

Independent Resources plc

## INTERIM RESULTS FOR THE PERIOD ENDED 31 MARCH 2006

Independent Resources plc (“Independent Resources” or the “Group”), the international gas storage and development company with extensive operations in Italy and Tunisia, today announces its interim results for the period from incorporation on 16 June 2005 to 31 March 2006. The Group is reporting its interim results under International Financial Reporting Standards (IFRS).

### FINANCIAL AND OPERATIONAL HIGHLIGHTS

- £5.06 million (pre-expenses) raised on admission to AIM in December 2005
- Significant progress made on gas storage and exploration projects
- Permitting authorities’ preliminary feedback on the Rivara gas storage project EIA now integrated, formal submission imminent
- Approaches from several potential Rivara partners
- Re-entry of Sidi Toui-3 appraisal well on schedule for third quarter
- First well on Fiume Bruna CBM permit to be drilled in third quarter

### CHAIRMAN’S STATEMENT

This is our first reporting period since Independent Resources was incorporated in June 2005 and includes our successful admission to AIM in December. During this time, the Board believes that the Group has made encouraging progress in evaluating and developing its promising portfolio of gas storage and upstream oil and gas assets.

We have been prudent with our expenditures, and have set and achieved specific milestones for all our activities. We maintain ample liquidity with over £5 million in cash and equivalents. This is being applied to accomplish the work programmes we described to the investment community in our prospectus.

Independent Resources provided an operational update to the investment community at the end of March this year, and it is fair to say that our activities in relation to Rivara, Fiume Bruna and Ksar Hadada have continued to gather momentum since then.

### Rivara UGS

The Rivara underground gas storage (“UGS”) project in northern Italy has the potential to become a major, high-performance storage facility located close to Italy’s physical gas balancing point and alongside the gas “motorway” that transports Europe’s long-term gas supplies from North Africa. Last winter, Italy experienced its first full-blown gas supply crisis which was due primarily to the shortage of storage and deliverability capacity. The Board is confident that the development of Rivara will prove to be extremely profitable, not only in mitigating these physical constraints but also in providing a long-term strategic platform for national, and eventually intercontinental, gas pricing arbitrage.

As evidence of its potential, Rivara has recently been the subject of a specific partnership and farm-in proposal from one of Europe's leading gas utilities, as well as several other unsolicited expressions of interest, the details of which are subject to confidentiality obligations. We will be carefully evaluating all such approaches to determine whether it is in our shareholders' best interests to pursue them further, at this early stage in the development of what, we believe, will be a unique and valuable resource.

In parallel, Independent Resources' gas storage subsidiary, IGM, has recently executed a Memorandum of Understanding ("MoU") with Bologna-based Hera SpA ([www.gruppohera.it/english](http://www.gruppohera.it/english)), the principal multi-utility within the Emilia Romagna region. As geographic neighbours with overlapping business objectives and a common regulatory regime, both parties recognise that there are potential benefits to be gained through co-operation. While no binding obligations are entailed in the MoU, it is hoped that this arrangement will generate mutually-advantageous business opportunities for both companies.

The Board also believes that this regional co-operation will enhance the planning process for Rivara. The Environmental Impact Assessment ("EIA"), on which the final planning consent is granted, is about to be formally submitted, and we are already incorporating detailed improvements based on constructive feedback from national, regional and local administrations. As previously highlighted, the Italian government and regulatory authorities are encouraging Independent Resources to advance its plans for Rivara as quickly as possible in view of the country's increasingly severe gas supply constraints.

#### Ksar Hadada, Tunisia

Plans to re-enter the Sidi Toui-3 well remain on target for Q3 this year. Preparations for this are progressing on all fronts, with an emphasis on securing long lead-time items such as tubulars. The existing well-head and well-site have been inspected and negotiations to secure a drilling rig are underway, along with limited reprocessing and interpretation of the seismic and well data.

The Ksar Hadada permit, operated by a subsidiary of Petroceltic International plc, covers more than 7,000 sq km in southeast Tunisia, and contains a number of other promising leads besides Sidi Toui. Independent Resources holds a 40% interest in the permit.

#### Fiume Bruna CBM project

Bids have been received for drilling the first well on our 100%-held Fiume Bruna coal bed methane ("CBM") permit, and these are now being assessed prior to selecting a drilling contractor. The bids received are consistent with our revised budgets, and the current expected capital outlay required to bring Fiume Bruna into production, which is significantly lower than envisaged at the time of our admission to AIM, has led the Board to revise upwards its conservative valuations of the project.

The initial well will be classified as a stratigraphic well and is expected to spud in the third quarter of this year. Drilling results, which will include flow rates, produced water composition and an accurate indication of the methane content per tonne of coal, should be available soon thereafter. This drilling information will be invaluable in planning the next phase of appraisal for the development, which is likely to be acquisition and processing of additional seismic data.

This will be the first-ever CBM well in Italy. Arrangements for determining the gas content and composition have been put in place at an on-site facility and in the laboratories of INGV (Italy's National Institute of Geophysics and Vulcanology), under the guidance of CBM specialists, Questa Engineering Corporation, of Colorado.

