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## **CORPORATE DIRECTORY**

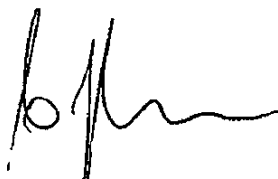
<b>Directors</b>	Chrisilios Kyriakou (Chairman) Jonathan Reynolds (Finance Director) Roger Shakesby (Non-Executive Director)
<b>Secretary</b>	Jonathan Reynolds
<b>Registered Office</b>	Ground Floor, 11 Albemarle Street London W1S 4HH
<b>Nominated Adviser</b>	Strand Hanson Limited 26 Mount Row London W1K 3SQ
<b>Broker</b>	ODL Securities Limited The Northern & Shell Building 10 Lower Thames Street London EC3R 6AD
<b>Solicitors</b>	Beshoffs Solicitors, 2 Holly Court, Tring Road Wendover, Buckinghamshire HP22 6PE
<b>Auditors</b>	Sawin & Edwards 15 Southampton Place London WC1A 2AJ
<b>Principal Bankers</b>	Coutts & Co 188 Fleet Street London EC2A 2HT
<b>Registrars</b>	Capita Registrars The Registry 34 Beckenham Road, Beckenham Kent, BR3 4TU

**UMC ENERGY PLC**

**CHAIRMAN'S STATEMENT**

*For the six months period ended 30 June 2010*

Madagascar is continuing to experience a period of political upheaval and uncertainty. Although the Company has not, in any way, been negatively affected by these events, it has resolved to take a cautious approach to exploration and accordingly has not conducted exploration activities during the first-half of the current financial year and does not expect to undertake any material exploration activities in Madagascar whilst this period of uncertainty prevails. Given these circumstances, the Directors have resolved that it is appropriate to recognise an impairment adjustment of £655,000 against the carrying value of this intangible asset.



C Kyriakou  
Chairman

28 September 2010

## **INDEPENDENT REVIEW REPORT TO UMC ENERGY PLC**

### **Introduction**

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 which comprises the Condensed Consolidated Interim Income Statement, the Condensed Consolidated Interim Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Interim Statement of Cash Flows and the related notes numbered 1 to 8. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

The report is made solely to the Company in accordance with guidance contained in 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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM Rules require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

As disclosed in note 2, the condensed consolidated interim financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union. The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union.

### **Our Responsibility**

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

### **Scope of Review**

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

**INDEPENDENT REVIEW REPORT TO UMC ENERGY PLC** *(continued)*

**Conclusion**

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



Sawin & Edwards  
Chartered Accountants  
15 Southampton Place  
WC1A 2AJ  
28 September 2010

**UMC ENERGY PLC**

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT**

*For the six months period ended 30 June 2010*

	Note	6 months period ended 30 June 2010 (Unaudited) £	6 months period ended 30 June 2009 (Unaudited) £
Administrative expenses		(140,161)	(152,803)
Impairment charge	7	(655,000)	-
<b>Loss from operations</b>		<b>(795,161)</b>	<b>(152,803)</b>
Finance costs		(29,687)	(84,322)
<b>Loss before taxation</b>		<b>(824,848)</b>	<b>(237,125)</b>
Income tax expense	5	-	-
<b>Loss for the period</b>		<b>(824,848)</b>	<b>(237,125)</b>
<b>Attributable to:</b>			
Equity holders of the parent		(731,913)	(210,300)
Minority interest		(92,935)	(26,825)
		<b>(824,848)</b>	<b>(237,125)</b>
Loss per share (pence)	6	(0.29)	(0.68)
Fully diluted loss per share (pence)	6	(0.29)	(0.65)

The Group has no recognised gains or losses other than the results for the period as set out above.

