



Immediate Release

23 April 2008

**MAPLE ENERGY PLC
("MAPLE" OR THE "COMPANY")**

**Preliminary Results
for the year ended 31 December 2007**

Maple Energy plc (AIM: MPLE, LIMA: MPLE), an integrated independent energy company with assets and operations in Peru, today announces its preliminary financial results for the year ended 31 December 2007.

2007 Highlights

- Listed on the AIM market of the London Stock Exchange in July 2007
- Listed on the Bolsa de Valores de Lima (Lima Stock Exchange) in December 2007
- Continued to produce oil from Maquia and Agua Caliente fields with annual average production of 467 barrels per day ("bpd")
- Operated the Pucallpa Refinery, currently Maple's main revenue producing asset, with approximately 2,523 bpd of feedstock while sales of refined products averaged 2,455 bpd
- Revenue from operations of US\$80.7 million produced gross profit of US\$21.5 million for the year ending 31 December 2007
- Adjusted EBITDA (as defined herein) of US\$8.8 million for the year ending 31 December 2007
- Acquired in December an additional 3.1% interest in Aguaytia Energy, LLC ("Aguaytia Energy"), an integrated natural gas and electric power generation and transmission business in Peru
- Purchased 10,676 hectares of land near the North coast of Peru for the Company's ethanol project ("Ethanol Project") in June

Jack W. Hanks, Chairman of Maple, commented today:

"This has been a transformational year for Maple and we are excited about the opportunities and potential for growth of Maple. We have a diversified set of operating assets which continue to perform well and contribute to our overall performance. We expect to make significant progress on our work programme in 2008 as we continue to implement our strategic vision for the Company."

For further information, please contact

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Earnings Call

Maple will hold a conference call on 23 April 2008 at 4.00 pm BST (10.00 a.m. Peruvian time) for analysts, shareholders and other investors. The call can be accessed by dialing 0800 694 8018 (within the UK), 1 866 966 1393 (within the USA), or +44 (0) 1452 552 018 (International including Peru). Call participants will be asked for their full name, company details and pass code. The pass code for this call is 44708991.

This call will include statements from Rex W. Canon, Chief Executive Officer, and Ray Cochard, Chief Financial Officer. Upon completion of the remarks by Mr. Canon and Mr. Cochard, a question and answer session will be held whereby conference-call participants will be permitted to interact with management.

2007 Operating Results

The financial information set forth below reflects Maple's (i) consolidated financial data for the year ended 31 December 2007; (ii) historical unaudited combined financial data for the year ended 31 December 2006, and (iii) historical consolidated financial data for the year ended 31 December 2006. The financial information included herein is based on International Financial Reporting Standards ("IFRS") as adopted for use in the European Union.

Prior to 30 November 2006, Maple was organised as two separate groups of companies under common control: The Maple Companies, Limited ("TMC") group and The Maple Gas Corporation del Perú Ltd. ("Maple BVI") group. Effective 30 November 2006, a series of transactions were undertaken whereby these entities were re-organised such that TMC acquired Maple BVI and its related entities. TMC also acquired various minority interests. This business combination was accounted for using the purchase method of accounting. This involved recognising the identifiable assets and liabilities of Maple BVI at fair value. The comparative consolidated information for the year ended 31 December 2006 represents 12 months of operations of TMC and one month of operations of Maple BVI. In order to provide a more useful year-to-year comparison of the performance of Maple by taking into consideration the revenues and expenses of Maple BVI for a full year, the first set of 2006 figures presented below are based on the 2006 combined unaudited income statement which was prepared as if the two groups had been combined starting 1 January 2006. As such, the comparison of any financial figures between 2007 and 2006 herein reflect a comparison of 2007 results of operations prepared on a consolidated basis versus 2006 results of operations prepared on a combined basis, unless specified otherwise.

	2007	2006	2006
Refinery Sales Volume, barrels (1)	896,075	953,061	248,780
Gross Profit per barrel sold (1)	US\$23.98	US\$23.98	US\$19.26
	<i>US\$'000 Consolidated</i>	<i>US\$'000 Combined Unaudited (3)</i>	<i>US\$'000 Consolidated</i>
Revenue from Operations	80,717	78,493	56,712
Gross Profit	21,487	22,850	4,792
Operating (loss)/profit	(970)	2,409	1,107
Share of Profit in the associate	1,171	2,102	343
(Loss)/profit for the year	(1,990)	399	406
Adjusted EBITDA (2)	8,832	9,450	2,225

(1) Unaudited.

