

**GTL Resources PLC****("GTL" or the "Group")****Unaudited Interim Results**

GTL Resources PLC (AIM: GTL.L), the renewable fuels company, today announces interim results for the six months ended 30 September 2008.

**Key Factors and Highlights****Strong Operational Performance**

- Ethanol yields for the period improved 2% on corn, and 3% on natural gas from last year
- Ethanol production averaged a run rate of 57 million gallons per annum (mgpa), exceeding nameplate capacity by 14%

**Volatile Corn Market**

- Corn prices reached historic highs during June, approaching \$8/ bushel then fell to under \$5/ bushel by September month end
- First half results include \$4.6 million in losses on corn positions/stock held against October to December deliveries as previously indicated

**Financial**

- Pre-tax losses of (\$5.9M) on negative EBITDA of (\$2.9M), includes (\$4.6M) in losses on corn positions/stock held as noted above
- Excluding these corn losses, adjusted EBITDA was \$1.7M positive
- Cash and financial assets include \$9.0M of deposits at the GTL Resources PLC level and \$7.4M of deposits at the Illinois River Energy LLC (IRE) level (IRE deposits are restricted to expansion project spend and debt service)

**Other Significant Events**

- Ethanol plant awarded a \$4M grant from the State of Illinois to partially offset expansion construction costs
- Expansion project completed and switched on, now ramping up to new nameplate capacity of 100 mgpa – doubling capacity
- Expansion project cost is expected to be 10% under budget
- Ethanol plant demonstrated to have a global warming impact 40% less than gasoline, and 21% less than US average ethanol plants by the University of Illinois at Chicago, Energy Research Center

Commenting on the results, GTL Group CEO Richard Ruebe said: “Due to the high volatility of the corn market, it has been a tough six months for GTL and for the ethanol industry as a whole. Operationally, GTL is performing very well with production volumes and efficiencies exceeding nameplate standards. The expansion project has now been substantially completed four months ahead of schedule and is expected to finish 10% under budget. The ethanol industry is now going through a period where competitively disadvantaged plants are shutting down as overall supply exceeds demand. During the next 12 months it is expected that supply and demand pressures will continue. The last wave of new capacity coming on line from previously funded construction projects is expected to approximately offset new demand stemming from increasing Renewable Fuels Standard (RFS) mandates. We believe that our actions to spread costs over more volume and to improve operating efficiencies, along with our locational advantages, have placed GTL in a position to maximize industry available margins during these difficult trading conditions.”

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## CEO Statement

The commodity markets have presented GTL with very difficult trading conditions during the period. Corn future prices reached record highs through late spring and early summer, following which in early July hedge and index fund managers abruptly liquidated large portions of their open corn positions in the span of two weeks. This caused a dramatic retracement in corn prices, over 40%, from the period high.

Although during the first half we realized (\$4.6M) in losses on corn positions/stock held against October to December deliveries, several of our competitors did not act as swiftly as our risk management team and have announced significantly higher hedging and operating losses for the period. With the continued volatility of corn future markets, the plant now limits its corn hedging activities to those necessary to cover its ethanol sales and daily operational needs.

In addition to pricing volatility, our industry has experienced an overall decline in ethanol gross profit margins during the period. The growth in additional industry production capacity over the last six months has exceeded the pace of the Renewable Fuels Standard (RFS) mandated demand and the discretionary blending demand. Industry experts estimate that at the end of September ethanol production ran at an annual rate of 9.7 billion gallons, which is approximately 85% of total estimated capacity. Total industry supply now exceeds demand.

Over the last several months various competitors have announced that their cash reserves to cover hedging losses coupled with narrowing profit margins are inadequate to sustain their fuel ethanol operations, and some have filed for Chapter 11 bankruptcy protection. Others have announced operation shutdowns, or the delay of construction expansion activities.

