Ascent Resources plc / Epic: AST / Index: AIM / Sector: Oil and Gas

Ascent Resources plc
("Ascent" or "the Company")

Interim results for the period ended 30 June 2013

2013 has been transformational for the Company.

During the period under review, we disposed of our interests in Hungary, and since the period end, we have disposed of our interests in Italy and the Netherlands. In April we recapitalised the Company by raising £5.5 million equity via a subscription for convertible loan notes and an open offer of new shares or loan notes ("the Fundraising"). Most importantly we have made strong progress with our partners and bankers to develop our prize Slovenian asset Petišovci, all of which leads the Board to believe that production from our Slovenian asset should commence within 12 months of completing various agreements with our partner group at Petišovci.

Background

Towards the end of 2012, the Company was close to running out of working capital. This would have led to the failure of the Company and a probable total loss of shareholders' equity investment.

The £5.5 million Fundraising led by Henderson Global Investors has allowed the Board to rationalise the activities of the Company to allow a focus on our most promising asset, Petišovci in Slovenia.

Cleaning up the past is always time consuming and fraught with difficulties. I have been extremely pleased with both the pace at which the management team has identified and concluded the sale of non-core assets and also the terms on which they have been sold. We have now drawn a line under the past, taken action which will result in annual cost savings of over £1 million and focused our full attention and funding on developing the Petišovci project.

The Petišovci project

Ascent first acquired an interest in the Petišovci project in 2007 and in 2009 an extensive 3D seismic survey was conducted across the Petišovci block.

The structure has two sets of reservoirs, the shallower Pontian and the deeper Miocene. The Miocene reservoirs are Ascent's development objective as the shallow reservoirs were extensively developed during the 1960s and are considered to be almost fully depleted.

In 2011 two new appraisal wells, Pg-10 and Pg-11, were drilled to a total vertical depth of 3,497 m and 3,500 m respectively. Gas was confirmed in all six Middle Miocene Badenian reservoirs. In addition, gas and condensate were sampled from the Lower Miocene Karpatian reservoir and gas flowed for the first time from the shallowest 'A' sands.

The data generated from the Pg-11 well, including three 18m core samples and state-of-the-art wire line logging, supplemented the 3D survey of the project area and enabled the Company to move forward with the next phase of the well programme, to drill a horizontal production side track, Pg-11A.

Pg-10 and Pg-11A were both successfully fracture stimulated in 2011, tested gas to the surface and proved the extension of the Petišovci resource by discovering deeper, previously undrilled, gas-bearing Pg sand intervals. The Company has reported independently verified P50 estimate of gas-in-place of 456 Bcf (13 Bm^3; 76 MMboe).

Both wells have been recompleted ready for a production testing phase which will help to better understand the long term productivity performance of the reservoir. The test production results will inform decisions regarding a possible full field Petišovci development.

The area is serviced by established infrastructure and has existing gas pipeline connections. Some improvements to these existing facilities will be required for the testing phase. The Company believes that this project, with its potentially high levels of recoverable gas, to be an excellent, high value asset due to its scale and risk/reward profile.

In May 2013, Petrol, one of our Slovenian partners, acquired Nafta Geoterm, which owns a significant portion of the existing gas processing infrastructure and pipeline network required to take the gas from our Petišovci wells to the Plinovodi terminal connection to the national gas pipeline grid.

Ascent is required to fund 100% of the development of the block and retains a 75% economic interest with the remaining 25% held by the Concession holder, Geoenergo, a joint venture between two prominent Slovenian entities, Nafta Lendava d.o.o. and Petrol d.o.o.

Terms of the non-core disposals

The proceeds of the disposal of our Hungarian assets were €450,000 (£379,000), which have been received and were broadly equal to the discounted expected net proceeds had we maintained ownership over the anticipated remaining life of the asset. The terms of the disposals of our Italian and Dutch assets, which both completed after the period end, are summarised in note 10 of these interim financial statements. Under the terms of the disposals Ascent has back-in rights at these Italian and Dutch assets in addition to the back rights held for several years over certain Swiss assets.

Cost control

General and administrative expenses have been reduced by over £1 million on an annualised basis through the reduction in headcount, the review of head office expenses and reduced operating costs from the disposal of the non-core assets outside Slovenia.

