

**UMC Energy Plc**

**Registered Number: 05331770**

**Interim Financial Results**

**For the six months ending 30 June 2009**

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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 Partners 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 2009*

As I reported to you in the 2008 Annual Report, the Company's 2008 field work was used as the basis for determining the boundaries of tenement retention in 2009. Approximately 50% of the Folakara tenement (~200sq kms) and 25% of the Makay tenements (~750 sq kms) are being retained for 2009 and beyond.

As has been widely reported in the press, Madagascar is presently experiencing 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.

C Kyriakou  
Chairman

21 September 2009

## **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 2009 which comprises the Consolidated Income Statement, the Consolidated Balance Sheet, the Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes numbered 1 to 9. 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.

### **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 annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of 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 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.

### **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 2009 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  
**22 September 2009**

# UMC ENERGY PLC

## UNAUDITED CONSOLIDATED INCOME STATEMENT

*For the six months period ended 30 June 2009*

	Note	6 months period ended 30 June 2009 (Unaudited) £	6 months period ended 30 June 2008 (Unaudited) £	Year ended 31 December 2008 (Audited) £
Administrative expenses		(152,803)	(279,878)	(652,535)
Other operating income		-	-	8,829
<b>Loss from operations</b>		<b>(152,803)</b>	<b>(279,878)</b>	<b>(643,706)</b>
Investment income		-	1,966	1,966
Finance costs		<b>(84,322)</b>	(83,601)	(163,454)
<b>Loss before taxation</b>		<b>(237,125)</b>	<b>(361,513)</b>	<b>(805,194)</b>
Income tax expense	4	-	-	-
<b>Loss for the period</b>		<b>(237,125)</b>	<b>(361,513)</b>	<b>(805,194)</b>
<b>Attributable to:</b>				
<b>Equity holders of the parent</b>		<b>(210,300)</b>	<b>(392,234)</b>	<b>(726,309)</b>
<b>Minority interest</b>		<b>(26,825)</b>	<b>30,721</b>	<b>(78,885)</b>
		<b>(237,125)</b>	<b>(361,513)</b>	<b>(805,194)</b>
<b>Loss per share (pence)</b>	5	<b>(0.68)</b>	(1.27)	(2.36)
<b>Fully diluted loss per share (pence)</b>	5	<b>(0.65)</b>	(1.13)	(2.23)

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

**UMC ENERGY PLC**  
**UNAUDITED CONSOLIDATED BALANCE SHEET**  
**30 June 2009**

	Note	As at 30 June 2009 (Unaudited) £	As at 30 June 2008 (Unaudited) £	As at 31 December 2008 (Audited) £
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Intangible assets	6	4,510,126	4,332,005	4,924,326
Property, plant and equipment		15,616	25,543	30,357
Taxation receivable		247,239	239,551	290,243
<b>Total non current assets</b>		<b>4,772,981</b>	4,597,099	5,244,926
<b>Current Assets</b>				
Taxation receivable		1,541	7,468	6,936
Trade and other receivables		18,450	4,783	28,744
Cash and cash equivalents		58,550	53,964	23,971
<b>Total current assets</b>		<b>78,541</b>	66,215	59,651
<b>Total Assets</b>		<b>4,851,522</b>	4,663,314	5,304,577
<b>EQUITY AND LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables		156,723	94,315	158,353
Loans	8	1,338,516	569,076	1,035,626
<b>Total current liabilities</b>		<b>1,495,239</b>	663,391	1,193,979
<b>Non current liabilities</b>				
Long term provision		298,198	233,449	335,206
<b>Total Liabilities</b>		<b>1,793,437</b>	896,840	1,529,185
<b>Equity and Reserves</b>				
Called up share capital	7	154,033	1,540,333	154,033
Share premium		4,478,453	4,478,453	4,478,453
Share based payments reserve		385,270	1,069,680	385,270
Translation reserve		386,317	436,835	873,963
Retained loss		(2,939,601)	(4,476,925)	(2,729,301)
Equity attributable to equity holders of the parent		2,464,472	3,048,376	3,162,418
Minority interest		593,613	718,098	612,974
<b>Total Equity</b>		<b>3,058,085</b>	3,766,474	3,775,392
<b>Total equity and liabilities</b>		<b>4,851,522</b>	4,663,314	5,304,577

These interim results were approved by the Board on 21 September 2009 and signed on their behalf by:

C Kyriakou, Chairman.

