 months ended 30 September 2009 (Unaudited) \$000	Year ended 31 March 2010 (Audited) \$000
Revenue	109,159	107,182	216,627
Cost of sales	(91,121)	(91,259)	(176,585)
Gross profit	18,038	15,923	40,042
Administrative expenses - exceptional	1,679	-	1,500
Administrative expenses	(10,035)	(9,683)	(19,421)
Results from operating activities	9,682	6,240	22,121
Finance income	807	761	1,516
Finance expenses	(4,263)	(4,544)	(9,139)
Profit before tax	6,226	2,458	14,498
Income tax (expense) / credit	(1,591)	162	162
Profit for the period	4,635	2,620	14,660
Other comprehensive income:			
Other comprehensive income for the year, net of tax	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,635	2,620	14,660
Profit attributable to:			
Equity holders of the company	3,750	2,232	12,677
Minority interest	885	388	1,983
Profit for the period	4,635	2,620	14,660
Total comprehensive income attributable to:			
Equity holders of the parent	3,750	2,232	12,677
Minority interest	885	388	1,983
Profit for the period	4,635	2,620	14,660
Earnings per share			
Basic earnings per ordinary share (dollars)	\$0.12	\$0.07	\$0.40
Diluted earnings per ordinary share (dollars)	\$0.11	\$0.07	\$0.39

Condensed consolidated statement of financial position

at 30 September 2010

	30 September 2010 (Unaudited) \$000	30 September 2009 (Unaudited) \$000	31 March 2010 (Audited) \$000
Assets			
Property, plant and equipment	158,707	168,804	164,186
Intangible assets - goodwill	7,390	7,390	7,390
Investments - other	100	92	-
Other financial assets	17,488	17,700	17,588
Total non-current assets	183,685	193,986	189,164
Inventories	8,799	5,475	5,409
Trade and other receivables	4,301	3,469	3,431
Other current assets	1,452	1,144	1,490
Other financial assets	4,242	4,377	6,767
Cash and cash equivalents	7,768	8,839	8,616
Total current assets	26,562	23,304	25,713
Total assets	210,247	217,290	214,877
Equity			
Share capital	60,205	60,205	60,205
Share premium	317	317	317
Currency translation reserve	-	477	-
Retained earnings	7,129	(7,605)	3,342
Total equity attributable to equity holders of the Company	67,651	53,394	63,864
Minority interest	8,544	6,049	7,659
Total equity	76,195	59,443	71,523
Liabilities			
Loans and borrowings	114,752	138,512	123,752
Deferred revenue	3,659	3,593	3,527
Deferred income tax liabilities	1,591	-	-
Total non-current liabilities	120,002	142,105	127,279
Trade and other payables	5,786	5,895	7,014
Other financial liabilities at fair value through the statement of comprehensive income	1,095	2,634	1,891
Loans and borrowings	7,038	7,082	7,039
Deferred revenue	131	131	131
Total current liabilities	14,050	15,742	16,075
Total liabilities	134,052	157,847	143,354
Total equity and liabilities	210,247	217,290	214,877

These financial statements were approved by the Board of Directors on 16 November 2010 and were signed on its behalf by:

Richard Ruebe
Company CEO
GTL Resources PLC

Condensed consolidated statement of cash flows
for the 6 months ended 30 September 2010

	6 months ended 30 September 2010 (Unaudited)	6 months ended 30 September 2009 (Unaudited)	Year ended 31 March 2010 (Audited)
	\$000	\$000	\$000
Cash flows from operating activities			
Profit before income tax	6,226	2,458	14,498
Adjustments for:			
Depreciation	5,774	5,942	11,858
Release from deferred revenue	(68)	-	(131)
Loss on disposal of assets	152	-	83
Net finance expense	3,314	3,782	7,540
Equity-settled share-based payment transactions	37	22	37
	15,435	12,204	33,885
Change in inventories	(3,390)	536	602
Change in trade and other receivables	(870)	(326)	(288)
Change in prepayments	38	(88)	(432)
Change in trade and other payables	(1,228)	(1,515)	48
	9,985	10,811	33,815
Effect of exchange rate fluctuations	-	(10)	-
Interest paid	(4,144)	(4,517)	(9,500)
Income tax received	-	162	162
Net cash from operating activities	5,841	6,446	24,477
Cash flows from investing activities			
Interest received	11	17	28
Acquisition of property, plant and equipment	(224)	(310)	(1,691)
Investments other	(100)	(92)	-
Other financial asset deposits	2,424	(11,447)	(13,686)
Net cash from investing activities	2,111	(11,832)	(15,349)
Cash flows from financing activities			
Proceeds from new borrowings	-	14,612	14,613
Proceeds from deferred revenue (Illinois grant)	200	(68)	-
Repayment of borrowings	(9,000)	(8,960)	(23,719)
Distribution to minority shareholders	-	(130)	(133)
Repayment of finance leases	-	(89)	(133)
Net cash from financing activities	(8,800)	5,365	(9,372)
Net decrease in cash and cash equivalents	(848)	(21)	(244)
Cash and cash equivalents at beginning of the year	8,616	8,860	8,860
Cash and cash equivalents at end of the year	7,768	8,839	8,616