Next steps

We are close to finalising the series of agreements within the partner group at Petišovci. Once agreed and once the required funding is in place the first phase of the project will involve securing the necessary permits to construct approximately 600 metres of pipeline required to link the existing pipeline network, to which we have secured access, with the Plinovodi terminal and connection to the national gas pipeline grid.

Our estimate is that, provided the agreements and required funding referred to above are in place as the Board expects, , the permitting phase will be complete by the end of Q1 2014 and the construction work completed by the end of Q2 2014 with first gas flowing during the second half of 2014.

Clive Carver
Chairman
2 September 2013

Clive Carver, Chairman, commented

"Ascent is close to completing the final steps in its rehabilitation from an under-capitalised company seeking to progress a disparate collection of assets across five European countries to a business focused on developing a potentially world class gas asset, with the full cooperation of all local stakeholder groups.

Going forward our focus is exclusively on the Petišovci project, where strong progress within the partner group and with our bank has been made.

Our mission now is to conclude the operational and other agreements among the partner group and to secure a revised bank facility to allow the Petišovci project to be brought on stream during the second half of 2014."

Contacts

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Consolidated Income Statement

for the Period ended 30 June 2013

	Notes	**Six months ended 30 June 2013 Unaudited £ 000's**	Six months ended 30 June 2012 Unaudited £ 000's	Year ended 31 December 2012 Audited £ 000's
Continuing operations				
Revenue		**-**	-	-
Cost of sales		**-**	-	-
Gross profit		**-**	-	-
Severance costs		**(329)**	-	(50)
Other administrative expenses		**(785)**	(816)	(2,092)
Total administrative expenses	5	**(1,114)**	(816)	(2,142)
Loss from operating activities		**(1,114)**	(816)	(2,142)
Finance income	6	**305**	5	141
Finance costs	6	**(514)**	(578)	(745)
Net finance costs		**(209)**	(573)	(604)
Loss before taxation		**(1,323)**	(1,389)	(2,745)
Income tax expense		**-**	-	-
Loss for the period from continuing operations		**(1,323)**	(1,389)	(2,745)
Discontinued operations				
Loss from discontinued operations	3,4	**(32)**	(29)	(3,279)
Loss for the period attributable to owners of the company		**(1,355)**	(1,418)	(6,024)
Loss per share				
Basic and diluted Loss per share on continuing operations		**(0.13)p**	(0.14)p	(0.27)p
Basic and diluted Loss per share on discontinued operations		**(0.00)p**	(0.00)p	(0.32)p

Comparative results have been amended to reflect the results of the Company's interests in PetroHungaria kft, Ascent Resources Italia srl and Ascent Netherlands BV within discontinued operations (net of tax) as per the requirements of IFRS 5. See also note 3.

Consolidated Statement of Comprehensive Income

for the Period ended 30 June 2013

	Six months ended 30 June 2013 Unaudited £ 000's	Six months ended 30 June 2012 Unaudited £ 000's	Year ended 31 December 2012 Audited £ 000's
Loss for the period	**(1,355)**	(1,418)	(6,024)
Other comprehensive income			
Foreign currency translation differences for foreign operations	**(544)**	(786)	(616)
Total comprehensive loss for the period	**(1,899)**	(786)	(616)
Total comprehensive (loss) / income attributable to:			
Owners of the company	**(1,899)**	(2,204)	(6,648)
Non-controlling interest	-	(1)	8
Total comprehensive loss for the year	**(1,899)**	(2,205)	(6,640)

