

17 September 2012

**EDENVILLE ENERGY PLC (“Edenville” or the “Company”) (AIM: EDL),**

**Interim Results for the Six Months Ended 30 June 2012**

Edenville Energy plc, the African coal exploration and development company, today announces its unaudited Interim Results for the six months ended 30 June 2012.

**Highlights**

- £10,723,788 net assets
- £319,213 loss
- £2,283,822 cash
- £2,500,000 raised in January 2012 to fund drilling programmes at key coal targets and to provide additional working capital
- Maiden JORC Compliant Resource Estimate for Mkomolo announced in April 2012
  - Resource of 39 million tonnes (39Mt) at an average calorific value of 17 MJ/kg (float density - 2.0 and Yield - 26%)
  - Quality of the coal confirmed as suitable, with appropriate processing, for coal fired power generation
  - Resource within the Rukwa Coalfield project in South Western Tanzania and represents one of Edenville's three known coal deposits on the field
  - First drill targets identified at Muze Basin Drilling to commence in [Q4], once geological mapping and surface sampling of the coal seams and the surrounding rocks is complete
  - Project lies approximately 10km east from the Mkomolo and Namwele deposits

**Post period Highlights**

- Drilling continued on Mkomolo with initial results confirming the quality of the coal
- Initial drilling programme and sampling at Namwele has confirmed the presence of coal bearing strata extending out along strike and occurring at depth.
- In August 2012, the Company announced that it had exercised its second option on the Rukwa Coalfield project in south western Tanzania, taking interest in two prospecting licences and 66 primary mining licences to 90% with the remaining 10% held by the local partner on the project.

**Simon Rollason, Chairman of Edenville, commented:**

“The immediate outlook for Edenville is positive as we await full assays from our ongoing drilling campaign at the Rukwa coalfield. The work undertaken during the period allowed us to prepare a carefully selected series of drill targets and I am extremely encouraged that additional coal measures will be intersected further demonstrating our exploration expertise. We shall look to use current drilling results and further exploration work to rapidly deliver an upgraded JORC compliant resource estimation for the Rukwa project. Edenville continues to evaluate its portfolio of assets in Tanzania and will continue to seek new opportunities for company growth through joint participation, partnerships or ownership.”

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## **Chairman's Statement**

I am pleased to report on the interim results of the Group for the six months ended 30<sup>th</sup> June 2012.

### **Operational Review**

The results received from the first 6 months of 2012 have transformed Edenville from an early stage explorer to a company now having an established resource tonnage on its mineral inventory book. The Company has achieved a significant milestone in determining a Maiden JORC compliant resource at Mkomolo in April 2012 which it aims to upgrade and expand during the next 12 months. The JORC compliant resource published in April, prepared by the consulting group, Wardell Armstrong International ("WAI"), at the Mkomolo Basin on the Rukwa Coalfield project in South Western Tanzania has the following highlights:

- Maiden inferred JORC compliant Mkomolo resource of 39 million tonnes (39Mt) at an average calorific value of 17 MJ/kg (float density - 2.0 and Yield - 26%)
- Phase 1 drilling at Mkomolo covered a strike length of approximately 6km
- Mkomolo remains open to the north, potentially for a further 3.5 km, and down dip.
- The Mkomolo Basin on the Rukwa Coalfield, represents one of Edenville's three known coal deposits on the field

The results of the Maiden JORC-compliant resource estimate for the Mkomolo portion of the Rukwa Coalfield highlights the positive potential of the project. Historical estimates for Mkomolo were just 2.5Mt of coal; to date we have delineated 39Mt of inferred resource. Edenville has now confirmed the presence of coal bearing strata along multiple kilometres of strike length, which also extends to a significant depth. Importantly, drilling further confirmed the quality of the coal as suitable, with appropriate processing, for coal fired power generation.

