

**UMC Energy Plc**  
**("UMC" or "the Company")**

**Final results**  
**for the year ended 31 December 2009**

The Board of UMC is pleased to announce its audited results for the year to 31 December 2009.

**CHAIRMAN'S STATEMENT**

As has been widely reported in the press, Madagascar continues 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 2009 financial year and does not expect to undertake any material exploration activities in Madagascar whilst this period of uncertainty prevails.

Since February 2008, the Company has been dependent on loan funds being made available to it by Natasa Mining Ltd (Natasa) to meet its working capital and other requirements. On 16 October 2009, A\$2.4 million of the Natasa loan was capitalised into new ordinary shares in the Company and the Company became a subsidiary of Natasa on that date.

C Kyriakou  
Chairman

**Enquiries:**

UMC Energy Plc  
Annie Richards  
Tel: 020 7514 1480  
[www.umc-energy.com](http://www.umc-energy.com)

Strand Hanson Limited  
Angela Peace  
Tel: 020 7409 3494

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	Year Ended 31 December 2009 £	Year Ended 31 December 2008 £
Administrative expenses	(543,699)	(652,535)
Other operating income	—	<u>8,829</u>
Loss from operations	(543,699)	(643,706)
Investment income	-	1,966
Finance costs	<u>(142,398)</u>	<u>(163,454)</u>
Loss before taxation	(686,097)	(805,194)
Income tax expense	—	—
<b>Loss for the year</b>	<u>(686,097)</u>	<u>(805,194)</u>
Attributable to:		
Equity holders of the parent	(651,557)	(726,309)
Minority interest	(34,540)	(78,885)
	<u>(686,097)</u>	<u>(805,194)</u>
<b>Loss per share (pence)</b>		
Basic	(0.87)	(2.36)
Diluted	(0.85)	(2.23)

The Company has taken advantage of section 408 of the Companies Act 2006 not to publish its own income statement.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>Year Ended 31 December 2009 £</b>	<b>Year Ended 31 December 2008 £</b>
<b>Loss for the year</b>	<u>(686,097)</u>	<u>(805,194)</u>
Foreign currency translation differences for foreign operations	<u>(421,005)</u>	<u>725,898</u>
<b>Other comprehensive (expense) / income for the year</b>	<u>(421,005)</u>	<u>725,898</u>
<b>Total comprehensive expense for the year</b>	<u>(1,107,102)</u>	<u>(79,296)</u>
Attributable to:		
Equity holders of the parent	(1,079,425)	(7,647)
Minority interest	(27,677)	(71,649)
<b>Total comprehensive expense for the year</b>	<u>(1,107,102)</u>	<u>(79,296)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2009