Consolidated Statement of Changes in Equity
for the Period ended 30 June 2013

	Share capital £000's	Equity Reserve £000's	Share premium £000's	Share based payment £000's	Translation Reserve £000's	Retained earnings £000's	Total £000's	Non-controlling interest £000's	Total equity £000's
Balance at 1 January 2012 (audited)	**1,026**	**-**	**52,198**	**4,735**	**2,718**	**(25,245)**	**35,432**	**(3)**	**35,429**
Comprehensive income									
Loss for the period	-	-	-	-	-	(1,418)	(1,418)	(1)	(1,419)
Other comprehensive income:									
Currency translation differences	-	-	-	-	(780)	-	(780)	-	(780)
Total comprehensive income	-	-	-	-	(780)	(1,418)	(2,198)	(1)	(2,199)
Transactions with owners									
Share based payments	-	-	-	28	-	-	28	-	28
Balance at 30 June 2012 (unaudited)	**1,026**	**-**	**52,198**	**4,763**	**1,938**	**(26,663)**	**33,262**	**(4)**	**33,258**
Balance at 1 January 2012 (audited)	**1,026**	**-**	**52,198**	**4,735**	**2,718**	**(25,245)**	**35,432**	**(3)**	**35,429**
Comprehensive income									
Loss for the period	-	-	-	-	-	(6,032)	(6,032)	8	**(6,024)**
Other comprehensive income:									
Currency translation differences	-	-	-	-	(616)	-	(616)	-	**(616)**
Total comprehensive income	-	-	-	-	(616)	(6,032)	(6,648)	8	**(6,640)**
Transactions with owners									
Convertible Loan	-	-	-	(2,307)	-	-	(2,307)	-	**(2,307)**
Share based payments	-	-	-	(527)	-	593	66	-	**66**
Balance at 31 December 2012 (audited)	**1,026**	**-**	**52,198**	**1,901**	**2,102**	**(30,684)**	**26,543**	**5**	**26,548**
Balance at 1 January 2013 (audited)	**1,026**	**-**	**52,198**	**1,901**	**2,102**	**(30,684)**	**26,543**	**5**	**26,548**
Comprehensive income									
Loss for the period	-	-	-	-	-	(1,355)	(1,355)	-	(1,355)
Disposal of interest in PetroHungaria	-	-	-	-	(379)	135	(244)	(5)	(249)
Other comprehensive income:									
Currency translation differences	-	-	-	-	539	-	539	-	539
Total comprehensive income	**-**	**-**	**-**	**-**	**160**	**(1,220)**	**(1,060)**	**(5)**	**(1,065)**
Transactions with owners									
Share placement	125	518	459	-	-	-	1,103	-	1,103
Share based payments	-	-	-	43	-	99	142	-	142
Balance at 30 June 2013 (unaudited)	**1,151**	**518**	**52,657**	**1,944**	**2,262**	**(31,805)**	**26,727**	**-**	**26,727**

Consolidated Statement of Financial Position

As at 30 June 2013

	Notes	**30 June 2013**	30 June 2012	31 December 2012
		£ 000's	£ 000's	£ 000's
		Unaudited	Unaudited	Audited
Assets				
Non-current assets				
Property, plant and equipment		**4**	1,057	181
Exploration and decommissioning costs	8	**33,061**	33,711	32,203
Total non-current assets		**33,065**	34,768	32,384
Current assets				
Inventories		**-**	254	136
Trade and other receivables		**80**	1,232	916
Cash and cash equivalents		**2,148**	470	3,452
Non-current assets held for sale	3	**864**	-	-
Total current assets		**3,092**	1,956	4,504
Total assets		**36,157**	36,724	36,888
Equity and liabilities				
Attributable to the equity holders of the parent company				
Share capital		**1,151**	1,026	1,026
Equity reserve		**518**	-	-
Share premium account		**52,657**	52,198	52,198
Share based payment reserve		**1,944**	4,763	1,901
Translation reserves		**2,262**	1,938	2,102
Retained earnings		**(31,805)**	(26,663)	(30,684)
Total equity attributable to shareholders of the company		**26,727**	33,262	26,543
Non-controlling interest		**-**	(4)	5
Total equity		**26,727**	33,258	26,548
Non-current liabilities				
Borrowings	9	**4,465**	-	3,554
Provisions		**428**	509	540
Other non-current liabilities		**2,102**		2,307
Total non-current liabilities		**6,995**	509	6,401
Current liabilities				
Trading and other payables		**602**	1,584	1,704
Borrowings	9	**561**	1,373	2,235
Non-current liabilities held for sale	3	**1,272**	-	-
Total current liabilities		**2,435**	2,957	3,939
Total liabilities		**9,430**	3,466	10,340
Total equity and liabilities		**36,157**	36,724	36,888