The objective of the remaining 2012 drill programme will be to delineate these extensions to the known Mkomolo coal seams and also test the Muze and Namwele deposits. To support this, the company has engaged Sound Mining Solutions Ltd. ("SMS") of South Africa, to supervise the on-site works and to report on the upgraded resource once all laboratory results have been received. The Company has also engaged Geoline Services Ltd to undertake downhole geophysical surveys of some holes drilled in 2011 and from holes accessible during the 2012 programme. This data will allow for better cross correlation of the coal seams between drillholes.

In May 2012 the Company announced the commencement of the 2012 drilling programme with the drill rig mobilising to site. The objective of the drilling programme is to upgrade and expand the current maiden Inferred Resource at Mkomolo of 39 Million tonnes to a JORC compliant Measured and Indicated resource, in addition to drilling at the Namwele deposit and commencing drilling at the Muze portion of the Rukwa Coalfield Project in South Western Tanzania.

During the reporting period we announced the initial rock sample results from the first set of sampling carried out at the Muze Basin. The Muze project lies approximately 10km east from the Mkomolo and Namwele deposits. The results indicated that the Gross Calorific Values ("C.V") of the coal mineralisation are similar to the Mkomolo and Namwele deposits and classed as sub-bituminous thermal coal, which would be suitable for thermal power generation. The Muze area has a historical, non-JORC compliant resource of 60 million tonnes and is scheduled

for initial drilling later this year, once the geological mapping and surface sampling of the coal seams and the surrounding rocks is complete.

## **Financing**

In January 2012, Edenville successfully completed a share placing of 1 billion new ordinary shares in the Company to raise £2.5 million. The Placing proceeds are to fund the proposed 2012 drill programme at the Company's Rukwa coal project in southern Tanzania, which is planned to evaluate coal mineralisation along strike from the area drilled in 2011 and also to test the down-dip depth extension of the intersections reported last year.

## **Financial Results**

The Company made a loss after taxation for the six month period ended 30 June 2012 of £319,123 and had net assets at that date of £10,723,788.

The total comprehensive loss for the period was £410,273 which included a loss of £91,150 arising of the translation on the Tanzanian subsidiary company accounts from US Dollars to Sterling.

At 30 June 2012, the Company had cash reserves of £2,283,822.

## **Post Balance Sheet Events**

In July 2012, the Company announced the receipt of all the outstanding remaining drill results from the 2011 drill programme at Namwele, Tanzania. The Namwele Project lies 4km to the south east of the Mkomolo Deposit. Namwele hosts an old open pit mine which was previously worked on a small scale providing lump coal to industries located at Mbeya, some 300km to the south by road. In late 2011 Edenville drilled eight vertical diamond drill holes close to the Namwele open pit and out along strike of the coal mineralisation. In total, 869.80 metres were drilled covering a strike length of 2.2 kilometres.

The initial drill programme and sampling at Namwele has confirmed the presence of coal bearing strata extending out along strike from the previous workings and occurring at depth. These results will provide the basis for follow-up drilling during the second half of 2012 which will enable a JORC compliant resource to be estimated for Namwele.

In August 2012, the Company announced that it had exercised its second option on the Rukwa Coalfield project in south western Tanzania, taking our interest in two prospecting licences ("PL") and 66 primary mining licences ("PML") to 90% with the remaining 10% held by the local partner on the project.

## **Outlook**

The outlook for the Company remains very positive. We now have our maiden resource statement which we fully expect to be upgraded and expanded once the current drill programme is complete and all sample results received. The current resource is based on part of the Mkomolo Deposit, which represents only one of the three known coal deposits on the Rukwa Coalfield, held under licence by the Company. During the remainder of this year we will initiate drilling at Muze and

complete additional work at Namwele to allow for JORC compliant resource estimates to be made for both deposits. Through the share placement that was completed at the beginning of the year we remain funded to complete our current programme of works. The results from the Rukwa project to date are very encouraging and demonstrate the presence of coal of a quality with appropriate processing suitable for domestic use and power generation. The predicted demand for electricity in the southern African region, particularly Tanzania, bodes well for the development of the project.