(2) Adjusted Earnings before Interest Taxation Depreciation and Amortisation ("Adjusted EBITDA") is calculated as operating (loss)/profit before exceptional items (AIM listing costs and expensing of brand costs) and exploration expenses plus depreciation, amortisation, workers' profit sharing, and share of profit in Aguaytia Energy.

(3) The 2006 unaudited combined figures included in the Admission Document dated 6 July, 2007 ("Admission Document") have been restated to reflect adjustments related to full year amortisation of the fair market value of intangibles recognised on the business acquisition referred to in Note 3 to the 2006 IFRS audited consolidated financial information, and to defer the expensing of AIM listing costs until 2007. For further information on this business acquisition and information related thereto, please see Note 3 to the audited consolidated financial statements included in the Admission Document which may be found on the Company's website.

Revenues for Maple increased to US\$80.7 million in 2007 compared to US\$78.5 million in 2006. Higher prices for hydrocarbon products sold in Peru offset a decline in sales volumes. Even though feedstock costs increased in step with world oil prices, gross profit on a per barrel sold basis remained stable at US\$23.98. Results for the year 2007 were a net loss after taxes of US\$2.0 million compared to 2006 net profit after taxes of US\$0.4 million. The majority of this difference was due to exceptional costs of US\$3.5 million relating to the AIM listing that have been expensed in the 2007 Income Statement in compliance with IAS 32 *Financial Instruments; presentation*.

Oil production from Maple's Maquia and Agua Caliente fields decreased slightly from an average of 477 bpd in 2006 to an average of 467 bpd in 2007. Total refinery feedstock volumes delivered to the Pucallpa Refinery decreased from an average of 2,760 bpd in 2006 to an average of 2,523 bpd in 2007 primarily as the result of a reduction in the purchase of natural gasoline feedstock from an average of 2,211 bpd to 2,014 bpd from 2006 to 2007.

Reflecting the relative stability of Maple's operations, Adjusted EBITDA of US\$8.8 million in 2007 was somewhat less than the Adjusted EBITDA of US\$9.5 million in 2006. Adjusted EBITDA is a key performance indicator for measuring Maple's underlying operating efficiency.

Non-Operating Results

Finance revenue increased from US\$0.2 million in 2006 to US\$0.9 million for 2007 as a result of increased cash balances.

Maple's share in profit of Aguaytia Energy for 2007 was US\$1.2 million. For accounting purposes, Maple acquired its ownership interest in Aguaytia Energy with the acquisition of Maple BVI in November 2006. If Maple had held the interest in Aguaytia Energy for the full year 2006, Maple's share in profit from Aguaytia Energy would have been US\$2.1 million.

Outlook for 2008

2007 set the stage for Maple's planned growth and included a number of milestones in the Company's development. In 2008, Maple will continue to generate cash flow from its existing operations which include its production, refining, and marketing activities as well as a 17.5% economic interest in Aguaytia Energy. Maple intends to increase the cash flow from its production, refining, and marketing business primarily through the development drilling program which is expected to increase oil production as the Company commences the drilling and completion of wells in the Maquia and Agua Caliente oil fields following receipt of certain approvals from the Peruvian government. A total of 22 development wells (proven and probable reserves) are planned to be drilled to depths of up to approximately 2,000 feet in the Maquia and Agua Caliente oil fields in 2008 and 2009. An additional nine development wells (possible reserves) may be drilled thereafter. Anticipated additional oil production from the initial 22 development wells is estimated to be in excess of 385 bpd.

The approval of the environmental and social impact assessment ("EIA") for the reactivation of the Pacaya oil field was obtained in February 2008, and Maple has commenced the reactivation of the field. In the second half of 2008, Maple plans to complete the reactivation of the Pacaya oil field which is expected to increase oil production by 150 bpd.

The Company anticipates supplying all new oil production to its Pucallpa Refinery for processing, and the resulting products will be sold to its customers. As the majority of Maple's refining costs are fixed, the incremental cash flow generated from the additional refined product sales may be significant.