Consolidated Statement of Cash Flows

for the six months ended 30 June 2013

	Six months ended 30 June 2013 Unaudited	Six months ended 30 June 2012 Unaudited	Year ended 31 December 2012 Audited
Cash used in operations	**£ 000's**	£ 000's	£ 000's
Loss before tax	**(1,355)**	(1,418)	(5,964)
DD&A charge	**177**	225	(60)
Decrease in receivables	**428**	36	1,269
Increase/(Decrease) in payables	**(603)**	453	(1,110)
Increase in other long term payables	**-**		2,323
Decrease in inventories	**8**	-	128
Impairment of exploration expenditure	**81**	-	2,288
(Decrease)/increase in decommissioning provision	**-**	(14)	16
Share-based payment charge / (release)	**142**	28	(2,249)
Exchange differences	**(522)**	(133)	2
	(1,644)	(823)	(3,004)
Finance income	**(305)**	(13)	(318)
Finance cost	**514**	642	1,002
Net cash used in operating activities	**(1,435)**	(194)	(2,320)
Cash flows from investing activities			
Interest received	**38**	6	68
Payments for investing in exploration	**(322)**	(1,973)	(780)
Acquisition of property, plant and equipment	**-**	(534)	(682)
Net cash flows used in investing activities	**(284)**	(2,501)	(1,394)
Cash flows from financing activities			
Interest paid	**(90)**	(528)	(1,180)
Foreign exchange gain on disposal of PH	**267**		
Revaluation of other long term liabilities	**(205)**	-	-
Loans repaid	**(2,024)**	-	(484)
Proceeds from loan	**1,895**	799	5,748
Proceeds from issue of shares	**627**	-	-
Cost of issuing loan notes	**(15)**		
Share issue costs	**(38)**	-	-
Net cash flows from financing activities	**417**	271	4,084
Net (decrease)/increase in cash and cash equivalents for the period	**(1,302)**	(2,424)	370
Net foreign exchange differences	**(2)**	(12)	176
Cash and cash equivalents at beginning of the period	**3,452**	2,906	2,906
Cash and cash equivalents at end of the period	**2,148**	470	3,452

1) Accounting Policies

Reporting entity

Ascent Resources plc ('the Company') is a company domiciled in England. The address of the Company's registered office is 5 Charterhouse Square, London EC1M 6EE. The unaudited consolidated interim financial statements of the Company as at 30 June 2013 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates.

Basis of preparation

The interim financial statements have been prepared using measurement and recognition criteria based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU. The interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial statements for the year ended 31 December 2013 and were applied in the Group's statutory financial statements for the year ended 31 December 2012.

All amounts have been prepared in British Pounds, this being the Group's presentational currency.

The interim financial information to 30 June 2013 and 30 June 2012 is unaudited and does not constitute statutory financial information. The information given for the year ended 31 December 2012 does not constitute statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The statutory accounts for the year ended 31 December 2012 have been filed with the Registrar and are available on the Company's web site www.ascentresources.co.uk.

Going Concern

The financial statements of the Group are prepared on a going concern basis.

As referred to in the Chairman's statement the Company is dependent upon securing additional finance to allow the development of Petišovci to proceed as planned. The Company is in advanced discussions with its bank, BNPP, to secure a facility for the development of Petišovci.

Given progress to date and the precedent of a securing a similar facility to develop the Petišovci assets in May 2012 the Board is confident that a revised facility will be forthcoming and on this basis the Directors are confident of the Group's ability to continue as a going concern.

However, there can be no guarantee over the outcome of these negotiations and as a consequence there is a material uncertainty of the Group's ability to raise additional finance, which may cast significant doubt on the Group's ability to continue as a going concern. Further, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors, however, remain confident of the Group's ability to operate as a going concern given the funding discussions that have and continue to take place and in light of the significant support from Henderson.

Assets held for sale

Where the Company has commenced the sale of a business, any non-current assets and liabilities related thereto are classified separately as held for sale in the statement of financial position. This condition is only met when the sale is highly probable, assets are available for immediate sale in current condition, the liabilities will be transferred and the management is committed to the sale which should be completed within one year of the classification. Property, plant and equipment once classified as held for sale are not subject to depreciation or amortisation. The net assets and liabilities of a disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. In accordance with IFRS 5, the Group also assess whether the Assets held for sale constitute discontinued operations. Where the Assets held for sale are classified as discontinued operations, the results of such are recorded as a single amount in the income statement. Comparative information relating to the discounted operations is also reanalysed into the single amount in the comparative income statement and related notes.

Liquidity and Capital Resources:

The Company continues to be an emerging business with limited production cash flows; consequently, it manages its working capital and liquidity position by balancing the timing of critical expenditure with income from joint venture arrangements and, where appropriate, proceeds from strategic divestments. Further information on future funding arrangements and the Directors' assessment of the Group's going concern position is set out above.

Principal Risks and Uncertainties:

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 59-61 of the Annual Review 2012, a copy of which is available on the Company's website at www.ascentresources.co.uk.