UMC ENERGY PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

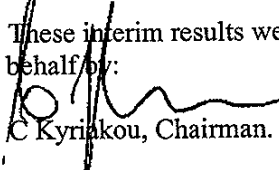
*For the six months period ended 30 June 2010*

	6 months period ended 30 June 2010 (Unaudited) £	6 months period ended 30 June 2009 (Unaudited) £
<b>Loss for the period</b>	(824,848)	(237,125)
Foreign currency translation differences for foreign operations	(250,195)	(480,182)
<b>Other comprehensive expense for the period</b>	(250,195)	(480,182)
<b>Total comprehensive expense for the period</b>	(1,075,043)	(717,307)
<b>Attributable to:</b>		
Equity holders of the parent	(988,452)	(697,946)
Minority interest	(86,591)	(19,361)
<b>Total comprehensive expense for the period</b>	(1,075,043)	(717,307)

**UMC ENERGY PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*As at 30 June 2010*

<b>ASSETS</b>	<b>Note</b>	<b>As at 30 June 2010 (Unaudited) £</b>	<b>As at 30 June 2009 (Unaudited) £</b>	<b>As at 31 December 2009 (Audited) £</b>
<b>Non Current Assets</b>				
Intangible assets	7	3,757,402	4,510,126	4,562,613
Property, plant and equipment		5,128	15,616	10,372
Taxation receivable		228,867	247,239	249,995
<b>Total non current assets</b>		<b>3,991,397</b>	<b>4,772,981</b>	<b>4,822,980</b>
<b>Current Assets</b>				
Taxation receivable		-	1,541	5,865
Trade and other receivables		20,802	18,450	30,780
Cash and cash equivalents		18,413	58,550	18,733
<b>Total current assets</b>		<b>39,215</b>	<b>78,541</b>	<b>55,378</b>
<b>Total Assets</b>		<b>4,030,612</b>	<b>4,851,522</b>	<b>4,878,358</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables		151,747	156,723	149,793
Loans		602,039	1,338,516	402,620
<b>Total current liabilities</b>		<b>753,786</b>	<b>1,495,239</b>	<b>552,413</b>
<b>Non current liabilities</b>				
Long term provision		337,659	298,198	311,735
<b>Total Liabilities</b>		<b>1,091,445</b>	<b>1,793,437</b>	<b>864,148</b>
<b>Equity and Reserves</b>				
Called up share capital		1,222,223	154,033	1,222,223
Share premium		4,756,183	4,478,453	4,756,183
Share based payments reserve		354,448	385,270	385,270
Translation reserve		189,556	386,317	446,095
Accumulated loss		(4,081,949)	(2,939,601)	(3,380,858)
Equity attributable to equity holders of the parent		2,440,461	2,464,472	3,428,913
Minority interest		498,706	593,613	585,297
<b>Total Equity</b>		<b>2,939,167</b>	<b>3,058,085</b>	<b>4,014,210</b>
<b>Total equity and liabilities</b>		<b>4,030,612</b>	<b>4,851,522</b>	<b>4,878,358</b>

These interim results were approved by the Board on 28 September 2010 and signed on their behalf by:

  
C Kyriakou, Chairman.

**UMC ENERGY PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*for the six months period 30 June 2010*

	Share Capital £	Share Premium £	Share Based Payments Reserve £	Accumulat ed loss £	Foreign Currency Translation Reserve £	Minority interest £	Total £
Balance at 1 January 2010	1,222,223	4,756,183	385,270	(3,380,858)	446,095	585,297	4,014,210
<b>Total comprehensive expense for the period</b>							
Loss	-	-	-	(731,913)	-	(92,935)	(824,848)
Total other comprehensive expense	-	-	-	-	(256,539)	6,344	(250,195)
<b>Total comprehensive expense for the period</b>	-	-	-	(731,913)	(256,539)	(86,591)	(1,075,043)
<b>Transactions with owners</b> Share based payment- reserve transfer	-	-	(30,822)	30,822	-	-	-
<b>Total transactions with owners</b>	-	-	(30,822)	30,822	-	-	-
Balance at 30 June 2010	1,222,223	4,756,183	354,448	(4,081,949)	189,556	498,706	2,939,167
	Share Capital £	Share Premium £	Share Based Payments Reserve £	Accumulat ed loss £	Foreign Currency Translation Reserve £	Minority interest £	Total £
Balance at 1 January 2009	154,033	4,478,453	385,270	(2,729,301)	873,963	612,974	3,775,392
<b>Total comprehensive expense for the period</b>							
Loss	-	-	-	(210,300)	-	(26,825)	(237,125)
Total other comprehensive expense	-	-	-	-	(487,646)	7,464	(480,182)
<b>Total comprehensive expense for the period</b>	-	-	-	(210,300)	(487,646)	(19,361)	(717,307)
Balance at 30 June 2009	154,033	4,478,453	385,270	(2,939,601)	386,317	593,613	3,058,085