**Simon Rollason**  
**Chairman**

17 September 2012

**EDENVILLE ENERGY PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE SIX MONTHS ENDED 30 JUNE 2012**

|   | Note     | Six months<br>ended<br>30 June 12<br>Unaudited<br>£ | Six months<br>ended<br>30 June 11<br>Unaudited<br>£ | Year<br>ended<br>31 Dec 11<br>Audited<br>£ |
|---|----------|---|---|--|
| Gross profit  |          | -   | -   | -  |
| Administrative expenses                             |          | (273,691)   | (234,188)   | (511,315)                                  |
| Share based payments                                |          | (45,437)  | (108,421)   | (259,028)                                  |
| Impairment of available for sale equity investments |          | -   | -   | (446,428)                                  |
| <b>Group operating loss</b>                         |          | <u>(319,128)</u>                                    | <u>(342,609)</u>                                    | <u>(1,216,771)</u>                         |
| Finance income                                      |          | 5   | -   | 4  |
| <b>Loss on operations before taxation</b>           |          | <u>(319,123)</u>                                    | <u>(342,609)</u>                                    | <u>(1,216,767)</u>                         |
| Taxation  |          | -   | -   | -  |
| <b>Loss for the period after taxation</b>           |          | <u>(319,123)</u>                                    | <u>(342,609)</u>                                    | <u>(1,216,767)</u>                         |
| Other comprehensive income:                         |          |   |   |  |
| Loss on translation of overseas subsidiary          |          | (91,150)  | (326,753)   | 27,839                                     |
| <b>Total comprehensive loss for the period</b>      |          | <u>(410,273)</u>                                    | <u>(669,362)</u>                                    | <u>(1,188,928)</u>                         |
| Attributable to:                                    |          |   |   |  |
| Equity holders of the Company                       |          | (410,220)   | (669,349)   | (1,118,476)                                |
| Non controlling interest                            |          | (53)  | (13)  | (452)                                      |
|   |          | <u>(410,273)</u>                                    | <u>(669,362)</u>                                    | <u>1,118,928</u>                           |
| <b>Loss per share</b>                               |          |   |   |  |
| - basic and diluted (pence)                         | <b>2</b> | <u>(0.007)</u>                                      | <u>(0.010)</u>                                      | <u>(0.040)</u>                             |

The loss for the period arises from the Group's continuing operations.

**EDENVILLE ENERGY PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2012**

|  |      | As at<br>30 June 12<br>Unaudited | As at<br>30 June 11<br>Unaudited | As at<br>31 Dec 11<br>Audited |
|--|------|----------------------------------|----------------------------------|-------------------------------|
|  | Note | £                                | £                                | £                             |
| <b>Non-current assets</b>  |      |                                  |                                  |                               |
| Property, plant and equipment  |      | 80,760                           | 20,722                           | 17,762                        |
| Intangible assets  | 4    | 9,541,191                        | 8,309,203                        | 9,454,607                     |
| Equity investments – available for sale                                  |      | -                                | 446,428                          | -                             |
|  |      | <u>9,621,951</u>                 | <u>8,776,353</u>                 | <u>9,472,369</u>              |
| <b>Current assets</b>  |      |                                  |                                  |                               |
| Trade and other receivables  |      | 164,242                          | 31,324                           | 104,324                       |
| Cash and cash equivalents  |      | 2,283,822                        | 1,561,958                        | 511,538                       |
|  |      | <u>2,448,064</u>                 | <u>1,593,282</u>                 | <u>615,862</u>                |
| <b>Current liabilities</b>   |      |                                  |                                  |                               |
| Trade and other payables   |      | 71,424                           | 75,865                           | 117,212                       |
| <b>Current assets less current liabilities</b>                           |      | <u>2,376,640</u>                 | <u>1,517,417</u>                 | <u>498,650</u>                |
| <b>Total assets less current liabilities</b>                             |      | <u>11,998,591</u>                | <u>10,293,770</u>                | <u>9,971,019</u>              |
| <b>Non-current liabilities</b>   |      |                                  |                                  |                               |
| Provisions for other liabilities and charges                             |      | (1,274,803)                      | (1,242,711)                      | (1,288,162)                   |
|  |      | <u>10,723,788</u>                | <u>9,051,059</u>                 | <u>8,682,857</u>              |
| <b>Capital and reserves</b>  |      |                                  |                                  |                               |
| Called-up share capital  | 5    | 940,588                          | 740,588                          | 740,588                       |
| Share premium account  |      | 11,913,686                       | 9,707,686                        | 9,707,686                     |
| Share based payment reserve  |      | 335,344                          | 139,299                          | 289,907                       |
| Foreign currency translation reserve                                     |      | (328,584)                        | (592,026)                        | (237,434)                     |
| Retained earnings  |      | (2,158,015)                      | (965,069)                        | (1,838,945)                   |
| Issued capital and reserves attributable to owners of the parent company |      | <u>10,703,019</u>                | <u>9,030,478</u>                 | <u>8,661,802</u>              |
| Non-controlling interest   |      | 20,769                           | 20,581                           | 21,055                        |
| <b>Total equity</b>  |      | <u>10,723,788</u>                | <u>9,051,059</u>                 | <u>8,682,857</u>              |