Condensed consolidated statement of changes in equity
for the 6 months ended 30
September 2010

	Share capital	Share premium	Trans- lation reserve	Retained earnings	Total	Minority interest	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 April 2009	60,205	317	487	(9,859)	51,150	5,804	56,954
Profit for the period	-	-	-	2,232	2,232	245	2,477
Total comprehensive income for the period	-	-	-	2,232	2,232	245	2,477
Share based payment transactions	-	-	-	22	22	-	22
Foreign currency translation differences for foreign operations	-	-	(10)	-	(10)	-	(10)
At 30 September 2009	60,205	317	477	(7,605)	53,394	6,049	59,443
At 1 April 2009	60,205	317	487	(9,859)	51,150	5,804	56,954
Profit for the period	-	-	-	12,677	12,677	1,983	14,660
Total comprehensive income for the period	-	-	-	12,677	12,677	1,983	14,660
Distribution	-	-	-	-	-	(133)	(133)
Issue of ordinary shares	-	-	-	-	-	5	5
Share based payment transactions	-	-	-	37	37	-	37
Foreign currency translation reserve transfer	-	-	(487)	487	-	-	-
At 31 March 2010	60,205	317	-	3,342	63,864	7,659	71,523
At 1 April 2010	60,205	317	-	3,342	63,864	7,659	71,523
Profit for the period	-	-	-	3,750	3,750	885	4,635
Total comprehensive income for the period	-	-	-	3,750	3,750	885	4,635
Share based payment transactions	-	-	-	37	37	-	37
At 30 September 2010	60,205	317	-	7,129	67,651	8,544	76,195

Notes to Interim Statement

for the six months ended 30 September 2010

1 Basis of preparation

The interim condensed financial statements are unaudited and do not constitute statutory financial statements within the meaning of section 435 of the Companies Act 2006.

The comparative figures for the year ended 31 March 2010 were derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. Those accounts received an unqualified audit report which did not contain statements under section 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

The interim condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. This report should be read in conjunction with the Group's Annual Report and Accounts 2010, which have been prepared in accordance with IFRSs as adopted by the European Union.

2 Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those presented in the Group's Annual Report and Accounts for the year ended 31 March 2010.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. There have been no significant changes in the bases upon which estimates have been determined compared to those applied at 31 March 2010, and no change in estimate has had a material effect on the current period. All significant estimates and judgments have been disclosed in the Group's Annual Report and Accounts for the year ended 31 March 2010. Actual results may differ from these estimates.

These condensed consolidated interim financial statements have been prepared on the basis of IFRSs in issue that are effective at the Company's annual reporting date as at 31 March 2011.

3 Operating segments

Managements approach to reporting the financial performance and position of its business is as follows.

The Directors believe that the revenues achieved through the sale of DDGS does not constitute an operating segment as defined by applicable accounting standards. DDGS is a by-product from the production process of ethanol and revenues are monitored accordingly. There is no further financial information available or presented to the group's chief operating decision maker.

Seasonality of operations – There is no significant seasonal nature to the Group's business of the production of ethanol.

	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	12 months ended	12 months ended	12 months ended
	30 Sep. 2010	30 Sep. 2010	30 Sep. 2010	30 Sep. 2009	30 Sep. 2009	30 Sep. 2009	31 Mar. 2010	31 Mar. 2010	31 Mar. 2010
	IRE	Head Office	Total	IRE	Head Office	Total	IRE	Head Office	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross Revenues	109,159	-	109,159	107,182	-	107,182	216,627	-	216,627
Profit/(Loss) Before Tax	6,876	(651)	6,226	3,017	(559)	2,458	15,418	(920)	14,498
Total Assets	202,354	7,893	210,247	208,359	8,931	217,290	206,271	8,606	214,877

4 Earnings per ordinary share

Basic earnings per share

The calculation of basic earnings per share at 30 September 2010 was based on the profit for the period and on the weighted average number of ordinary shares in issue during the period.