**UMC ENERGY PLC**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
*for the six months period 30 June 2009*

	Share Capital £	Share Premium £	Share Based Payments Reserve £	Accumulat ed loss £	Minority interest £	Trans- lation Reserve £	Total £
Balance at 1 January 2009	154,033	4,478,453	385,270	(2,729,301)	612,974	873,963	3,775,392
Loss for the period	-	-	-	(210,300)	(26,825)	-	(237,125)
Movement on currency reserve	-	-	-	-	7,464	(487,646)	(480,182)
Balance at 30 June 2009	154,033	4,478,453	385,270	(2,939,601)	593,613	386,317	3,058,085

	Share Capital £	Share Premium £	Share Based Payments Reserve £	Accumulat ed loss £	Minority interest £	Trans- lation Reserve £	Total £
Balance at 1 January 2008	1,540,333	4,478,453	1,156,591	(4,171,602)	684,623	155,301	3,843,699
(Loss) / profit for the period	-	-	-	(392,234)	30,721	-	(361,513)
Reserve transfer	-	-	(86,911)	86,911	-	-	-
Movement on currency reserve	-	-	-	-	2,754	281,534	284,288
Balance at 30 June 2008	1,540,333	4,478,453	1,069,680	(4,476,925)	718,098	436,835	3,766,474

	Share Capital £	Share Premium £	Share Based Payments Reserve £	Accumulat ed loss £	Minority interest £	Trans- lation Reserve £	Total £
Balance at 1 January 2008	1,540,333	4,478,453	1,156,591	(4,171,602)	684,623	155,301	3,843,699
Share capital reduction	(1,386,300)	-	-	1,386,300	-	-	-
Loss for the period	-	-	-	(726,309)	(78,885)	-	(805,194)
Share based payment	-	-	10,989	-	-	-	10,989
Reserve transfer	-	-	(782,310)	782,310	-	-	-
Movement on currency reserve	-	-	-	-	7,236	718,662	725,898
Balance at 31 December 2008	154,033	4,478,453	385,270	(2,729,301)	612,974	873,963	3,775,392

## UMC ENERGY PLC

### UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

*for the six months period 30 June 2009*

	6 months period ended 30 June 2009 (Unaudited) £	6 months period ended 30 June 2008 (Unaudited) £	Year ended 31 December 2008 (Audited) £
<b>Cash flows from operating activities</b>			
Net loss from operations	(152,803)	(279,878)	(643,706)
Adjustments for :			
Share based payments	-	-	10,989
Translation and currency movements	(35,035)	22,579	192,736
Loss on disposal of assets	4,688	-	-
Depreciation	5,709	4,233	12,679
Operating cash flows before movements in working capital	(177,441)	(253,066)	(427,302)
Decrease / (increase) in trade & other receivables	58,693	4,857	(69,263)
Decrease in trade and other payables	(1,630)	(357,428)	(293,391)
Net cash flow from operating activities	(120,378)	(605,637)	(789,956)
<b>CASH FLOW STATEMENT</b>			
Net cash flows from operating activities	(120,378)	(605,637)	(789,956)
<b>Investing Activities</b>			
Investment income	-	1,966	1,966
Property, plant & equipment acquired	-	(6,399)	(15,463)
Intangibles assets additions	(44,686)	(126,040)	(301,340)
Net cash flow from investing activities	(44,686)	(130,473)	(314,837)
<b>Financing activities</b>			
Loans	273,230	569,076	978,019
Loan interest and charges	(73,587)	(34,648)	(104,901)
Decrease in bank overdraft	-	(3,630)	(3,630)
Net cash flow from financing activities	199,643	530,798	869,488
<b>Increase / (decrease) in cash &amp; cash equivalents</b>	<b>34,579</b>	<b>(205,312)</b>	<b>(235,305)</b>
Cash and cash equivalents brought forward	23,971	259,276	259,276
Cash and cash equivalents carried forward	58,550	53,964	23,971

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 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 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.

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

**2. Accounting policies**

**Basis of accounting**

The interim results have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

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

The interim results 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.