**EDENVILLE ENERGY PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE SIX MONTHS ENDED 30 JUNE 2012**

**Equity Interests**

|  | <b>Share capital</b> | <b>Share premium</b> | <b>Retained Earnings</b> | <b>Share option reserve</b> | <b>Foreign currency translation reserve</b> | <b>Total</b>      | <b>Non-Controlling interest</b> | <b>Total</b>      |
|--|----------------------|----------------------|--------------------------|-----------------------------|---|-------------------|---------------------------------|-------------------|
|  | £                    | £                    | £                        | £                           | £   | £                 | £                               | £                 |
| <b>Balance at 1 January 2012</b>             | 740,588              | 9,707,686            | (1,838,945)              | 289,907                     | (237,434)                                   | 8,661,802         | 21,055                          | 8,682,857         |
| Issue of share capital                       | 200,000              | 2,300,000            | -                        | -                           | -   | 2,500,000         | -                               | 2,500,000         |
| Share issue costs                            | -                    | (94,000)             | -                        | -                           | -   | (94,000)          | -                               | (94,000)          |
| Share based payment charge                   | -                    | -                    | -                        | 45,437                      | -   | 45,437            | -                               | 45,437            |
| Minority interest on fair value adjustment   | -                    | -                    | -                        | -                           | -   | -                 | (223)                           | (223)             |
| Other reserves                               | -                    | -                    | -                        | -                           | -   | -                 | (10)                            | (10)              |
| Foreign currency translation                 | -                    | -                    | -                        | -                           | (91,150)                                    | (91,150)          | -                               | (91,150)          |
| Total comprehensive loss for the period      | -                    | -                    | (319,070)                | -                           | -   | (319,070)         | (53)                            | (319,123)         |
| <b>Balance at 30 June 2012</b>               | <u>940,588</u>       | <u>11,913,686</u>    | <u>(2,158,015)</u>       | <u>335,344</u>              | <u>(328,584)</u>                            | <u>10,703,019</u> | <u>20,769</u>                   | <u>10,723,788</u> |
| <b>Balance at 1 January 2011</b>             | 658,922              | 8,224,353            | (644,367)                | 52,616                      | (265,273)                                   | 8,026,251         | 38                              | 8,026,289         |
| Issue of share capital                       | 81,666               | 1,483,333            | -                        | -                           | -   | 1,564,999         | -                               | 1,564,999         |
| Transfer on exercise of options and warrants | -                    | -                    | 21,738                   | (21,738)                    | -   | -                 | -                               | -                 |
| Share based payment charge                   | -                    | -                    | -                        | 108,421                     | -   | 108,421           | -                               | 108,421           |
| Fair value adjustment                        | -                    | -                    | -                        | -                           | -   | -                 | 20,712                          | 20,712            |
| Other reserves                               | -                    | -                    | 156                      | -                           | -   | 156               | (156)                           | -                 |
| Total comprehensive loss for the period      | -                    | -                    | (342,596)                | -                           | (326,753)                                   | (669,349)         | (13)                            | (669,362)         |
| <b>Balance at 30 June 2011</b>               | <u>740,588</u>       | <u>9,707,686</u>     | <u>(965,069)</u>         | <u>139,299</u>              | <u>(592,026)</u>                            | <u>9,030,478</u>  | <u>20,581</u>                   | <u>9,051,059</u>  |
| <b>Balance at 1 January 2011</b>             | 658,922              | 8,224,353            | (644,367)                | 52,616                      | (265,273)                                   | 8,026,251         | 38                              | 8,026,289         |
| Issue of share capital                       | 81,666               | 1,483,333            | -                        | -                           | -   | 1,564,999         | -                               | 1,564,999         |
| Transfer on exercise of warrants             | -                    | -                    | 21,737                   | (21,737)                    | -   | -                 | -                               | -                 |
| Minority interest on fair value adjustment   | -                    | -                    | -                        | -                           | -   | -                 | 21,469                          | 21,469            |
| Share based payment charge                   | -                    | -                    | -                        | 259,028                     | -   | 259,028           | -                               | 259,028           |
| Foreign currency translation                 | -                    | -                    | -                        | -                           | 27,839                                      | 27,839            | -                               | 27,839            |
| Total comprehensive loss for the year        | -                    | -                    | (1,216,315)              | -                           | -   | (1,216,315)       | (452)                           | (1,216,767)       |
| <b>Balance at 31 December 2011</b>           | <u>740,588</u>       | <u>9,707,686</u>     | <u>(1,838,945)</u>       | <u>289,907</u>              | <u>(237,434)</u>                            | <u>8,661,802</u>  | <u>21,055</u>                   | <u>8,682,857</u>  |