The Group intends to submit a formal environmental impact screening submission relating to the Fiume Bruna project within the next few weeks. However, neither submission nor approval is required for drilling this initial well or acquiring additional seismic data.

The Board is greatly encouraged by the results of our activities to date, and I look forward to keeping you informed of our continuing progress in the future.

Grayson Nash  
Executive Chairman  
Independent Resources plc

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## CONSOLIDATED INCOME STATEMENT

Period ended 31 March 2006

31-Mar  
2006  
£

Continuing operations

Revenue	-
Cost of sales	-
Gross profit	<u>-</u>
Distribution costs	-
Administrative expenses	(345,180)
	<u>(345,180)</u>
Other operating income	-
Operating loss	<u>(345,180)</u>
Exceptional items	-
	<u>(345,180)</u>
Net financial income	85,304
Loss on ordinary activities before taxation	<u>(259,876)</u>
Tax	-
Loss for the period attributable to equity holders of the parent	<u><u>(259,876)</u></u>
Basic earnings per share	(2)p
Diluted earnings per share	(2)p

#### CONSOLIDATED BALANCE SHEET

Period ended 31 March 2006

	31-Mar 2006 £
Non-current assets	
Goodwill	519,756
Other intangible assets	486,131
Property, plant and equipment	64,647
	<u>1,070,534</u>



Payments to acquire Permits	(278,041)	
Work carried out on Permits	(208,090)	
Purchase of property, plant and equipment	(66,554)	
Interest received	85,304	
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Net cash used in investing activities		(474,377)
Cash flows from financing activities		
Issue of share capital	7,266,470	
Costs associated with Share issues	(1,088,309)	
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Net cash from financing activities		6,178,161
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Net decrease in cash and cash equivalents		5,422,194
Cash and cash equivalents at beginning of the period		-
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Cash and cash equivalents at end of the period		5,422,194
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## NOTES TO THE INTERIM ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2006

### 1 Basis of preparation

The interim financial information for the period from incorporation on 16 June 2005 to 31 March 2006 has been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and under the historical cost convention in accordance with the Group's accounting policies which will be published in the Annual Report for the period ended 30 September 2006. The interim financial information complies with IAS 34.

As the interim financial information is for the period since incorporation there are no comparative figures to be disclosed.

The financial information set out above does not constitute the Company's statutory accounts as defined by section 240 of the Companies Act 1985 and has been neither audited nor reviewed.

### 2 Taxation

There is no current tax charge for the period. The accounts do not include a deferred tax asset in respect of carry forward of unused tax losses as the directors are unable to assess that there will be probable future taxable profits available against which the unused tax losses can be utilised.

### 3 Valuation of share options

Management has concluded that the fair value of the options at the date of grant was not material.

### 4 The Purchase of Independent Gas Management srl

As stated in the Admission document in December 2005, part of the consideration for the acquisition of Independent Gas Management was deferred and dependent on the progress of the share price. In view of the lack of volatility and the large gap between current share prices and the trigger price for additional consideration the Directors do not feel it is necessary at this early stage to provide for any further consideration in the accounts.

### 5 Intangible assets

During the period, £208,090 of company expenditure was capitalised to projects that the company is actively pursuing and for which the licences or permits have been approved.

### 6 Earnings per share

The loss per ordinary share is calculated by reference to the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period as follows:

	31-Mar 2006 £
Loss for the period	(259,876)
Basic weighted average number of shares	15,409,203
Basic loss per share	(2) p
Diluted weighted average number of shares	15,409,203
Diluted loss per share	(2) p

### 7 Statement of changes in equity

	31-Mar 2006 £
Equity shares issued in the period	7,266,470
Less costs associated with share issue taken to share premium account	(1,088,309)
Less loss for the period attributable to equity holders of the parent	(259,876)

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Total equity attributable to equity holders of the parent	5,918,285
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## 8 Acquisitions

On 19 July 2005 the company acquired the entire issued share capital of Independent Energy Solutions srl and Independent Gas Management srl.

Acquisitions of subsidiaries	IES £	IGM £	Total £
Trade and other receivables	8,883	6,552	15,435
Trade and other payables	(9,011)	(2,518)	(11,529)
Cash and cash equivalents	528	2,745	3,273
	<u>400</u>	<u>6,779</u>	<u>7,179</u>
Consideration:			
Cash	10,269	-	10,269
Equity shares to be issued in future periods	-	517,425	517,425
Total consideration	<u>10,269</u>	<u>517,425</u>	<u>527,694</u>
Goodwill arising on acquisition	<u>9,869</u>	<u>510,646</u>	<u>520,515</u>

Equity shares to be issued in connection with the purchase of Independent Gas Management srl are treated as a non current payable until the shares are issued. The consideration for this purchase was a total of 3,449,500 ordinary shares of which 25% are issuable three years after the date of admission to AIM with the remainder only to be issued upon certain contingent events.

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