Maple's oil exploration business is also expected to be very active this year. The newest addition to its fleet of rigs, the 2,000 horsepower heli-transportable rig, is expected to be completed and ready for transportation and mobilisation to the Santa Rosa 1X wellsite by the middle of 2008. Maple plans to finance a substantial portion of the cost of the rig in 2008 with long-term financing. The environmental approval for the seismic program and the drilling of the Santa Rosa Prospect and the Cashiboya Deep Prospect in Block 31-E was obtained from the Peruvian government in April of 2008. The Company will begin the acquisition of approximately 225 km of 2-D seismic data and the preparation of the drilling site for the Santa Rosa 1X well on Block 31-E in the second quarter of 2008. Maple expects to drill the Santa Rosa 1X in late 2008 to a depth of 14,750 feet. This moderate risk prospect has Unrisked Gross Prospective Resources (best estimate) of 220 million barrels of oil and has a favourable royalty regime for potential future production which is capped at 20%.

As Maple is executing its plans for its oil and gas business, Maple's project development team for the Ethanol Project will continue to execute the Company's initiative to establish Maple as one of Peru's leading ethanol producers. In early 2008, Maple finalised its agricultural development plan for the sugar cane plantation and executed a five-year technical

services agreement with Booker Tate Limited (“Booker Tate”), a global leader in the provision of services to the world of sugar, ethanol, bio-energy, and other agribusiness projects. Booker Tate will provide the Company with technical services for the development and management of its 8,000 hectare sugar cane plantation. By the middle of 2008, the Company expects to receive approval from the Peruvian government of the EIA for the Ethanol Project and finalise engineering, procurement, and construction contracts for various key components of the project including the main water delivery system, the drip irrigation systems, and the ethanol plant. Fabrication and construction of significant portions of these key items are expected to begin in 2008. A 10% interest in the Ethanol Project may be acquired by the Fondo de Inversion en Infraestructura, Servicios Publicos y Recursos Naturales, a reputable Peruvian investment fund, pursuant to an agreement signed in 2007, and a substantial portion of the estimated capital expenditures for the project are expected to be financed with project finance debt pursuant to agreements which are expected to be executed in the middle of 2008. Throughout 2008, Maple will continue developing its seed cane program to produce the seed cane required for the initial commercial sugar cane planting on the Company’s main estate. Agricultural development activities and construction activities will continue through 2009, and the Company expects the Ethanol Project to be in commercial operation by the middle of 2010.

The execution of all these activities by Maple’s dedicated team of employees combined with continued strong commodity prices for oil, refined products, and ethanol should make 2008 a successful year for the Company.

Forward-Looking Statements

Except for the historical information contained in this release, statements contained in this document, particularly those regarding possible, projected or assumed future performance and results, including growth outlook, forecasted economics, operations, production, contracting, costs, prices, earnings, returns and potential growth, are or may include forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. These risks and uncertainties include, among other things, market conditions, weather risks, economic and political risks and other factors discussed in Maple’s Admission Document available on the Company’s website (www.maple-energy.com). Forward-looking statements are not guarantees of future performance or an assurance that Maple’s current assumptions and projections are valid. Actual results, actions and developments may differ materially from those expressed or implied by those forward looking statements depending on a variety of factors. Furthermore, any forward-looking statements presented are expressed in good faith and are believed to have a reasonable basis as of the date of this release. These forward looking statements speak only as at the date of this release, and Maple does not assume any obligation to update any forward looking statements, whether as a result of new information, future events or otherwise.

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2007

	2007	2006
	US\$'000	US\$'000
Revenue	80,717	56,712
Cost of sales	(59,230)	(51,920)
	<hr/>	<hr/>
Gross profit	21,487	4,792
	<hr/>	<hr/>
Administrative expenses	(13,935)	(2,718)
Selling and distribution costs	(4,528)	(579)
Exceptional listing costs	(3,515)	–
Exploration expense	(479)	(388)
	<hr/>	<hr/>
Total operating expenses	(22,457)	(3,685)
	<hr/>	<hr/>
Operating (loss)/profit	(970)	1,107
Finance revenue	930	213
Finance costs	(2,125)	(560)
Share of profit of an associate	1,171	343
	<hr/>	<hr/>
(Loss)/profit before tax	(994)	1,103
Income tax expense	(996)	(697)
	<hr/>	<hr/>
(Loss)/profit for the year	(1,990)	406
	<hr/> <hr/>	<hr/> <hr/>
(Loss)/profit attributable to:		
Equity holders of the parent	(2,152)	40
Minority interests	162	366
	<hr/>	<hr/>
	(1,990)	406
	<hr/> <hr/>	<hr/> <hr/>
<i>Basic (loss)/earnings per share attributable to ordinary equity holders of the parent</i>	<i>US\$ (cent)</i>	
	(3.38)	0.91
	<hr/> <hr/>	<hr/> <hr/>
<i>Diluted (loss)/earnings per share attributable to ordinary equity holders of the parent</i>	<i>US\$ (cent)</i>	
	(3.38)	0.91
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CONSOLIDATED BALANCE SHEET
as at 31 December 2007