**EDENVILLE ENERGY PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE SIX MONTHS ENDED 30 JUNE 2012**

|  | <b>Six months<br/>ended<br/>30 June 12<br/>Unaudited<br/>£</b> | <b>Six months<br/>ended<br/>30 June 11<br/>Unaudited<br/>£</b> | <b>Year<br/>ended<br/>31 Dec 11<br/>Audited<br/>£</b> |
|--|--|--|---|
| <b>Cash flows from operating activities</b>            |  |  |   |
| Operating loss   | (319,128)  | (342,609)  | (1,216,771)   |
| Impairment of tangible & intangible non-current assets | -  | -  | 482,964   |
| Depreciation   | 2,220  | 2,959  | 5,921   |
| Share based payments                                   | 45,437   | 108,421  | 259,028   |
| Foreign exchange loss                                  | (5,978)  | -  | (89,245)  |
| Increase in trade and other receivables                | (60,538)   | (19,749)   | (50,445)  |
| Decrease in trade and other payables                   | (44,492)   | (94,766)   | (35,344)  |
| <b>Net cash from operating activities</b>              | <u>(382,479)</u>   | <u>(345,744)</u>   | <u>(643,892)</u>                                      |
| <b>Cash flows from investing activities</b>            |  |  |   |
| Purchase of exploration and evaluation assets          | (187,137)  | (282,641)  | (1,034,890)   |
| Purchase of fixed assets                               | (64,587)   | -  | -   |
| Finance income   | 5  | -  | 4   |
| <b>Net cash used in investing activities</b>           | <u>(251,719)</u>   | <u>(282,641)</u>   | <u>(1,034,886)</u>                                    |
| <b>Cash flows from financing activities</b>            |  |  |   |
| Proceeds on issue of shares                            | 2,500,000  | 1,564,999  | 1,564,999   |
| Share issue costs                                      | (94,000)   | -  | -   |
| <b>Net cash generated in from financing activities</b> | <u>2,406,000</u>   | <u>1,564,999</u>   | <u>1,564,999</u>                                      |
| <b>Net increase in cash and cash equivalents</b>       | 1,771,802  | 936,614  | (113,779)   |
| Cash and cash equivalents at beginning of year         | 511,538  | 625,639  | 625,639   |
| Exchange losses on cash and cash equivalents           | 482  | (295)  | (322)   |
| <b>Cash and cash equivalents at end of year</b>        | <u><u>2,283,822</u></u>  | <u><u>1,561,958</u></u>  | <u><u>511,538</u></u>                                 |

