

21 December 2010

Gasol plc

("Gasol" or "the Company")

Interim results for the six months ended 30 September 2010

Gasol plc (AIM: GAS), the Africa focused gas independent is pleased to announce its interim results for the six months ended 30 September 2010.

Highlights

- Cost and expenditure for the six months reduced by 60% to £1,174,080 compared to the same period last year (six months ending 30 September 2009: £2,944,655)
- Cash outflow from operating activities in the six months was reduced by more than 50% to £965,873 (2009: £1,934,932)
- £1 million raised through an unsecured loan facility from major shareholder, African Gas Development Corporation
- Gasol continues to work closely with African Gas Development Corporation to find shorter term returns for shareholders through a Gas-to-Power business in West Africa

Haresh Kanabar, Chairman of Gasol, said:

“Gasol continues to believe that its business model is sound and that the future of the gas market in West Africa remains positive. The Company’s development and success will depend on its ability to build on its partnerships to crystallise business opportunities, but the Board believes that the opportunities available in the gas-to-power sector in West Africa can provide attractive business for the Company’s shareholders.”

– Ends –

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Chairman's Statement

Group Results

In Gasol's preliminary results announcement issued on 8 September 2010, I noted that the Board and management had paid special attention in the preceding year to managing costs and reducing unnecessary expenditure, and that the full benefit of that cost cutting would be felt in the next financial year. I am pleased to report that this benefit has come through and that the loss after tax for the six month period ending 30 September 2010 was £1,174,080, which is significantly lower than the loss of £2,944,655 in the comparable six month period ending 30 September 2009. This loss equates to a loss per share of 0.11 pence (2009: loss of 0.28 pence per share).

Business Update

Following the strategic review, the results of which were announced in June 2010, Gasol is working closely with its major shareholder, African Gas Development Corporation, to develop a detailed business plan for a Gas-to-Power business in the West African region. This plan will be based around the use of Liquefied Natural Gas as the source of fuel for supply to both existing and new electrical generating capacity in countries that have insufficient or irregular power supplies.

Gasol has continued to develop the gas monetisation project in South East Nigeria, focussing on a clearer and simpler plan than that previously considered. Development on the SONAF joint venture in Equatorial Guinea has been limited and Gasol is in discussions with its joint venture partner to establish the most appropriate way forward that will create a successful business.

Funding

Gasol remains a development company without any material income, and which is investing time and money to develop gas monetisation projects. Cash outflow from operating activities in the six months to 30 September 2010 was reduced by more than 50% to £965,873 (2009: £1,934,932). New funding in the period was achieved through a £1 million unsecured loan facility from our major shareholder, African Gas Development Corporation Ltd, and the Directors remain grateful for its support.

Gasol is fully aware that significant funding will be required in order to realise its strategy and to progress its projects to final investment decision stage and beyond. The longer term success of Gasol will, to a large extent, depend on its ability to succeed in raising the necessary funding for its projects and its corporate development.

Outlook

Gasol continues to believe that its business model is sound and that the future of the gas market in West Africa provides good opportunities. The Company's development and success will depend on its ability to build on its partnerships to crystallise business opportunities, but the Board believes that the opportunities available in the gas-to-power sector in West Africa can provide attractive business for the Company's shareholders.

Haresh Kanabar
Chairman
21 December 2010

**Unaudited Condensed Consolidated Statement of Comprehensive Income
for the six months ended 30 September 2010**

	Note	Unaudited 6 months ended 30 September 2010 £	Unaudited 6 months ended 30 September 2009 Restated £	Audited year ended 31 March 2010 £
Other operating income		34,000	34,000	68,000
Administrative expenses		(1,020,834)	(2,507,937)	(4,622,768)
Loss from operations		(986,834)	(2,473,937)	(4,554,768)
Finance income		29	59	3,673
Finance costs		(188,890)	(484,976)	(532,147)
Loss before taxation		(1,175,695)	(2,958,854)	(5,083,242)
Income tax expense		-	-	-
Loss for the period		(1,175,695)	(2,958,854)	(5,083,242)
Other comprehensive income:				
Currency translation differences		1,615	14,199	25,826
Total comprehensive expense for the period		(1,174,080)	(2,944,655)	(5,057,416)
Loss per ordinary share				
Basic and diluted loss per share	3	(0.11p)	(0.28p)	(0.47p)

All results relate to continuing activities.