	2007	2006
	US\$'000	US\$'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	8,647	6,931
Intangible assets	47,837	49,269
Investment in an associate	30,243	25,614
	<hr/>	<hr/>
	86,727	81,814
	<hr/>	<hr/>
<i>Current assets</i>		
Other financial assets	–	1,118
Income tax recoverable	451	629
Prepayments and other assets	5,415	3,682
Inventories	10,805	8,360
Trade and other receivables	7,055	1,983
Cash and cash equivalents	34,342	1,663
Restricted cash	3,403	638
	<hr/>	<hr/>
	61,471	18,073
	<hr/>	<hr/>
TOTAL ASSETS	148,198	99,887
	<hr/> <hr/>	<hr/> <hr/>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital	812	486
Share premium	67,417	17,882
Other reserves	2,801	2,952
Merger reserve	42,647	42,647
Retained loss	(7,948)	(5,796)
	<hr/>	<hr/>
	105,729	58,171
Minority interests	8,168	–
	<hr/>	<hr/>
Total equity	113,897	58,171
	<hr/>	<hr/>
<i>Non-current liabilities</i>		
Long-term debt	2,854	5,633
Other non-current liabilities	944	1,107
Provisions	1,020	998
Deferred income tax liability	9,445	11,160
Deferred workers' profit sharing liability	3,503	3,773
	<hr/>	<hr/>
	17,766	22,671
	<hr/>	<hr/>
<i>Current liabilities</i>		
Current portion of long-term debt	1,953	2,905
Trade and other payables	7,416	9,375
Overdrafts and bank loans	1,100	3,829
Other current liabilities	6,066	2,936
	<hr/>	<hr/>
	16,535	19,045
	<hr/>	<hr/>
Total liabilities	34,301	41,716
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TOTAL EQUITY AND LIABILITIES	148,198	99,887
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2007

Attributable to equity holders of the parent

	<i>Number of Ordinary Shares</i>	<i>Issued capital US\$'000</i>	<i>Share Premium US\$'000</i>	<i>Retained Loss US\$'000</i>	<i>Other Reserves US\$'000</i>	<i>Merger reserve US\$'000</i>	<i>Total US\$'000</i>	<i>Minority interests US\$'000</i>	<i>Total equity US\$'000</i>
At 1 January 2006	285,000	3	(42,614)	(4,870)	–	42,647	(4,834)	2,586	(2,248)
Profit for the year	–	–	–	40	–	–	40	366	406
Total income and expense for the year	–	–	–	40	–	–	40	366	406
Issue of share capital on acquisition of Maple BVI and minority interests	48,296,120	483	60,496	–	2,952	–	63,931	(2,952)	60,979
Issue of share capital	10	–	–	–	–	–	–	–	–
Equity dividends	–	–	–	(966)	–	–	(966)	–	(966)
At 31 December 2006	48,581,130	486	17,882	(5,796)	2,952	42,647	58,171	–	58,171
Loss for the year	–	–	–	(2,152)	–	–	(2,152)	162	(1,990)
Total income and expense for the year	–	–	–	(2,152)	–	–	(2,152)	162	(1,990)
Issue of share capital	32,632,477	326	55,190	–	(6,100)	–	49,416	6,100	55,516
Transaction costs on issue of share capital	–	–	(5,655)	–	–	–	(5,655)	–	(5,655)
Issue of share capital to minority interests	–	–	–	–	2,711	–	2,711	7,200	9,911
Transaction costs on issue of share capital to minority interests	–	–	–	–	–	–	–	(434)	(434)
Deemed disposal by minority interest of its minority interests	–	–	–	–	4,642	–	4,642	(4,642)	–
Share-based payment	–	–	–	–	369	–	369	–	369
Payments made by a subsidiary to shareholders of the Company	–	–	–	–	(1,773)	–	(1,773)	(218)	(1,991)
At 31 December 2007	81,213,607	812	67,417	(7,948)	2,801	42,647	105,729	8,168	113,897