During the period we have focused on performing as well as possible on elements of the business under our control. We have maintained our production rates at above nameplate levels. We have improved our corn and natural gas usage efficiencies over the prior year. We have successfully lobbied for and received a \$4M grant from the State of Illinois to help offset the capital cost of our expansion project, now expected to be 10% under budget. Additionally, we have completed our expansion construction 4 months ahead of schedule. We have recruited and trained additional operating personnel and are now ready to ramp up our additional 50 mmpa capacity. We believe that our actions have placed GTL in a position where we can maximize industry available margins during these difficult trading conditions.

## Board Changes

In addition to optimizing operations, we are also repositioning our corporate overhead staff to improve efficiency and reduce costs. The remaining UK based finance functions will be transferred to Illinois by the end of December to enhance the Group's ethanol plant financial analysis, commodity risk management, and business development activities which are now all primarily centered in the U.S. After the successful transfer of all activities to the U.S., Michael Brennan will be resigning as Financial Director of GTL Resources PLC effective from December 31, 2008. I would like to take this opportunity to thank Mike for his nearly four years of service to the Group. Because of Mike's many contributions, GTL is better positioned to succeed in the future.

As part of the corporate changes, we are very pleased to announce that Dr. Martha Schlicher will be appointed to GTL's Board as Commercial Director effective December 31, 2008. Martha is currently serving as GTL's Vice President of Business Development and Technology. Martha is an expert in the ethanol industry as she has amassed a wealth of industry knowledge in her prior roles at Monsanto Corporation and as head of the National Corn to Ethanol Research Center in Illinois. We look forward to promoting Martha to our Board of Directors and to have her as part of our Executive team. A separate announcement in relation to Martha's appointment will be made at the appropriate time.

We have also recently appointed Amir Saeed as Chief Financial Officer (CFO) of GTL Resources USA Inc. and Illinois River Energy LLC (IRE). Amir brings significant expert knowledge to our company. Amir is a CPA, has a Masters and Bachelors Degree in Accounting, and has nearly 20 years of corporate financial experience. Amir spent his last 8 years with British Petroleum Company (BP) serving as Controller in several divisions of BP. Amir is experienced in commodities risk management, financial analysis, and both IFRS and U.S. GAAP reporting. Amir, Martha and I will be based at our U.S. headquarters in Illinois.

## Results Summary (unaudited)

	Six Months to 30 September 2008	Six Months to 30 September 2007	% change
Ethanol sales (million gallons)	27.7	29.5	-6%
	\$'m	\$'m	\$'m
Revenue	72.6	69.4	5%
Gross Profit	0.5	16.5	-97%
EBITDA	-2.9	13	-122%
Pre-tax Profit / (Loss)	-5.9	8.5	-169%
Earnings /(loss) per share	(\$0.1741)	\$0.1482	-217%

For the 6 month period ending September 2008 sales revenues increased 5% versus the prior year. Higher ethanol per gallon prices year over year (+\$0.27 per gallon) more than offset the slightly lower volume sold versus the prior year (-1.8 million gallons). Sales volumes were down 6% of which approximately 4% was attributable to nine fewer production days during the period versus last year to accommodate construction integration and tie-in activities related to the 50 million gallon per year expansion project, and 2% to a deliberate reduction in the gasoline denaturant additive mixed into the finished product in order to achieve lower per gallon costs.

Gross profit was (\$16.0M) or (97%) lower than the same period last year. This was primarily due to lower volume mentioned above of (\$1.3M), overall lower commodity margins of (\$0.37) per gallon or (\$10.2M), and (\$4.6M) in losses on corn positions/stock representing (\$2.2M) in a period ending net realizable stock write-down and (\$2.4M) on closed out corn position losses held against October to December deliveries. This was partially offset by improved operational performance with plant efficiencies on corn and natural gas (which make up 88% of variable production costs) showing year over year improvements estimated to be approximately \$1.2 million.

## Operating Key Performance Indicators (unaudited)

	Six Months to 30 September 2008	Six Months to 30 September 2007	% change
Production (mil. un-denatured gals.)	26.9	28.1	-4%
Ethanol net price (\$/gal)	\$2.17	\$1.90	14%
Corn net price (\$/bushel)	\$5.27	\$3.36	57%
DDG net price (\$/ton)	\$142	\$105	35%
Ethanol yield (un-den. gals./bushel)	2.78	2.73	2%
Gas usage (kmbtu/un-den. gal.)	29,099	29,862	-3%

Administrative expenses (plant and corporate) were down approximately \$0.2M versus last year.