2) Financial Reporting Period

The interim financial information for the period 1 January 2013 to 30 June 2013 is unaudited. In the opinion of the Directors the interim financial information for the period presents fairly the financial position, and the results from operations and cash flows for the period are in conformity with generally accepted accounting principles consistently applied. The financial information is prepared using the accounting policies which will be applied in the Group's statutory financial statements for the year ending 31 December 2013. The financial statements incorporate unaudited comparative figures for the interim period 1 January 2012 to 30 June 2012 and the audited financial year to 31 December 2012.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006.

The comparatives for the full year ended 31 December 2012 are not the Group's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and included an emphasis of matter drawing attention to the adequacy of disclosures made in the Annual Report regarding going concern. It did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

3) Assets held for sale

In line with the Company's strategy to dispose of non-core assets and focus on Petišovci the company has concluded the sale of its assets in Hungary, Italy and the Netherlands. The sale of the Hungarian asset had concluded by the balance sheet date and it has been treated as disposed of in the period. The sales of Italian and Dutch assets concluded after the balance sheet date (see Note 9) and they have been treated as assets held for sale at the balance sheet date.

a) Amounts included in the Consolidated Statement of Financial position in respect of these operations are as follows:

	30 June 2013
	£ 000's
Non-current assets held for sale:	
Exploration and decommissioning costs	**214**
Inventories	**128**
Trade and other receivables	**408**
Cash and cash equivalents	**113**
Total non-current assets held for sale	**864**
Non-current liabilities held for sale	
Trade and other payables	**611**
Borrowings	**661**
Total non-current liabilities held for sale	**1,272**

b) Amounts included in the Consolidated income statement in respect of these operations are as follows:

	Six months ended 30 June 2013	Six months ended 30 June 2012	Twelve months ended 31 December 2012
	£ 000's	£ 000's	£ 000's
Revenue	**304**	581	1,684
Cost of sales	**(99)**	(400)	(1,217)
Gross Profit	**205**	181	467
Other operating income	**230**	-	41
Administrative expenses	**(439)**	(154)	(669)
Impairment of exploration costs and producing assets	**-**	-	(2,978)
Net finance costs	**(28)**	(56)	(80)
Income tax costs	**-**	-	(60)
Loss from discontinued operations	**(32)**	(29)	(3,279)

c) Amounts included in the Consolidated statement of cash flows in respect of these operations are as follows:

	30 June 2013
	£ 000's
Net cash flow from operating activities	122
Net cash flow from investing activities	-
Net cash flow from financing activities	(135)
Net decrease in cash and cash equivalents	**(13)**

4) Profit on the disposal of PetroHungaria

As discussed in the Chairman's statement above, the Company announced on 25th April 2013 that it had agreed to dispose of its 48.66% interest in PetroHungaria kft, which held its interests in the Peneszlek field, to their joint venture partners DualEx Energy International, Swede Resources and Geomega for a cash consideration of €450,000 (£379,000).

	30 June 2013
	£ 000's
Disposal proceeds	379
Carrying value at the date of disposal	(149)
Profit on disposal	**230**

5) Administrative Expenses

	Six months ended 30 June 2013 £ 000's	Six months ended 30 June 2012 £ 000's	Twelve months ended 31 December 2012 £000's
Employee Costs	**314**	419	1,108
Severance Costs	**329**	-	50
Other office costs	**471**	397	934
	1,114	816	2,092

The employee costs for the period includes one-off expenses in relation to termination payments to former employees.

6) Finance income and costs recognised in loss

	Six months ended 30 June 2013 £ 000's	Six months ended 30 June 2012 £ 000's	Twelve months ended 31 December 2012 £000's
Financial Income			
Income on bank deposits	**4**	5	35
Foreign exchange movements realised	**301**	-	73
Revaluation of derivative instrument	-	-	33
	305	5	141
Financial Costs			
Fees and interest payable on borrowings	**(719)**	(454)	(611)
Unwinding of rehabilitation provision	**-**	(10)	(23)
Revaluation of EnQuest liability	**205**	-	-
Foreign exchange movements realised	**-**	(114)	(111)
	(514)	(578)	(745)