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2007

	2007 US\$'000	2006 US\$'000
Operating activities		
Collection from customers	74,861	56,715
Payments to suppliers and third parties	(70,572)	(52,049)
Payments to employees	(11,691)	(1,471)
Income tax paid	(3,196)	(1,210)
Interest paid	(2,104)	(540)
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(12,702)	1,445
	<hr/>	<hr/>
Investing activities		
Investment in associate	(2,607)	–
Increase in restricted cash	(3,203)	(637)
Decrease in restricted cash	438	–
Purchase of property, plant and equipment	(2,391)	(89)
Additions of intangible assets	(1,545)	(23)
Cash provided by Maple BVI acquisition	–	1,584
Increase of due from shareholders	(873)	(20)
Dividends received	1,520	444
Interest received	930	213
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(7,731)	1,472
	<hr/>	<hr/>
Financing activities		
Proceeds from issue of share capital	65,427	–
Transaction costs	(5,655)	–
Proceeds from bank loans	–	2,526
Dividends paid to equity holders of the parent	–	(966)
Payments of long-term debt	(4,061)	(671)
Payments of bank loans	(2,729)	(2,446)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	52,982	(1,557)
	<hr/>	<hr/>
Net increase in cash and cash equivalents during the year	32,549	1,360
Net foreign exchange difference	130	173
Cash and cash equivalents at beginning of year	1,663	130
	<hr/>	<hr/>
Cash and cash equivalents at end of year	<u>34,342</u>	<u>1,663</u>

1. CORPORATE INFORMATION

Maple Energy plc (“the Company”) was incorporated in the Republic of Ireland on 18 October 2006. On 12 February 2007, the Company re-registered as a public limited company. The Company is domiciled in the Republic of Ireland.

Prior to 30 November 2006, the group of companies (“the Maple Group”) which now form the consolidated financial statements of Maple Energy plc and subsidiaries (collectively, “Maple” or “the Group”) was organised as two separate groups of companies under common control: The Maple Companies, Limited (“TMC”) and The Maple Gas Corporation del Perú Ltd (“Maple BVI”), both companies registered in the British Virgin Islands. Effective 30 November 2006, a series of transactions was undertaken whereby these entities were re-organised such that TMC acquired Maple BVI and its related entities. TMC also acquired various minority interests. This business combination has been accounted for using the purchase method of accounting. This involves recognising the identifiable assets and liabilities of the acquired business at fair value. The comparative information for the year ended 31 December 2006 in the consolidated financial statements includes the results of Maple BVI and its related entities for the one-month period from the date of acquisition.

The Group is an integrated independent energy business with assets and operations in Peru. It engages in numerous aspects of the energy industry, including: (i) exploration and production of crude oil, natural gas and natural gas liquids; (ii) refining, marketing and the distribution of hydrocarbon products; (iii) gas-fired power generation and power transmission; and (iv) the development of an ethanol project. By utilising its strategic asset base, technical expertise, project management skills, and strong customer and government relationships, the Group has established itself as one of Peru’s leading integrated energy businesses.

On 7 February 2007, the Company entered into a share exchange agreement with the shareholders of TMC, whereby in return for the issuance of 48,581,113 Ordinary Shares of US\$0.01 each, the Company acquired 1,619,371 shares of US\$0.01 each of TMC, representing its entire issued shared capital at that time, and became the ultimate holding company of the Maple Group. This group re-organisation has been accounted for using the pooling of interests method.

The purpose of the re-organisations carried out on 30 November 2006 and 7 February 2007 was to implement a more efficient group structure to facilitate the raising of capital on the Alternative Investment Market (“AIM”) of the London Stock Exchange.

On 13 July 2007, the Company completed the placing of 26,700,000 Ordinary Shares of US\$0.01 each at a price of STG£0.84 each, and its then entire issued share capital, consisting of 75,281,130 Ordinary Shares of US\$0.01 each, was admitted to trading on AIM.

The transaction costs associated with listing the Company's existing shares on AIM, in the aggregate amount of US\$3,515,000, were, in accordance with IAS 32 *Financial Instruments: presentation* ("IAS 32") expensed to the income statement for the year ended 31 December 2007. Transaction costs incurred in connection with the issuance of new shares amounting to US\$5,655,000 was applied against share premium.