Finance income for the period represents the interest on \$9.0M of deposits at the GTL Resources PLC level, and on \$7.4M of deposits at the IRE level. The IRE level funds are restricted as they primarily represent interest reserves on the \$30M junior tax exempt debt which was part of the expansion funding. The GTL Resources PLC cash balance of \$9M, which is not restricted, represents approximately 16 pence per share at the period end exchange rate of \$/£ 1.82 and approximately 19p/share at a recent rate of circa \$/£ 1.50.

Finance expense includes \$1.3M of interest expense on the IRE debt which has increased to \$117M by period end. The interest rate swap provision of \$2.6M made at 31 March 2008 was reduced to \$1.5M at period end due to an increase in interest rates over the 6 months, as well as the elapse of 6 months of the provision period.

While the Group does not expect to pay any tax in the US this year, the income tax expense for the period of \$0.3M represents a provision for tax on UK interest income.

Following the High Court's approval for the application of the share premium against retained losses, \$38.3M of share premium was credited against retained earnings during the period.

## **Current trading and prospects**

Current market conditions remain challenging. Several ethanol production companies have ceased operations or are undergoing financial restructuring. The current low price of oil has driven the price of unleaded gasoline to approximately \$0.50/gal below the price of ethanol. The RFS mandated blending volumes and the \$0.51/gal excise tax credit received by blenders (dropping to \$0.45/gal on January 1, 2009) are both required to keep our industry solvent. Even with these industry support mechanisms, a large percentage of the ethanol industry is operating with cash losses under today's market conditions. For us, at current commodity margins available in the market and with IRE's anticipated post expansion cost structure, cash flows from operations are projected to approximately equal post construction period principal and interest payments. Also, it is anticipated that IRE will have cash debt service reserves of at least \$6.6M at conversion of IRE's construction loan into its term loan. Conversion will occur when the plant meets all of its performance guarantees which are anticipated to be achieved in the next few months. And separate from IRE, GTL Resources PLC had cash reserves of approximately \$9M at the end of September 2008.

In terms of overall industry supply and demand, production capacity is estimated to be approximately 11 billion gallons. In addition, there are approximately 20-30 ethanol plants still under construction which are forecasted to come into production over the next 12 months if margins improve. We believe a large portion of these projects will not be completed and it will take another 12 months to determine the extent of this additional supply capacity. In terms of industry demand, gasoline fuel blenders are effectively required to blend 10.5 billion gallons of ethanol into the fuel supply in 2009, 12 billion gallons in 2010, and increasing up to 15 billion gallons by 2015. This macro analysis on supply and demand points to continued margin pressures for ethanol producers.

Recently, oil has fallen to below \$50/barrel, and corn has followed falling over 50%, despite demand for corn from biofuels increasing. Contrary to assertions by opponents of the industry, we believe this demonstrates that biofuels were not the cause of food price increases. Increased grain production in many parts of the world, as well as continued yield improvement on corn crops world-wide, provide evidence that both growing biofuels demand and food demand may be met.

The Renewable Fuels Association (RFA) is currently working with President Elect Obama's transition team and known congressional leaders to advance legislation which will increase the ethanol blending requirement in the U.S. gasoline supply from 10% to 12-15% in order to provide immediate demand relief for our industry. A 1% increase in ethanol blending would equate to another 1.3 billion gallons of demand. In addition, the U.S. automotive suppliers have committed to increasing the number of flex fuel vehicles that can utilize E85, a transportation fuel that utilizes up to 85% ethanol. And many ethanol producers are working with their regional retail gas station outlets to convert fuel pumps to E85. All these activities should help increase ethanol demand over time.