All of the loss and total comprehensive expense is attributable to equity shareholders of the parent.

Gasol Plc

Unaudited Condensed Consolidated Statement of Changes in Equity for the six months ended 30 September 2010

	Share capital	Share premium	Reverse acquisition reserve	Capital contribution reserve	Translation reserve	Warrant reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£	£
At 1 April 2009 Restated	5,146,668	71,695,196	(63,104,556)	74,156	(12,669)	-	(9,800,154)	3,998,641
Comprehensive income								
Loss for the year	-	-	-	-	-	-	(5,083,242)	(5,083,242)
Other comprehensive income								
Currency translation differences	-	-	-	-	25,826	-	-	25,826
Total comprehensive income for the year ended 31 March 2010	-	-	-	-	25,826	-	(5,083,242)	(5,057,416)
Issue of share capital	377,777	879,364	-	-	-	-	-	1,257,141
Capital contribution received	-	-	-	9,631	-	-	-	9,631
Warrants – on share issues	-	-	-	-	-	839,248	-	839,248
Warrants – on lines of funding	-	-	-	-	-	634,471	-	634,471
Share-based payments	-	-	-	-	-	-	422,423	422,423
	<u>377,777</u>	<u>879,364</u>	<u>-</u>	<u>9,631</u>	<u>-</u>	<u>1,473,719</u>	<u>422,423</u>	<u>3,162,914</u>
At 31 March 2010	<u>5,524,445</u>	<u>72,574,560</u>	<u>(63,104,556)</u>	<u>83,787</u>	<u>13,157</u>	<u>1,473,719</u>	<u>(14,460,973)</u>	<u>2,104,139</u>

Gasol Plc

Unaudited Condensed Consolidated Statement of Changes in Equity for the six months ended 30 September 2010

	Share capital	Share premium	Reverse acquisition reserve	Capital contribution reserve	Translation reserve	Warrant reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£	£
At 1 April 2009 Restated	5,146,668	71,695,196	(63,104,556)	74,156	(12,669)	-	(9,800,154)	3,998,641
Comprehensive income								
Loss for the period (restated)	-	-	-	-	-	-	(2,958,854)	(2,958,854)
Other comprehensive income								
Currency translation differences	-	-	-	-	14,199	-	-	14,199
Total comprehensive income for the 6 months ended 30 September 2009	-	-	-	-	14,199	-	(2,958,854)	(2,944,655)
Issue of share capital	271,958	485,184	-	-	-	-	-	757,142
Capital contribution received	-	-	-	9,631	-	-	-	9,631
Warrants – on share issues	-	-	-	-	-	839,248	-	839,248
Warrants – on lines of funding	-	-	-	-	-	481,418	-	481,418
Share-based payments	-	-	-	-	-	-	352,430	352,430
	271,958	485,184	-	9,631	-	1,320,666	352,430	2,439,869
At 30 September 2009	5,418,626	72,180,380	(63,104,556)	83,787	1,530	1,320,666	(12,406,578)	3,493,855

Gasol Plc

Unaudited Condensed Consolidated Statement of Changes in Equity for the six months ended 30 September 2010

	Share capital	Share premium	Reverse acquisition reserve	Capital contribution reserve	Translation reserve	Warrant reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£	£
At 1 April 2010	5,524,445	72,574,560	(63,104,556)	83,787	13,157	1,473,719	(14,460,973)	2,104,139
Comprehensive income								
Loss for the period	-	-	-	-	-	-	(1,175,695)	(1,175,695)
Other comprehensive income								
Currency translation differences	-	-	-	-	1,615	-	-	1,615
Total comprehensive income for the 6 months ended 30 September 2010	-	-	-	-	1,615	-	(1,175,695)	(1,174,080)
Warrants – on lines of funding	-	-	-	-	-	126,098	-	126,098
Share-based payments	-	-	-	-	-	-	2,244	2,244
	-	-	-	-	-	126,098	2,244	128,342
At 30 September 2010	5,524,445	72,574,560	(63,104,556)	83,787	14,772	1,599,817	(15,634,424)	1,058,401

Unaudited Condensed Consolidated Statement of Changes in Equity for the six months ended 30 September 2010

Share capital account

Share capital records the nominal value of shares in issue.