	6 months ended 30 September 2010 (Unaudited) \$000	6 months ended 30 September 2009 (Unaudited) \$000	Year ended 31 March 2010 (Audited) \$000
Profit attributable to ordinary shareholders	3,750	2,232	12,677
Weighted average number of ordinary shares			
Issued ordinary shares at 1 April 2010	31,989	31,989	31,989
Weighted average number of ordinary shares at 30 September 2010	31,989	31,989	31,989
Earnings per share	\$0.12	\$0.07	\$0.40

Diluted earnings per share

The calculation of diluted earnings per share at 30 September 2010 was based on the profit for the period and on the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	6 months ended 30 September 2010 (Unaudited) \$000	6 months ended 30 September 2009 (Unaudited) \$000	Year ended 31 March 2010 (Audited) \$000
Profit attributable to ordinary shareholders (diluted)	3,750	2,232	12,677
Weighted average number of ordinary shares (basic) 1 April 2010			
	31,989	31,989	31,989
Effect of share options on issue	1,168	968	667
Weighted average number of ordinary shares (diluted) at 30 September 2010	33,157	32,957	32,656
Diluted earnings per share	\$0.11	\$0.07	\$0.39

5 Directors' emoluments

	Salaries and Fees			Taxable Benefits			Defined pension plan contribution			Bonus			Total emoluments		
	Sept 2010 \$000	Sept 2009 \$000	March 2010 \$000	Sept 2010 \$000	Sept 2009 \$000	March 2010 \$000	Sept 2010 \$000	Sept 2009 \$000	March 2010 \$000	Sept 2010 \$000	Sept 2009 \$000	March 2010 \$000	Sept 2010 \$000	Sept 2009 \$000	March 2010 \$000
<i>Executive directors</i>	150	137	377	6	5	11	5	5	13	-	-	100	161	147	501
<i>Non - Executive directors</i>	99	87	183	-	-	-	-	-	-	-	-	-	99	87	183
Aggregate emoluments	249	224	560	6	5	11	5	5	13	-	-	100	260	234	684

The Directors of the company are deemed to be key management personnel under applicable accounting standards.

6 *Half year financial report*

The condensed financial statements were approved by the Board of Directors on 16, November 2010 and are available on the Company's website, www.gtlresources.com. Copies are available on application to the Company Secretary, GTL Resources PLC 45 Moorfields, London, EC2Y 9AE, UK

7 *Contingencies*

The lawsuit IRE brought against certain defendants, including Fagen Inc. and IRE's previous insurance provider, continues to progress through the Illinois State court system. Currently, the case is moving toward depositions while additional 3rd parties have been enjoined in the lawsuit.

Temporary repairs to the concrete silos at IRE continue to be adequate and permit the safe operation of the storage and milling operation. Nevertheless, given the slow pace of the litigation, IRE management believes that it would be prudent to advance the construction of a new corn storage and processing system. Construction has begun on the first phase of this project, a partial solution that provides risk mitigation to IRE by removing the hammer mill operation from the damaged concrete silo and providing an additional 350,000 bushels of corn storage. IRE began construction by breaking ground the week of 8 November 2010. The project is expected to be completed and operational sometime in April, 2011. The full project cost of \$5.2 million will be funded by IRE's existing restricted cash reserves. GTL management believes, however, that total damages are substantially higher than the cost of this partial solution and complete recovery of damages from the defendants in the litigation is being pursued.

8 *Principal risks and uncertainties*

The Directors consider that, except as detailed below, the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining 6 months of the financial year remain the same as those stated on pages 37 to 39 of our Annual Report and Accounts for the year ended 31, March 2010, which are available on our website, www.gtlresources.com. As articulated in the Current Conditions and Trading Prospects section of this document, volatility in the market commodity margins remains a key risk for GTL.

The Directors of GTL Resources PLC are listed in the Annual Report and Accounts for the year ended 31, March 2010.



Accountants &
business advisers

INDEPENDENT REVIEW REPORT TO GTL RESOURCES PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2010 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated and company statements of changes in equity, the condensed consolidated and company statements of financial position, the condensed consolidated and company statements of cash flows, and the related notes. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements

This report is made solely to the company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2010 is not prepared, in all material respects, in accordance with the AIM Rules of the London Stock Exchange and International Accounting Standard 34 as adopted by the European Union.

PKF (UK) LLP
Nottingham, UK
16 November 2010