In the meantime, management remains committed to delivering above average industry returns. We are exploiting our locational advantages. We are running IRE's production capacity at high levels of efficiency. We are increasing our production rate to 100 mgpa which will better absorb overhead costs. And we are leading activities, like our ethanol plant's carbon footprint study, to promote the advantages of ethanol in the U. S. fuel supply in order to increase future demand.

*Richard Ruebe*  
Group CEO  
GTL Resources PLC

## Consolidated income statement for the period ended 30 September 2008

	6 months to 30 September 2008 (Unaudited) \$000	6 months to 30 September 2007 (Unaudited) \$000	12 months to 31 March 2008 (Audited) \$000
<b>Revenue</b>	<b>72,557</b>	69,408	135,232
Cost of sales	<u>(72,047)</u>	<u>(52,873)</u> *	<u>(110,169)</u>
<b>Gross profit</b>	<b>510</b>	16,535	25,063
Administrative expenses	<u>(6,212)</u>	<u>(6,425)</u> *	<u>(11,840)</u>
<b>Results from operating activities</b>	<b>(5,702)</b>	10,110	13,223
Finance income	212	289	746
Finance expenses	<u>(394)</u>	<u>(1,937)</u>	<u>(5,553)</u>
<b>(Loss)/profit before income tax</b>	<b>(5,884)</b>	8,462	8,416
Income tax expense	<u>(317)</u>	<u>(2,933)</u>	<u>(503)</u>
<b>(Loss)/profit for the period</b>	<b><u>(6,201)</u></b>	<u>5,529</u>	<u>7,913</u>
<b>Attributable to:</b>			
Equity holders of the parent	<u>(5,569)</u>	4,282	6,501
Minority interest	<u>(632)</u>	1,247	1,412
<b>(Loss)/profit for the financial period</b>	<b><u>(6,201)</u></b>	<u>5,529</u>	<u>7,913</u>
Basic (loss)/earnings per ordinary share (US dollars)	(\$0.1741)	\$0.1482	\$0.2250
Diluted (loss)/earnings per ordinary share (US dollars)	(\$0.1741)	\$0.1458	\$0.2191

\* Reclassification following the finalisation of audited accounts for 31 March 2008

## Consolidated balance sheet as at 30 September 2008

	As at 30 September 2008 (Unaudited) \$000	As at 30 September 2007 (Unaudited) \$000	As at 31 March 2008 (Audited) \$000
<b>Assets</b>			
Property, plant & equipment	162,413	95,237	139,253
Intangible assets - goodwill	7,390	7,445	7,390
Other financial assets	2,761	4,394 *	3,510
<b>Total non-current assets</b>	<b>172,564</b>	<b>107,076</b>	<b>150,153</b>
Inventories	8,016	4,185	4,063
Trade and other receivables	5,298	5,201	4,922
Prepayments for current assets	410	1,259	666
Other financial assets	4,538	7,621 *	5,858
Cash and cash equivalents	9,494	12,476 *	11,048
<b>Total current assets</b>	<b>27,756</b>	<b>30,742</b>	<b>26,557</b>
<b>Total assets</b>	<b>200,320</b>	<b>137,818</b>	<b>176,710</b>
<b>Equity</b>			
Share capital	60,205	60,205	60,205
Share premium	317	38,600	38,600
Special reserve	1,501	3,508	3,508
Currency translation reserve	119	410	151
Retained earnings	(628)	(37,551)	(35,383)
<b>Total equity attributable to equity holders of the company</b>	<b>61,514</b>	<b>65,172</b>	<b>67,081</b>
Minority interest	7,318	7,561	7,950
<b>Total equity</b>	<b>68,832</b>	<b>72,733</b>	<b>75,031</b>
<b>Liabilities</b>			
Loans and borrowings	108,971	47,675	87,696
Deferred income tax liabilities	-	2,577	-
<b>Total non-current liabilities</b>	<b>108,971</b>	<b>50,252</b>	<b>87,696</b>
Loans and borrowings	7,823	2,634	105