Share premium account

Share premium records the receipts from issue of share capital above the nominal value of the shares. Share premium is stated net of direct issue costs.

Capital contribution reserve

Contributions provided to entities by shareholders that are not intended by either party to be repaid are accounted for as capital contributions.

Translation reserve

Translation gains and losses arising on the retranslation of net assets of subsidiaries whose presentational currency is not sterling are recognised directly in equity in the translation reserve.

Reverse acquisition reserve

A reverse acquisition reserve is established to take account of acquisitions that are deemed to be reverse acquisitions under International Financial Reporting Standards.

Retained earnings

The accumulated loss reserve records the cumulative profits less losses recognised in the Statement of Comprehensive Income, net of any distributions and share-based payments made.

Warrant reserve

The warrant reserve records the fair value charge of warrants issued by the Group.

**Unaudited Condensed Consolidated Statement of Financial Position
at 30 September 2010**

	Unaudited 30 September 2010	Unaudited 30 September 2009 Restated	Audited 31 March 2010
	£	£	£
Assets			
Non-current assets			
Goodwill	3,285,488	3,285,488	3,285,488
Property, plant and equipment	79,088	191,733	134,729
Total non-current assets	3,364,576	3,477,221	3,420,217
Current assets			
Trade and other receivables	213,320	306,540	242,099
Cash and cash equivalents	167,345	343,855	245,189
Total current assets	380,665	650,395	487,288
Total assets	3,745,241	4,127,616	3,907,505
Liabilities			
Current liabilities			
Trade and other payables	644,712	633,761	605,690
Borrowings	2,042,128	-	1,197,676
Total current liabilities	2,686,840	633,761	1,803,366
Total liabilities	2,686,840	633,761	1,803,366
Net assets	1,058,401	3,493,855	2,104,139
Equity			
Share capital	5,524,445	5,418,626	5,524,445
Share premium account	72,574,560	72,180,380	72,574,560
Reverse acquisition reserve	(63,104,556)	(63,104,556)	(63,104,556)
Total issued equity	14,994,449	14,494,450	14,994,449
Capital contribution reserve	83,787	83,787	83,787
Translation reserve	14,772	1,530	13,157
Warrant reserve	1,599,817	1,320,666	1,473,719
Retained losses	(15,634,424)	(12,406,578)	(14,460,973)
Total equity attributable to equity holders of the parent	1,058,401	3,493,855	2,104,139

**Unaudited Condensed Consolidated Statement of Cash Flows
for the six months ended 30 September 2010**

	Unaudited 6 months ended 30 September 2010 £	Unaudited 6 months ended 30 September 2009 Restated £	Audited Year ended 31 March 2010 £
Loss before taxation	(1,175,695)	(2,958,854)	(5,083,242)
Adjustments for:			
Finance income	(29)	(59)	(3,673)
Finance costs	188,890	484,976	532,147
Depreciation charges	55,641	57,882	114,885
Share-based payment charge	2,244	352,430	422,423
Equity settled expense	-	96,389	96,389
Loss on disposal of property, plant and equipment	-	6,433	11,239
Operating cash flows before movements in working capital	(928,949)	(1,960,803)	(3,909,832)
(Increase)/decrease in receivables	(77,561)	47,569	26,503
Increase/(decrease) in payables	40,637	(21,698)	42,559
Net cash absorbed by operating activities	(965,873)	(1,934,932)	(3,840,770)
Cash flows from investing activities			
Interest received	29	59	3,673
Net cash generated by investing activities	29	59	3,673
Financing activities			
Interest paid	(1,985)	(3,558)	-
Proceeds from issue of share capital net of issue costs	-	1,500,000	2,000,000
Proceeds from issue of unsecured loan	889,985	-	300,000
Proceeds from issue of convertible loan note	-	-	1,000,000
Net cash generated from financing activities	888,000	1,496,442	3,300,000
Net decrease in cash and cash equivalents	(77,844)	(438,431)	(537,097)
Cash and cash equivalents at beginning of period	245,189	782,286	782,286
Cash and cash equivalents at end of period	167,345	343,855	245,189

Notes to the Unaudited Consolidated Interim Financial Statement for the six months ended 30 September 2010

1. Basis of preparation

These unaudited interim financial statements are for the six months ended 30 September 2010. They have been prepared in accordance with recognition and measurement principles of International Financial Reporting Standards (IFRS) as endorsed by the European Union and implemented in the UK. This report should be read in conjunction with the annual financial statements for the year ended 31 March 2010, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations and the Companies Act 2006, as applicable to companies reporting under IFRS.