UMC ENERGY PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

*for the six months period 30 June 2010*

	6 months period ended 30 June 2010 (Unaudited) £	6 months period ended 30 June 2009 (Unaudited) £
<b>Cash flows from operating activities</b>		
Net loss from operations	(795,161)	(152,803)
Adjustments for :		
Translation and currency movements	(12,861)	(35,035)
Loss on disposal of assets	-	4,688
Impairment	655,000	-
Depreciation	4,389	5,709
Operating cash flows before movements in working capital	(148,633)	(177,441)
Decrease in trade & other receivables	36,971	58,693
Increase / (decrease) in trade and other payables	1,956	(1,630)
Net cash flow from operating activities	(109,706)	(120,378)
<b>CASH FLOW STATEMENT</b>		
Net cash flows from operating activities	(109,706)	(120,378)
<b>Investing Activities</b>		
Intangible asset additions	(70,120)	(44,686)
Net cash flow from investing activities	(70,120)	(44,686)
<b>Financing activities</b>		
Loans	196,375	273,230
Loan interest and charges	(16,869)	(73,587)
Net cash flow from financing activities	179,506	199,643
<b>(Decrease) / increase in cash &amp; cash equivalents</b>	<b>(320)</b>	<b>34,579</b>
Cash and cash equivalents brought forward	18,733	23,971
Cash and cash equivalents carried forward	18,413	58,550

**UMC ENERGY PLC**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
*For the six months period ended 30 June 2010*

**1. General information**

UMC Energy Plc is a company incorporated in England and Wales under the Companies Act 1985. The Company's registered office is 11 Albemarle Street, London, W1S 4HH.

The principal activity of the Group is the investment in and exploration and development of uranium mining projects, specifically in an uranium exploration project in Madagascar.

The Group's principal activity is carried out in US dollars. The interim results are presented in pounds sterling as this is the currency of the country (the UK) where the Company is incorporated and its ordinary shares admitted for trading.

**2. Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 31 December 2009.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 September 2010.

**3. Significant accounting policies**

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009.

**Going Concern**

The interim results have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The directors believe that it is appropriate to prepare the financial report on a going concern basis as they are confident that the Company will be able to raise additional funds through debt or equity raisings when required. The directors are of the opinion that the proposed debt or equity raising measures and the existing cash resources will provide sufficient funds to enable the Company to continue its operations for at least the next twelve months.

**UMC ENERGY PLC**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
*For the six months period ended 30 June 2010*

**4. Segmental analysis**

The Group has one reportable segment which is that of the investment directly and indirectly in, and operation of, mining exploration and development projects. The Group's operational activities are wholly focused in Madagascar. The Company's registered office is in London, UK. The Board of Directors review internal management reports at least monthly.

The Group has not yet commenced commercial mining production and has no turnover in the year.

Information regarding the results of the reportable segments is shown below. Performance is measured based on the segment profit before income tax as included in the internal management reports that are reviewed by the Board of Directors. There is no inter-segment pricing.