Trade and other payables	<b>12,418</b>	11,831	10,786
Derivative financial instruments	<b>1,526</b>	-	2,598
Current income tax liabilities	<b>750</b>	368	494
<b>Total current liabilities</b>	<b>22,517</b>	14,833	13,983
<b>Total liabilities</b>	<b>131,488</b>	65,085	101,679
<b>Total equity and liabilities</b>	<b>200,320</b>	137,818	176,710

\* Reclassification following the finalisation of audited accounts for 31 March 2008

# Consolidated statement of cash flows for the period ended 30 September 2008

	6 months to 30 September 2008 (Unaudited) \$000	6 months to 30 September 2007 (Unaudited) \$000	12 months to 31 March 2008 (Audited) \$000
<b>Cash flows from operating activities</b>			
(Loss)/profit for the period	(6,201)	5,529	7,913
Adjustments for:			
Depreciation	2,772	2,849	5,448
Net finance expense	182	1,648	4,807
Equity-settled share-based payment transactions	34	155	104
Income tax expense	317	2,933	503
	<u>(2,896)</u>	13,114	18,775
Change in inventories	(3,953)	(388)	(266)
Change in trade and other receivables	(376)	(18)	249
Change in prepayments	256	(434)	159
Change in trade and other payables	1,632	3,621	2,576
	<u>(5,337)</u>	15,895	21,493
Effect of exchange rate fluctuations	(93)	15	(254)
Interest paid	(1,466)	(1,937)	(2,811)
Income tax received	-	13	13
<b>Net cash from operating activities</b>	<u>(6,896)</u>	<u>13,986</u>	<u>18,441</u>
<b>Cash flows from investing activities</b>			
Interest received	212	289	746
Acquisition of property, plant and equipment	(25,932)	(28,707)	(74,976)
Deposits realised/(made)	2,069	(12,015) *	(9,368)
<b>Net cash used in investing activities</b>	<u>(23,651)</u>	<u>(40,433)</u>	<u>(83,598)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	-	26,823	26,823
Proceeds from borrowings	28,993	50,309	87,611
Proceeds from issue of share capital in subsidiary	-	781	916
Payment of transaction costs	-	(2,950)	(3,000)
Repayments of borrowings	-	(42,276)	(42,276)
Payment of finance lease liabilities	-	-	(105)

<b>Net cash from financing activities</b>	<u>28,993</u>	<u>32,687</u>	<u>69,969</u>
Net (decrease)/increase in cash and cash equivalents	<b>(1,554)</b>	6,240 *	4,812
<b>Cash and cash equivalents at beginning of period</b>	<u>11,048</u>	<u>6,236</u>	<u>6,236</u>
<b>Cash and cash equivalents at end of period</b>	<u>9,494</u>	<u>12,476</u> *	<u>11,048</u>

\* Reclassifications between Cash and Cash Equivalents and Other Financial Assets following the finalisation of audited accounts for 31 March 2008

**Consolidated statement of changes in equity  
for the period ended  
30 September 2008**

	6 months to 30 September 2008 (Unaudited) \$000	6 months to 30 September 2007 (Unaudited) \$000	12 months to 31 March 2008 (Audited) \$000
<b>(Loss)/profit for the period</b>	<b>(5,569)</b>	4,282	6,501
Shares issued	-	23,873	26,823
Transaction costs	-	-	(2,950)
Share based payments	<b>34</b>	155	104
Foreign currency translation differences	<b>(32)</b>	15	(244)
<b>Net (decrease)/increase in total equity</b>	<b>(5,567)</b>	28,325	30,234
Total equity at beginning of period	<b>67,081</b>	36,847	36,847
<b>Total equity at end of period</b>	<b>61,514</b>	65,172	67,081

# Notes to the interim statement

for the six months ended 30 September 2008

## 1 Basis of preparation

These interim financial statements have been prepared in accordance with the measurement and recognition criteria of Adopted IFRSs. They do not include all the information required for the full annual financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 31 March 2008.

The accounting policies applied in preparing these interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended 31 March 2008, as described in those financial statements. The Board approved these interim financial statements on 1st December 2008.