**EDENVILLE ENERGY PLC**  
**NOTES TO THE INTERIM REPORT**

**FOR THE SIX MONTHS ENDED 30 JUNE 2012**

**1. Financial information and basis of preparation**

The interim financial statements of Edenville Energy Plc are unaudited consolidated financial statements for the six months ended 30 June 2012 which have been prepared in accordance with IFRSs as adopted by the European Union. They include unaudited comparatives for the six months ended 30 June 2011 together with audited comparatives for the year ended 31 December 2011.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those financial statements.

The interim financial statements do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2011 have been reported on by the company's auditors and have been filed with the Registrar of Companies. The report of the auditors was unqualified and did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2012:

- IFRS 7 *Financial Instruments Disclosure – Amendments enhancing disclosures about transfers of financial assets*
- IAS12 *Income taxes – Limited scope amendment (recovery of underlying assets)*

The adoption of these standards has not had a material effect on the financial statements of the group.

**2. Loss per share**

The calculation of the basic and diluted loss per share is based on the following data:

|  | <b>30 June 12</b> | <b>30 June 11</b> | <b>31 December 11</b> |
|--|-------------------|-------------------|-----------------------|
|  | <b>£</b>          | <b>£</b>          | <b>£</b>              |
| Loss after taxation                                      | (319,123)         | (342,609)         | (1,216,767)           |
| The weighted average number of shares in the period were |                   |                   |                       |
| Basic ordinary shares                                    | 4,281,381,240     | 3,421,821,619     | 3,578,852,211         |
| Basic and diluted loss per share (pence)                 | (0.007)           | (0.010)           | (0.040)               |
|  | _____             | _____             | _____                 |

The loss attributable to equity shareholders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options and warrants would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

### 3. Dividends

No dividends are proposed for the six months ended 30 June 2012 (six months ended 30 June 2011 £nil; year ended 31 December 2011 £nil).

### 4. Intangible assets

|  | Exploration and evaluation<br>assets |                       |                  |                  |
|--|--------------------------------------|-----------------------|------------------|------------------|
|  | Javan<br>Licences                    | Tanzanian<br>Licences | Goodwill         | Total            |
|  | £                                    | £                     | £                | £                |
| <b>Cost or valuation</b>                       |                                      |                       |                  |                  |
| As at 1 January 2012                           | 36,536                               | 8,144,976             | 1,309,631        | 9,491,143        |
| Additions                                      | -                                    | 187,137               | -                | 187,137          |
| Fair value adjustment                          | -                                    | -                     | (223)            | (223)            |
| Foreign exchange differences                   | -                                    | (86,971)              | (13,359)         | (100,330)        |
| <b>At 31 June 2012</b>                         | <u>36,536</u>                        | <u>8,245,142</u>      | <u>1,296,049</u> | <u>9,577,727</u> |
|  | =====                                | =====                 | =====            | =====            |
| <b>Accumulated amortisation and impairment</b> |                                      |                       |                  |                  |
| As at 1 January 2012                           | 36,536                               | -                     | -                | 36,536           |
| Impairment charge                              | -                                    | -                     | -                | -                |
| As at 30 June 2012                             | <u>36,536</u>                        | <u>-</u>              | <u>-</u>         | <u>36,536</u>    |
|  | =====                                | =====                 | =====            | =====            |
| <b>Net book value</b>                          |                                      |                       |                  |                  |
| As at 30 June 2012                             | <u>-</u>                             | <u>8,245,142</u>      | <u>1,296,049</u> | <u>9,541,191</u> |
|  | =====                                | =====                 | =====            | =====            |