Information about reportable segments:

	30 June 2010	30 June 2009
	£	£
External revenue	<u>—</u>	<u>—</u>
Financial revenue	<u>—</u>	<u>—</u>
Financial expenses	<u>29,687</u>	<u>84,322</u>
Depreciation	<u>4,389</u>	<u>5,709</u>
Impairment charge	<u>655,000</u>	<u>—</u>
Reportable segment loss	<u>824,848</u>	<u>237,125</u>
Segmental assets	<u>4,030,612</u>	<u>4,851,522</u>
Segmental liabilities	<u>1,091,445</u>	<u>1,793,437</u>
Capital expenditure	<u>70,120</u>	<u>44,866</u>

**Geographical segments**

The segment is managed on a worldwide basis. Individual assets are located in various countries. In presenting information on the basis of geographical segments, segments assets are based on the geographical location of the assets.

	Non-current assets	
	30 June 2010	30 June 2009
	£	£
Madagascar	<u>3,991,397</u>	<u>4,772,981</u>

**UMC ENERGY PLC**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
*For the six months period ended 30 June 2010*

**5. Taxation**

No provision for corporation tax has been provided for, due to losses incurred in the current and previous periods.

**6. Loss per share**

Loss per share has been calculated by dividing the loss for the period after taxation attributable to the equity holders of the parent company of £731,913 (30 June 2009: £210,300) by the weighted average number of shares in issue at the period end of 244,444,763 (30 June 2009: 30,806,668).

Diluted loss per share has been calculated using the weighted average number of shares in issue at the period end, diluted for the effect of share options and warrants in existence at the period end of 246,036,237 (30 June 2009: 32,523,142).

**7. Intangible assets**

	As at 30 June 2010 (Unaudited) £	As at 30 June 2009 (Unaudited) £	As at 31 December 2009 (Audited) £
<b>Development expenditure</b>			
<b>Cost</b>			
Balance brought forward	1,578,889	1,551,844	1,551,844
Additions	4,675	11,995	27,045
Balance carried forward	1,583,564	1,563,839	1,578,889
<b>Exploration licences</b>			
Balance brought forward (at fair value)	4,046,362	4,013,202	4,013,202
Additions	65,445	32,691	33,160
Balance carried forward	4,111,807	4,045,893	4,046,362
<b>Impairment</b>			
Balance brought forward	(1,366,338)	(1,366,338)	(1,366,338)
Impairment charge	(655,000)	-	-
Balance carried forward	(2,021,338)	(1,366,338)	(1,366,338)
<b>Exchange movements</b>			
Balance brought forward	303,700	725,618	725,618
Additions	(220,331)	(458,886)	(421,918)
Balance carried forward	83,369	266,732	303,700
<b>Total</b>	<b>3,757,402</b>	<b>4,510,126</b>	<b>4,562,613</b>

**UMC ENERGY PLC**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
*For the six months period ended 30 June 2010*

**7. Intangible assets (continued)**

The development expenditure relates to development of the uranium exploration project in the Morondava basin of Madagascar.

The licences relate to uranium exploration licences in the Morondava basin of Madagascar.

Following an impairment review, an impairment adjustment of £655,000 was recognised in relation to the Morondava uranium project.

The project has yet to reach a stage of development where a determination of the technical feasibility or commercial viability can be assessed. In addition, as Madagascar is presently experiencing a period of political upheaval and uncertainty, the Company has resolved to take a cautious approach to exploration and accordingly has not conducted exploration activities during the first-half of the current financial year and does not expect to undertake any material exploration activities in Madagascar whilst this period of uncertainty prevails. In these circumstances, whether there is any indication that the asset has been impaired is a matter of judgement, as is the determination of the quantum of any required impairment adjustment. The directors have used their experience to conclude that an impairment adjustment of £655,000 is required in the current period (30 June 2009: £nil).

**8. Post balance sheet events**

Since 1 July 2010, the Company has advanced a further US\$6,765 to Uramad SA.

Since 1 July 2010, the Company has borrowed a further A\$153,000 from Natasa Mining Ltd, for working capital.