	31 December 2009	31 December 2008
	£	£
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	4,562,613	4,924,326
Property, plant and equipment	10,372	30,357
Taxation receivable	<u>249,995</u>	<u>290,243</u>
<b>Total non-current assets</b>	<u>4,822,980</u>	<u>5,244,926</u>
<b>Current assets</b>		
Taxation receivable	5,865	6,936
Trade and other receivables	30,780	28,744
Cash and cash equivalents	<u>18,733</u>	<u>23,971</u>
<b>Total current assets</b>	<u>55,378</u>	<u>59,651</u>
<b>TOTAL ASSETS</b>	<u>4,878,358</u>	<u>5,304,577</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans	402,620	1,035,626
Trade and other payables	<u>149,793</u>	<u>158,353</u>
<b>Total current liabilities</b>	<u>552,413</u>	<u>1,193,979</u>
<b>Non-current liabilities</b>		
Long term provision	<u>311,735</u>	<u>335,206</u>
<b>Total non-current liabilities</b>	<u>311,735</u>	<u>335,206</u>
<b>Total liabilities</b>	<u>864,148</u>	<u>1,529,185</u>
<b>Equity</b>		
Share capital	22      1,222,223	154,033
Share premium account	23      4,756,183	4,478,453
Share based payments reserve	24      385,270	385,270
Translation reserve	25      446,095	873,963
Accumulated loss	<u>(3,380,858)</u>	<u>(2,729,301)</u>
<b>Equity attributable to equity holders of the parent</b>	3,428,913	3,162,418
<b>Minority Interest</b>	26 <u>585,297</u>	<u>612,974</u>
<b>Total equity</b>	<u>4,014,210</u>	<u>3,775,392</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>4,878,358</u>	<u>5,304,577</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>Share Capital £</b>	<b>Share Premium £</b>	<b>Share Based Payment Reserve £</b>	<b>Accumu- lated Loss £</b>	<b>Foreign Currency Translation Reserve £</b>	<b>Minority Interest £</b>	<b>Total £</b>
1 January 2009	<u>154,033</u>	<u>4,478,453</u>	<u>385,270</u>	<u>(2,729,301)</u>	<u>873,963</u>	<u>612,974</u>	<u>3,775,392</u>
Total comprehensive income / (expense) for the year:							
Loss	-	-	-	(651,557)	-	(34,540)	(686,097)
Total other comprehensive income / (expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(427,868)</u>	<u>6,863</u>	<u>(421,005)</u>
Total comprehensive expense for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(651,557)</u>	<u>(427,868)</u>	<u>(27,677)</u>	<u>(1,107,102)</u>
Transactions with owners: Share issue on capitalisation of loan	<u>1,068,190</u>	<u>277,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,345,920</u>
Total transactions with owners	<u>1,068,190</u>	<u>277,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,345,920</u>
31 December 2009	<u>1,222,223</u>	<u>4,756,183</u>	<u>385,270</u>	<u>(3,380,858)</u>	<u>446,095</u>	<u>585,297</u>	<u>4,014,210</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	Share Capital £	Share Premium £	Share Based Payment Reserve £	Accumu- lated Loss £	Foreign Currency Translation Reserve £	Minority Interest £	Total £
1 January 2008	<u>1,540,333</u>	<u>4,478,453</u>	<u>1,156,591</u>	<u>(4,171,602)</u>	<u>155,301</u>	<u>684,623</u>	<u>3,843,699</u>
Total comprehensive income / (expense) for the year:							
Loss	-	-	-	(726,309)	-	(78,885)	(805,194)
Total other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,662</u>	<u>7,236</u>	<u>725,898</u>
Total comprehensive income / (expense) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(726,309)</u>	<u>718,662</u>	<u>(71,649)</u>	<u>(79,296)</u>
Transactions with owners:							
Share capital reduction	(1,386,300)	-	-	1,386,300	-	-	-
Total transactions with owners	<u>(1,386,300)</u>	<u>-</u>	<u>-</u>	<u>1,386,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Share based payment Reserve transfer	-	-	10,989	-	-	-	10,989
	-	-	(782,310)	782,310	-	-	-
31 December 2008	<u>154,033</u>	<u>4,478,453</u>	<u>385,270</u>	<u>(2,729,301)</u>	<u>873,963</u>	<u>612,974</u>	<u>3,775,392</u>

**CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>Year Ended 31 December 2009 £</b>	<b>Year Ended 31 December 2008 £</b>
<b>Net cash outflow from operating activities</b>	(276,776)	(789,956)
<b>Investing activities</b>		
Investment income	-	1,966
Intangible assets additions	(60,205)	(301,340)
Property, plant and equipment acquired	-	(15,463)
Net cash outflow from investing activities	<u>(60,205)</u>	<u>(314,837)</u>
<b>Financing activities</b>		
Issue of equity share capital	-	-
Loans	466,999	978,019
Loan interest & charges	(135,256)	(104,901)
Decrease in bank overdraft	-	(3,630)
Net cash inflow from financing activities	<u>331,743</u>	<u>869,488</u>
<b>Net cash decrease in cash and cash equivalents</b>	(5,238)	(235,305)
Cash and cash equivalents at beginning of year	<u>23,971</u>	<u>259,276</u>
Cash and cash equivalents at end of year	<u>18,733</u>	<u>23,971</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**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 registration number of the Company is 05331770.

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

The Group's principal activity is carried out in US dollars. The financial statements 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.

The Board of directors has authorised the issue of these financial statements on the date of the statement as set out on page 6.

**2. Accounting policies**

**Basis of accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The financial statements have been prepared on the historical cost basis except that certain financial instruments are accounted for at fair values. The principal accounting policies adopted are set out below.

**Standards applied**

The Group has adopted the following relevant standards which are effective for annual reporting periods beginning on or after 1 January 2009.

IFRS 2 (revised) Share-based payment vesting conditions and cancellations  
IFRS 8 Operating segments  
IAS 1 (revised and amended) Presentation of financial statements  
IAS 16 (amended) Property, plant and equipment  
IAS 19 (amended) Employee benefits  
IAS 23 (revised and amended) Borrowing costs  
IAS 27 (amended) Consolidated and separate financial statements  
IAS 28 (amended) Investments in associates  
IAS 32 (amended) Financial instruments - presentation  
IAS 36 (amended) Impairment of assets  
IAS 38 (amended) Intangible assets  
IAS 39 (amended) Financial instruments- recognition and measurement

The adoption of these standards did not have a material impact on the Group and Company's financial position or performance. IAS 1 (revised) resulted in a change in the manner in which the statements are presented. IFRS 8 resulted in a change in accounting policy in that the Group determines and presents operating segments based on the information that is internally provided to the Board of Directors. Operating segments were previously determined and presented in accordance with IAS 14.