Effective 20 December 2007, the Ordinary Shares of the Company were admitted to trading on the Lima Stock Exchange.

2. BUSINESS COMBINATIONS

(a) Acquisition of Maple BVI

On 30 November 2006, TMC acquired 100% of the issued share capital of Maple BVI, an unlisted company registered in the British Virgin Islands.

The fair values of the identifiable assets, liabilities and contingent liabilities of Maple BVI at the date of acquisition and the corresponding carrying amounts before the acquisition were:

	<i>Fair value</i> US\$'000	<i>Carrying value</i> US\$'000
Property, plant and equipment	6,879	3,848
Intangible assets	33,445	691
Investment in an associate	25,715	24,780
Other financial assets	1,075	1,075
Prepayments and other assets	2,753	2,753
Inventories	7,212	6,530
Receivables from related parties	7,155	7,155
Trade and other receivables	4,516	4,516
Cash and cash equivalents	1,584	1,584
	<u>90,334</u>	<u>52,932</u>
Long-term debt	9,446	9,446
Deferred income tax and workers' profit sharing liability	15,273	601
Trade and other payables	9,605	9,605
Overdrafts and bank loans	4,862	4,862
Payables due to related parties	1,465	1,465
Other current liabilities	4,801	3,991
	<u>45,452</u>	<u>29,970</u>
Net assets	44,882	<u>22,962</u>
Goodwill arising on acquisition	16,097	
Total Consideration	<u>60,979</u>	

The total cost of the business combination was US\$60,979,000 and comprised an issue of equity instruments. TMC issued 1,609,871 shares of US\$0.01 each with a fair value of US\$37.878 each. Since there was no published price for the shares issued, TMC considered the interest in the fair value of the acquiree obtained as the fair value of the shares issued. There were no significant costs directly attributable to the acquisition of Maple BVI.

In December 2006, Maple BVI contributed a loss of US\$190,000 to the Group. If the acquisition of Maple BVI had occurred on the first day of the financial year ended 31 December 2006 (1 January 2006), the profit of the Group would have been US\$399,000 and revenue from continuing operations would have been US\$78,493,000.

The fair value adjustments at 31 December 2006 were provisional as the Group had sought an independent valuation. The results of this valuation had not been received at the date the 2006 accounts were approved for issue by management. On preparing these consolidated financial statements the Group recognised adjustments to the provisional fair values and the total cost of the business combination following receipt of an independent valuation report in March 2008. In accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8") the Group has accounted for the error correction retrospectively, and present these financial statements as if the error had never occurred by restating the comparative information for the prior period in which the error occurred.

(b) Share Exchange Agreement

On 7 February 2007, the Company entered into a share exchange agreement with the shareholders of TMC, whereby in return for the issuance of 48,581,113 Ordinary Shares of US\$0.01 each, the Company acquired 1,619,371 shares of US\$0.01 each of TMC, representing its entire issued share capital, and became the ultimate holding company of the Maple Group. This share exchange has been accounted for using the pooling of interests method. The shares issued by the Company were valued at US\$18,368,000. The difference between the share capital of the Company and the share capital of TMC on entering into the share exchange agreement in the amount of US\$42,647,000 has been reflected as a merger reserve, and has been accounted for retrospectively at 1 January 2006.

3. SEGMENT INFORMATION

The Group's primary format for segment reporting is business segments and the secondary format is geographical segments. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the Group engages in, rather than the geographical location of these operations. This is reflected by the Group's organisational structure and the Group's internal financial reporting systems.

The Group has three reportable operating segments: Exploration; Production and Marketing; and the Ethanol Project. Exploration activities include oil exploration. Production and Marketing include field development and production, as well as refining of crude oil and natural gasoline and hydrocarbons manufacturing and marketing. The Ethanol Project relates to the development of an agricultural industrial project for the future production and sale of ethanol and related products. Sales between segments are realised on normal commercial terms and conditions, which are determined based on the international market price of crude oil. Segment revenue, segment expense and segment results include transfers between business segments. These transactions and any unrealised profits and losses are eliminated on consolidation.