**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 UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**2. Accounting policies** *(continued)*

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June 2009 (30 June 2008) (31 December 2008). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

**Minority interests**

Minority interests are that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to minority interest in a subsidiary exceed the minority interests in the equity of that subsidiary, in which case, the losses are absorbed by the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**2. Accounting policies** *(continued)*

**Revenue recognition**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other operating income represents the amounts receivable for the provision of consultancy, management and office services provided in the normal course of business, net of VAT.

**Foreign currencies**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the individual transactions. For practical reasons, a rate that approximates the actual rate at the date of the transaction is often used. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Gains and losses arising on retranslation are included in net profit or loss for the period. On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

**Long term provision**

A provision is recognised for future withholding tax payable on any remittances made from Madagascar on the loan investments made to the subsidiary Uramad SA.

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**2. Accounting policies** *(continued)*

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement, because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Deferred taxation**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the original recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

No recognition has been made for the deferred tax asset arising in respect of current losses as the directors are of the opinion that this may not be realisable in the foreseeable future.

**Non-current intangible assets**

Non-current intangible assets have a finite life and are shown at cost less any provisions made in respect of impairment.

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**2. Accounting policies** *(continued)*

**Non-current intangible assets – Exploration expenditure**

Costs relating to the acquisition, exploration and development of mining projects are capitalised under intangible assets. When it is determined that such costs will be recouped through successful development and exploitation or alternatively by sale of such interests acquired, the expenditure will be transferred to tangible assets and depreciated over the expected productive life of the asset. Whenever a project is considered no longer viable, the associated exploration expenditure is written off to the income statement

**Impairment of tangible and intangible assets**

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated, in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value, if higher. If an asset is impaired, a provision is made to reduce the carrying amount to its estimated recoverable amount. An impairment loss is recognised as an expense immediately.

**Non-current asset investments**

Loan investments are shown at cost less provision for any permanent diminution in value. Loan investments are recognised as an asset when sums are advanced

**Property, plant and equipment**

Equipment and furniture are shown at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method on the following basis:

Equipment 25% -100%

Furniture 25% - 100%

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**2. Accounting policies** *(continued)*

**Financial instruments**

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash held at bank and on short term deposits.

**Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

**Trade payables**

Trade payables are not interest bearing and are stated at their nominal value.

**Trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

**Borrowing costs**

Borrowing costs on loans payable are recognised in the income statement in the period in which they are incurred.

**Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received except where those proceeds appear to be less than the fair value of the equity instruments issued, in which case the equity instruments are recorded at fair value. The difference between the proceeds received and the fair value is reflected in the share based payments reserve.

The costs of issuing new equity are charged against the share premium account.

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**2. Accounting policies** *(continued)*

**Share based payments**

The Group has applied the requirements of IFRS 2 Share-based Payments.

The Group issues equity-settled based payments to directors and certain professional advisors of the Group. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of a Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**3. Segmental analysis**

The Group's operational activities are wholly focused in Madagascar. The Company's registered office is in London, UK.

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

Segmental information on a geographical basis is set out below:

	<b>Period ended</b>		
	<b>30 June 2009</b>		
	<b>UK</b>	<b>Madagascar</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Loss for the period	(227,047)	(10,078)	(237,125)
Depreciation	951	4,758	5,709
Total assets	77,149	4,774,373	4,851,522
Total liabilities	1,400,001	393,436	1,793,437
Intangible assets – additions	-	44,866	44,866

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**3. Segmental analysis** *(continued)*

Segmental information on a geographical basis is set out below:

	<b>Period ended</b>		
	<b>30 June 2008</b>		
	<b>UK</b>	<b>Madagascar</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Loss for the period	(239,361)	(122,152)	(361,513)
Depreciation	-	4,233	4,233
Total assets	61,179	4,602,135	4,663,314
Total liabilities	649,829	247,011	896,840
Intangible assets – additions	-	126,040	126,040
Tangible assets – additions	-	6,399	6,399

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**3. Segmental analysis** *(continued)*

Segmental information on a geographical basis is set out below:

	<b>Year ended</b>		
	<b>31 December 2008</b>		
	<b>UK</b>	<b>Madagascar</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Loss for the year	(603,401)	(201,793)	(805,194)
Depreciation	317	12,362	12,679
Total assets	57,945	5,246,632	5,304,577
Total liabilities	1,086,043	443,142	1,529,185
Intangible assets – additions	-	301,340	301,340
Tangible assets – additions	1,903	13,560	15,463

**4. Taxation**

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

**5. 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 £210,300 (30 June 2008: £392,234) (31 December 2008: £726,309) by the weighted average number of shares in issue at the period end of 30,806,668 (30 June 2008: 30,806,668) (31 December 2008: 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 32,523,142 (30 June 2008: 34,530,076) (31 December 2008: 32,523,142).