## 2 Segmental reporting

The Group's activities have continued to concentrate upon the development of existing and potential investments in the growing US ethanol market.

## 3 Revenue

	6 months to 30 September 2008 (Unaudited) \$000	6 months to 30 September 2007 (Unaudited) \$000	12 months to 31 March 2008 (Audited) \$000
<b>Revenue</b>			
Net revenue - Ethanol	<b>58,600</b>	56,058	107,856
Net revenue - DDG	<b>11,120</b>	8,923	16,628
Add: Freight and marketing fees - Ethanol	<b>2,212</b>	1,460	2,806
Add: Freight and marketing fees - DDG	<b>625</b>	2,967	7,942
Gross revenue	<b>72,557</b>	69,408	135,232

## 4 Income tax expense

	6 months to 30 September 2008 (Unaudited) \$000	6 months to 30 September 2007 (Unaudited) \$000	12 months to 31 March 2008 (Audited) \$000
<b>Income tax expense</b>			
Current tax	<b>317</b>	356	503
Deferred tax	<b>-</b>	2,577	-
	<b>317</b>	2,933	503

## 5 Administrative expenses

	6 months to 30 September 2008 (Unaudited) \$000	6 months to 30 September 2007 (Unaudited) \$000	12 months to 31 March 2008 (Audited) \$000
<b>Administrative expenses</b>			
Administration, sales and management expenses	<b>3,440</b>	3,576	6,392
Depreciation	<b>2,772</b>	2,849	5,448
	<b>6,212</b>	6,425	11,840

## Notes Continued

### 6 (Loss)/earnings per ordinary share

#### Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share at 30 September 2008 was based on the (loss)/profit for the period and on the weighted average number of ordinary shares in issue during the period.

	6 months to 30 September 2008 (Unaudited) \$000	6 months to 30 September 2007 (Unaudited) \$000	12 months to 31 March 2008 (Audited) \$000
<b>(Loss)/profit for period (\$000's)</b>	<b><u>(5,569)</u></b>	<b><u>4,282</u></b>	<b><u>6,501</u></b>
<b>Weighted average number of ordinary shares (000's)</b>			
Issued ordinary shares at 1 April	31,988	22,703	22,703
Effect of shares issued in period	<u>-</u>	<u>6,190</u>	<u>6,190</u>
	<b><u>31,988</u></b>	<b><u>28,893</u></b>	<b><u>28,893</u></b>
<b>(Loss)/earnings per share</b>	<b><u>(\$0.1741)</u></b>	<b><u>\$0.1482</u></b>	<b><u>\$0.2250</u></b>

#### Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share at 30 September 2008 was based on the (loss)/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 to 30 September 2008 (Unaudited) \$000	6 months to 30 September 2007 (Unaudited) \$000	12 months to 31 March 2008 (Audited) \$000
<b>(Loss)/profit attributable to the ordinary shareholders (basic)</b>	<b><u>(5,569)</u></b>	<b><u>4,282</u></b>	<b><u>6,501</u></b>
<b>Minority interest in warrant execution</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(102)</u></b>
<b>(Loss)/profit attributable to the ordinary shareholders (basic)</b>	<b><u>(5,569)</u></b>	<b><u>4,282</u></b>	<b><u>6,399</u></b>
<b>Weighted average number of shares (diluted)</b>			
Issued ordinary shares at 1 April	31,988	22,703	22,703
Effect of shares issued in period	<u>-</u>	<u>6,190</u>	<u>6,190</u>
Dilutive potential ordinary share options	<u>-</u>	<u>466</u>	<u>316</u>
	<b><u>31,988</u></b>	<b><u>29,359</u></b>	<b><u>29,209</u></b>
<b>(Loss)/earnings per share</b>	<b><u>(\$0.1741)</u></b>	<b><u>\$0.1458</u></b>	<b><u>\$0.2191</u></b>

Share options in issue have no dilutive impact on loss per share.

## **Notes** Continued

### **7** *Interim statement*

The interim statement is available to the public from 133 High Street, Yarm, TS15 9BB.