4. Intangible assets (continued)

|                              | Exploration and evaluation assets |                         |                  |                  |
|------------------------------|-----------------------------------|-------------------------|------------------|------------------|
|                              | Javan Licences<br>£               | Tanzanian Licences<br>£ | Goodwill<br>£    | Total<br>£       |
| <b>Cost or valuation</b>     |                                   |                         |                  |                  |
| As at 1 January 2011         | 36,536                            | 7,061,646               | 1,286,890        | 8,385,072        |
| Additions                    | -                                 | 285,199                 | 20,712           | 305,911          |
| Foreign exchange differences | -                                 | (337,601)               | (44,179)         | (381,780)        |
| <b>At 30 June 2011</b>       | <u>36,536</u>                     | <u>7,009,244</u>        | <u>1,263,423</u> | <u>8,309,203</u> |

|  | Exploration and evaluation assets |                         |                  |                  |
|--|-----------------------------------|-------------------------|------------------|------------------|
|  | Javan Licences<br>£               | Tanzanian Licences<br>£ | Goodwill<br>£    | Total<br>£       |
| <b>Cost or valuation</b>                       |                                   |                         |                  |                  |
| As at 1 January 2011                           | 36,536                            | 7,061,646               | 1,286,890        | 8,385,072        |
| Additions                                      | -                                 | 1,073,913               | 21,469           | 1,095,382        |
| Foreign exchange adjustment                    | -                                 | 9,417                   | 1,272            | 10,689           |
| <b>At 31 December 2011</b>                     | <u>36,536</u>                     | <u>8,144,976</u>        | <u>1,309,631</u> | <u>9,491,143</u> |
| <b>Accumulated amortisation and impairment</b> |                                   |                         |                  |                  |
| As at 1 January 2011                           | -                                 | -                       | -                | -                |
| Impairment charge                              | 36,536                            | -                       | -                | 36,536           |
| <b>As at 31 December 2011</b>                  | <u>36,536</u>                     | <u>-</u>                | <u>-</u>         | <u>36,536</u>    |
| <b>Net book value</b>                          |                                   |                         |                  |                  |
| As at 31 December 2011                         | <u>-</u>                          | <u>8,144,976</u>        | <u>1,309,631</u> | <u>9,454,607</u> |

The outcome of ongoing exploration and evaluation, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain. The directors have assessed the value of exploration and evaluation expenditure carried as intangible assets. In their opinion there has been no impairment loss to intangible exploration and evaluation assets in the period.

## 5. Share capital

|   | No.           | £                         |
|---|---------------|---------------------------|
| <b>30 June 2012</b>                       |               |                           |
| <b>Allotted, called up and fully paid</b> |               |                           |
| Ordinary shares of 0.02p each             | 4,446,216,405 | 889,244                   |
| Deferred shares of 0.08p each             | 64,179,932    | 51,344                    |
|   |               | <hr/> 940,588 <hr/> <hr/> |
| <b>30 June 2011</b>                       |               |                           |
| <b>Allotted, called up and fully paid</b> |               |                           |
| Ordinary shares of 0.02p each             | 3,446,216,405 | 689,244                   |
| Deferred shares of 0.08p each             | 64,179,932    | 51,344                    |
|   |               | <hr/> 740,588 <hr/> <hr/> |
| <b>31 December 2010</b>                   |               |                           |
| <b>Allotted, called up and fully paid</b> |               |                           |
| Ordinary shares of 0.02p each             | 3,446,216,405 | 689,244                   |
| Deferred shares of 0.08p each             | 64,179,932    | 51,344                    |
|   |               | <hr/> 740,588 <hr/> <hr/> |

On 31 January 2012, the company issued for cash 1,000,000,000 ordinary shares of 0.02p each at 0.25p per share.

## 6. Distribution on interim report to shareholders

The interim report will be available for inspection by the public at the registered office of the company during normal business hours on any weekday and from the Company's website <http://www.edenville-energy.com/>. Further copies are available on request.