**New standards not applied**

The IASB has issued the following relevant standards which are not effective and have not been early adopted for these financial statements:

	Effective date
IFRS 3 (revised) Business combinations	1 July 2009
IAS 27 (amended) Consolidated and separate financial statements	1 July 2009

The directors do not anticipate that adoption of these standards will have a material impact on the Group and Company's financial position.

**Going Concern**

The financial statements 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 further 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.

**Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

In the process of applying the Company's accounting policies above, management necessarily makes judgements and estimates that have a significant effect on the amounts recognised in the financial statements. Changes in the assumptions underlying the estimates could result in a significant impact to the financial statements. The most critical of these accounting judgement and estimation areas are as follows:

Exploration and evaluation expenditure has been incurred in respect of the Morondava uranium exploration project which has yet to reach a stage of development where a determination of the technical feasibility and commercial viability of the project can be assessed on a comprehensive basis. In these circumstances, the directors have used their experience to determine whether there is any indication that the asset has been impaired and have concluded that there are currently no such indications. The assets which have been recognised and not impaired as a result of this assessment are: intangible assets and taxation receivable

**3. Net loss from operations**

Net loss from operations is stated after charging:

	<b>Year ended 31 December 2009</b>	<b>Year ended 31 December 2008</b>
	<b>£</b>	<b>£</b>
Auditors remuneration:		
as auditors	23,726	30,415
as reporting accountants	10,974	10,625

tax compliance	500	500
Audit fee – other auditors	7,930	5,617
Foreign exchange losses	245,447	43,519
Depreciation	<u>11,238</u>	<u>12,679</u>

#### 4. Loss per share

Loss per share has been calculated by dividing the loss for the year after taxation attributable to the equity holders of the parent company of £651,557 (31 December 2008: £726,309) by the weighted average number of shares in issue at the year end of 75,290,217 (31 December 2008: 30,806,668).

Diluted loss per share has been calculated using the weighted average number of shares in issue at the year end, diluted for the effect of share options and warrants in existence at the year end of 77,006,691 (31 December 2008: 32,523,142).

#### 5. Intangible assets -Group

	31 December 2009	31 December 2008
	£	£
<b>Development expenditure</b>		
<b>Cost</b>		
Balance brought forward	1,551,844	1,346,380
Additions	<u>27,045</u>	<u>205,464</u>
Balance carried forward	<u>1,578,889</u>	<u>1,551,844</u>
<b>Exploration licences</b>		
Balance brought forward (at fair value)	4,013,202	3,917,326
Additions at cost	<u>33,160</u>	<u>95,876</u>
Balance carried forward	<u>4,046,362</u>	<u>4,013,202</u>
<b>Impairment</b>		
Balance brought forward	1,366,338	1,366,338
Balance carried forward	<u>1,366,338</u>	<u>1,366,338</u>
<b>Exchange movements</b>		
Balance brought forward	725,618	52,301
Movement in year	<u>(421,918)</u>	<u>673,317</u>
Balance carried forward	<u>303,700</u>	<u>725,618</u>
<b>Total</b>	<u>4,562,613</u>	<u>4,924,326</u>

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 in 2007, an impairment adjustment of £1,366,338 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 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 no impairment adjustment is required in the current year (31 December 2008: £nil).

## 6. Loans

<b>Company and Group</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
	<b>£</b>	<b>£</b>
Balance brought forward	1,035,626	-
Amounts advanced	331,743	873,118
Loan interest and charges	135,256	104,901
Capitalisation of loan	(1,345,920)	-
Exchange movement	245,915	57,607
	<u>402,620</u>	<u>1,035,626</u>
Balance carried forward	<u>402,620</u>	<u>1,035,626</u>

In February 2008 the Company secured an A\$0.5 million (£224,000 as translated at 1 February 2008) loan facility from Natasa Mining Limited (Natasa). The loan bears interest at 15% per annum on funds drawn, is unsecured and was repayable in August 2008 or immediately upon UMC Energy Plc raising further debt or equity funding. The facility bears a facility fee of A\$15,000 (£6,729). The loan was not repaid in August 2008 and with the forbearance of Natasa is repayable under the same terms as the March 2008 loan.

In March 2008 the Company secured a further loan facility from Natasa for an unspecified amount to be used in meeting the Company's working capital requirements, including funds to be expended on the Morondava uranium project. The loan bears interest at 15% per annum on funds drawn, is secured by a negative pledge over the Company's equity interest in Uramad UK Limited and is repayable within 60 days following a demand by Natasa. The facility bears a draw down fee of 3% of funds drawn.

In October 2009, the Company repaid A\$2,400,000 (£1,345,920) of the loan amount through the issue of 213,638,095 ordinary £0.005 shares at a premium of £0.0013 per share to Natasa.