The financial information in this interim announcement has not been prepared in accordance with IAS 34 'Interim Financial Reporting'. It does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The unaudited interim financial statements were approved by the Board on 17 December 2010.

The comparative financial information for the year ended 31 March 2010 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts of Gasol plc for the year ended 31 March 2010 have been reported on by the Company's auditor, BDO LLP and have been delivered to the Registrar of Companies. The report of the auditor was unqualified but contained an emphasis of matter statement with regard to going concern. The auditor's report did not contain statements under Section 498(2) or 498(3) of the Companies Act 2006.

The financial information for the six months ended 30 September 2009 and 2010 is unaudited nor reviewed by the auditors in accordance with the 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.

Going concern

The consolidated interim financial statements have been prepared on a going concern basis, reflecting the Directors' belief that there are sufficient financial resources in place or will be available to Gasol in order to be able to meet its present obligations as they fall due. Gasol is currently involved in discussions with external investors and advisors to secure future financing arrangements. The Board is also confident that it retains the continuing support from its major shareholders to provide additional funding should other sources not be forthcoming. The directors believe that based on the negotiations to date the outcome will be positive. The directors appreciate that this lack of formally negotiated funding may cast significant doubt on the Group's ability to continue as a going concern. Nevertheless, with the expectation of Gasol formally agreeing new funding from its major shareholders and other financial investors, the directors have a reasonable expectation that the Group has adequate resources to continue trading for the foreseeable future and have therefore concluded that it is appropriate to prepare the interim financial statements on a going concern basis.

Notes to the unaudited consolidated interim financial statements for the six months ended 30 September 2010 (continued)

2. Accounting policies - Basis of consolidation

The consolidated interim financial statements incorporate the financial statements of Gasol Plc (Gasol) and all its subsidiaries and joint ventures. The most recent set of audited financial statements for Gasol were made up to 31 March 2010.

This interim financial information for Gasol incorporates the consolidated financial statements of Gasol, African LNG Holdings Limited ("AFLNG"), African LNG Services Limited, Afgas Infrastructure Limited, Afgas Nigeria Limited and SONAF G.E S.A. for the six months ended 30 September 2010.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2010.

Restatement of prior period comparative for the 6 months ended 30 September 2009

Reverse acquisition accounting

The prior period has been restated to take account of the restatements made as described in note 1 (Basis of preparation) of the Annual Report and Accounts for the year ended 31 March 2010. The comparative financial information was restated to adopt reverse acquisition accounting of African LNG Holdings Limited with effect from August 2006. The effect of restatement is detailed in full in that note.

Warrant charges

Following a review at the year end, finance charges incurred on the issue of warrants in connection with the issue of shares have been charged to share premium. As a consequence the loss in the period was reduced by £884,032. In addition, further charges were identified on the equity line of credit granted in June 2009 totalling £481,418 increasing the loss by the same amount. The overall impact on total equity attributable to equity holders of the parent is nil.

3. Loss per ordinary share

The calculation of a basic loss per share of 0.11 pence (6 months ended 30 September 2009 (restated): loss per share of 0.28 pence; year ended 31 March 2010: loss per share of 0.47 pence) is based on the loss for the period attributable to equity holders of the Gasol plc of £1,175,695 (6 months ended 30 September 2009 (restated): £2,958,854; year ended 31 March 2010: £5,083,242).

The weighted average number of shares in issue used in the loss per share calculation of 1,104,889,234 (6 months ended 30 September 2009: 1,047,272,231; year ended 31 March 2010: 1,074,900,117) represents the weighted average number of ordinary shares in Gasol Plc that were in issue during the period.

Due to the loss incurred during the period, a diluted loss per share has not been disclosed as this would serve to reduce the basic loss per share.

4. Interim report

This document is available on the Company's website at www.gasolplc.com.