7) Loss per share

Loss	**Six months ended 30 June 2013 £ 000's**	Six months ended 30 June 2012 £ 000's	Twelve months ended 31 December 2012 £ 000's
Loss for the purposes of basic and diluted earnings per share being net loss attributable to equity shareholders	**(1,355)**	(1,418)	(6,024)
Number of shares	**Number**	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**1,067,797,847**	1,025,509,722	1,025,509,722

8) Exploration and Evaluation Costs

	Italy £ 000's	Hungary £ 000's	Slovenia £ 000's	Netherlands £ 000's	Total £ 000's
Cost					
At 1 July 2012	12,353	5,518	31,392	333	49,596
Additions	-	-	424	71	495
Effect of exchange rate movements	172	69	102	6	349
At 31 December 2012	**12,525**	**5,587**	**31,918**	**410**	**50,440**
At 1 January 2013	12,525	5,587	31,918	410	50,440
Additions	-	-	322	-	322
Transfer to assets held for sale	(12,525)	(5,587)	-	(410)	(18,522)
Effect of exchange rate movements	-	-	821	-	821
At 30 June 2013	**-**	**-**	**33,061**	**-**	**33,061**
Impairment					
At 1 July 2012	10,501	5,182	-	202	15,885
Charge for the period	1,836	448	-	-	2,164
Effect of exchange rate movements	188	(135)	-	(15)	68
At 31 December 2012	**12,525**	**5,495**	-	**217**	**18,237**
At 1 January 2013	12,525	5,495	-	217	18,237
Transfer to assets held for sale	(12,525)	(5,495)	-	(217)	(18,237)
At 30 June 2013	**-**	**-**	-	**-**	**-**
Carrying value					
At June 2013	**-**	**-**	**33,061**	**-**	**33,061**
At 31 December 2012	-	92	31,918	193	32,203
At 1 July 2012	1,852	336	31,392	131	33,711

9) Borrowings

	30 June 2013	30 June 2012	31 December 2012
Group	**£ '000s**	£ '000s	£ '000s
Current			
Loan with financial institution	**-**	-	1,775
Bank Loan	**-**	802	307
Convertible loan note	**561**	571	153
	561	1,373	2,235
Non-current			
Bank Loan	**-**	-	489
Convertible loan note	**4,465**	-	3,064
Derivative liability	**-**	-	1
	4,465	-	3,554

10) Events subsequent to the reporting date

Disposal of Ascent Resources Italia

On 19th July 2013 the Company announced that it had agreed to dispose of its 100% interest in Ascent Resources Italia s.r.l. ("ARI") to Global Power Sources s.r.l. ("GPS"). ARI contained the Company's Italian exploration assets; being its interests in the exploration permits in Frosinone, Fiume Arrone and Strangolagalli.

The sale and purchase agreement provided that, at closing, (i) GPS will pay Ascent €100,000 cash; (ii) Ascent will issue ARI with new ordinary shares of 0.1 pence each ("Ordinary Shares") to the value of €300,000 at the average market price of such Ordinary Shares over the last 15 days before the closing date; (iii) GPS assumed all future work commitments (estimated to be in the region of €7,300,000) and financial liabilities (consisting of a €700,000 bank loan) relating to ARI; and (iv) Ascent has written off a capital contribution to ARI of €600,000.

Furthermore, the sale and purchase agreement provided for Ascent to be granted a call option to buy back at least 51% participation, at cost plus 5%, in any future discovery made by ARI. The option is priced at €100,000 (which will be netted off against the €100,000 receivable by Ascent from GPS) and also provides for Ascent to acquire any other assets in the energy business developed and deployed by GPS including, but not limited to, on-site gas-to-power, hydroelectric, mini-wind farms, photovoltaic and waste-to-energy plants. The call option has 48 months duration.

Disposal of interest in Netherlands Offshore Licences

On 7th August 2013 the Company announced the disposal of its 54% interest in Netherlands Offshore Exploration Licence Terschelling-Noord and Exploration Licences M10a & M11 to Tulip Oil Netherlands B.V. for a total cash consideration of up to €450,000, before selling expenses, of which €200,000 of the consideration is payable once the consents for the transfer of the Licences become irrevocable. These licences did not form part of the core asset base on which the board has decided to focus.

The agreement grants Ascent the right to re-purchase from Tulip Oil a 10% interest in each of the Licences for 30 per cent. of the costs incurred by Tulip Oil following completion of the transaction until the point at which Tulip Oil makes a final investment decision with respect to the commercial development of the Terschelling-Noord Field.