## 7. Cash flows from operating activities

<b>Group</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
	<b>£</b>	<b>£</b>
Net loss from operations	(543,699)	(643,706)
Adjustments for:		
Share based payments	-	10,989
Translation and currency movements	220,207	192,736
Depreciation	11,238	12,679
Loss on disposal of fixed assets	4,755	-
	<u>307,499</u>	<u>(427,302)</u>
Operating cash flows before movements in working capital	<u>307,499</u>	<u>(427,302)</u>
Decrease / (increase) in trade and other receivables	39,283	(69,263)
Decrease in trade and other payables	<u>(8,560)</u>	<u>(293,391)</u>

Net cash outflow from operating activities (276,776) (789,956)

**Non cash transaction**

On 16 October 2009, the Company and Natasa Mining Limited agreed to capitalise A\$2.4 million (£1,345,920) of the loan amount drawn. This was done by allotting 213,638,095 new £0.005 ordinary shares at a price of £0.063 per share to Natasa Mining Limited.

**8. Related party transactions**

C Kyriakou and J Reynolds are directors of Natasa Mining Limited (Natasa), an Australian company and as of 16 October 2009 the parent company of UMC Energy Plc.

In February 2008 the Company secured an A\$0.5 million (£224,000 as translated at 1 February 2008) loan facility from Natasa. The loan bears interest at 15% per annum on funds drawn, is unsecured and was repayable in August 2008 or immediately upon UMC Energy Plc raising further debt or equity funding. The facility bears a facility fee of A\$15,000 (£6,729). The loan was not repaid in August 2008 and with the forbearance of Natasa is repayable under the same terms as the March 2008 loan.

In March 2008 the Company secured a further loan facility from Natasa for an unspecified amount to be used in meeting the Company's working capital requirements, including funds to be expended on the Morondava uranium project. The loan bears interest at 15% per annum on funds drawn, is secured by a negative pledge over the Company's equity interest in Uramad UK Limited and is repayable within 60 days following a demand by Natasa. The facility bears a draw down fee of 3% of funds drawn.

On 16 October 2009, the Company and Natasa agreed to capitalise A\$2,400,000 (£1,345,920) of the amount drawn under these facilities. This was done by allotting 213,638,095 new ordinary £0.005 shares at a price of £0.063 per share. On that date the Company became a subsidiary of Natasa.

As at 31 December 2009, the Company had, net of the capitalised amount, borrowed A\$718,195 (£402,620) (2008: A\$2,170,033 (£1,035,626)) under these facilities. This amount includes interest and charges of A\$520,262 (£240,157) (2008: A\$230,116 (£104,901)).

At present, the Company is entirely dependent on funding from Natasa for its continuing operation.

Capma Pty Limited, a company in which C Kyriakou has an interest, paid expenses on behalf of the Company amounting to £1,792 (31 December 2008: £7,129) of which £nil (31 December 2008: £1,126) is outstanding at the year end.

The Company was charged £36,000 (31 December 2008: £36,000) by Resource Capital Partners Inc for the provision of the consultancy services of C Kyriakou.

The Company was charged £43,722 (31 December 2008: £25,492) by J Reynolds for the provision of accounting and administration services of which £3,929 (31 December 2008: £3,114) is outstanding at the year end.

The Company was charged £12,000 (31 December 2008: £3,000) by Shakesby Investments Pty Limited for the provision of the services of R Shakesby as director.

The parent company of the group is UMC Energy Plc.

During the year the Company made additional advances to its subsidiary Uramad SA of £71,422 (31 December 2008: £585,543) and at the year end Uramad SA owed the Company £2,775,071 (31 December 2008: £2,837,716).

The Company provided support services and staff to Uramad SA for £7,680 (31 December 2008: £1,328).

#### **9. Post balance sheet events**

Since 1 January 2010, the Company has advanced a further US\$7,845 (£5,046) to Uramad SA, for use on uranium exploration activities.

Since 1 January 2010, the Company has borrowed a further A\$113,140 (£64,883) from Natasa Mining Limited, for working capital.

#### **10. Publication of non statutory accounts**

The summary accounts set out above do not constitute statutory accounts as defined by Section 240 of the UK Companies Act 1985. The summarised consolidated balance sheet at 31 December 2009 and the summarised consolidated income statement, summarised consolidated statement of changes in equity and the summarised consolidated cash flow statement for the year then ended have been extracted from the Group's 2009 statutory financial statements upon which the auditors' opinion is modified on the basis of an emphasis of matter opinion on going concern and significant uncertainty. The results for the year ended 31 December 2008 have been extracted from the statutory accounts for that period, which contain a modified auditors' report on the basis of an emphasis of matter opinion on going concern.

#### **11. Annual Report**

The Annual Report for the year ended 31 December 2009 will be posted to shareholders shortly.

Copies of the report will be available from the Company's registered office at 11 Albemarle Street London W1S 4HH United Kingdom and also from the Company's website [www.umc-energy.com](http://www.umc-energy.com).