**UMC ENERGY PLC**  
**NOTES TO THE UNAUDITED INTERIM RESULTS**  
*For the six months period ended 30 June 2009*

**6. Intangible assets**

	As at 30 June 2009 (Unaudited) £	As at 30 June 2008 (Unaudited) £	As at 31 December 2008 (Audited) £
<b>Development expenditure</b>			
<b>Cost</b>			
Balance brought forward	2,277,462	1,398,681	1,398,681
Additions	11,995	126,040	205,464
Exchange movement	(458,886)	256,296	673,317
	<b>1,830,571</b>	1,781,017	2,277,462
<b>Impairment</b>			
Balance brought forward	1,366,338	1,366,338	1,366,338
Balance carried forward	1,336,338	1,366,338	1,366,338
<b>Net book value</b>	<b>464,233</b>	414,679	911,124
<b>Exploration licences</b>			
Balance brought forward (at fair value)	4,013,202	3,917,326	3,917,326
Additions at cost	32,691	-	95,876
Balance carried forward	4,045,893	3,917,326	4,013,202
<b>Total</b>	<b>4,510,126</b>	4,332,005	4,924,326

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.

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**6. Intangible assets (continued)**

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 no impairment adjustment is required in the current period (30 June 2008: £nil) (31 December 2008:£nil).

**7. Called up share capital**

	<b>As at 30 June 2009 (Unaudited)</b>	<b>As at 30 June 2008 (Unaudited)</b>	<b>As at 31 December 2008 (Audited)</b>
<b>Share capital</b>			
<b>Authorised</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
	£0.005 each	£0.05 each	£0.005 each
Ordinary shares	1,722,739,998	200,000,000	1,722,739,998
	<b>£</b>	<b>£</b>	<b>£</b>
Ordinary shares	<b>8,613,670</b>	10,000,000	8,613,670
<b>Issued</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Ordinary shares	<b>30,806,668</b>	30,806,668	30,806,668
Ordinary shares	<b>154,033</b>	1,540,333	154,033

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**8. Material related party transactions**

R Cleary, C Kyriakou and J Reynolds are directors of Natasa Mining Limited (formerly Investika Limited), an Australian company and a shareholder in UMC Energy Plc.

In February 2008 the Company secured an A\$0.5 million loan facility from Natasa Mining Limited. 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. The loan was not repaid in August 2008 and with the forbearance of Natasa Mining Limited is repayable under the same terms as the March 2008 loan.

In March 2008 the Company secured a further loan facility from Natasa Mining Limited 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 Mining Limited. The facility bears a draw down fee of 3% of funds drawn.

As at 30 June 2009 the Company had borrowed A\$2,748,437 (30 June 2008: A\$1,182,214) (31 December 2008: A\$2,170,033) under these facilities. These amounts include interest of A\$333,771 (30 June 2008: A\$39,797) (31 December 2008: A\$230,116).

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

During the period the Company made additional advances to its subsidiary Uramad SA of US\$74,890 (30 June 2008: US\$964,182) (31 December 2008: US\$1,159,530) and at the period end Uramad SA owed the Company US\$4,926,199 (30 June 2008: US\$4,655,962) (31 December 2008: US\$4,851,309).

Bernard Furth was a director of Uramad SA and a shareholder in the following companies: Assistance Et Logistique Miniere (ALM Sarl) and Forex Sarl. During the period Uramad SA was charged £nil (30 June 2008: £43,133) (31 December 2008:£53,914) by ALM Sarl for services rendered. During the period Uramad SA was charged £nil (30 June 2008:£nil) (31 December 2008: £1,375) by Forex Sarl for services rendered.

**9. Post balance sheet events**

Since 1 July 2009, the Company has advanced a further US\$3,300 to Uramad SA.

Since 1 July 2009, the Company has borrowed a further A\$42,000 from Natasa Mining Ltd, for working capital.