The Group's geographical segments are based in Peru. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Primary reporting format – Business segments

	<i>Exploration</i>	<i>Production and marketing</i>	<i>Ethanol</i>	<i>Other and corporate</i>	<i>Adjustments and eliminations</i>	<i>Total Group</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Year ended 31 December 2007						
Revenue						
Sales to external customers	–	80,957	–	–	(240)	80,717
Results						
Operating loss	(645)	5,853	(391)	(5,787)	–	(970)
Finance revenue	15	177	28	725	(15)	930
Finance costs	(19)	(2,006)	–	(115)	15	(2,125)
Share of profit in associate	–	–	–	1,171	–	1,171
Loss before tax	(649)	4,024	(363)	(4,006)	–	(994)
Income tax expense						(996)
						<u>(1,990)</u>
Assets and liabilities						
Segment assets	1,680	71,265	6,236	31,359	(8,682)	101,858
Goodwill	–	16,097	–	–	–	16,097
Investment in associate	–	–	–	30,243	–	30,243
	<u>1,680</u>	<u>87,362</u>	<u>6,236</u>	<u>61,602</u>	<u>(8,682)</u>	<u>148,198</u>
Segment liabilities	915	38,270	314	3,572	(8,770)	34,301
Other information						
Capital expenditure						
Intangible assets	–	28	1,517	–	–	1,545
Property, plant and	142	1,845	734	–	–	2,721

	Exploration	Production and marketing	Ethanol	Other and corporate	Adjustments and eliminations	Total Group
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Year ended 31 December 2007 equipment	142	1,873	2,251	–	–	4,266
Depreciation	7	967	5	–	–	979
Amortisation	–	2,977	–	–	–	2,977
Other non-cash expenses	–	–	–	369	–	369
Share-based payments	–	–	–	–	–	–

Primary reporting format – Business segments

	Exploration	Production and marketing	Ethanol	Other and corporate	Adjustments and eliminations	Total Group
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Year ended 31 December 2006						
Revenue						
Sales to external customers	–	56,712	–	–	–	56,712
Results						
Operating profit	(516)	2,241	(429)	(189)	–	1,107
Finance revenue	–	213	–	1	(1)	213
Finance costs	(62)	(423)	(2)	(74)	1	(560)
Share of profit in an associate	–	–	–	343	–	343
Profit before tax	(578)	2,031	(431)	81	–	1,103
Income tax expense						(697)
Profit for the year						406
Assets and liabilities						
Segment assets	3,364	69,688	69	4,884	(19,829)	58,176
Goodwill	–	16,097	–	–	–	16,097
Investment in associate	–	–	–	25,614	–	25,614
	3,364	85,785	69	30,498	(19,829)	99,887
Segment liabilities	5,885	39,899	368	15,393	(19,829)	41,716

	<i>Exploration</i>	<i>Production and marketing</i>	<i>Ethanol</i>	<i>Other and corporate</i>	<i>Adjustments and eliminations</i>	<i>Total Group</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Year ended 31 December 2006						
Other information						
Capital expenditure						
Intangible assets	–	23	–	–	–	23
Property, plant and equipment	–	119	1	–	–	120
	–	142	1	–	–	143
Depreciation	7	105	–	–	–	112
Amortisation	–	296	–	–	–	296

Secondary reporting format – Geographical segments
All the Group's sales and capital expenditures are in Peru.

Total assets

Total assets are allocated based on where the assets are located:

	2007	2006
	<i>US\$'000</i>	<i>US\$'000</i>
Peru	147,712	99,188
British Virgin Islands	483	699
Ireland	3	–
	148,198	99,887

4. INCOME TAX AND WORKERS' PROFIT SHARING

(a) Income tax and workers' profit sharing regulations

The Company is subject to Irish tax regulations. Subsidiaries incorporated in the British Virgin Islands are not subject to income tax and workers' profit sharing. Peruvian subsidiaries of the Company are subject to the Peruvian Tax System and Peruvian labour regulations. According to Peruvian regulations, companies operating in the refining sector that have more than 20 employees must pay to their employees profit sharing equivalent to 10 percent of taxable income.

Corporation tax in Ireland is 12.5% on trading activities and 25% on non-trading activities. Exploitation activities of hydrocarbons in Blocks 31-B and 31-D are subject to the common Peruvian tax regulations in force as of 30 March 1994 (30%). Exploration activities in Block 31-E are subject to the common Peruvian tax regulations in force as at 6 March 2001 (22%). Refining and commercialisation activities of hydrocarbons are subject to the current Peruvian tax regime (30%).

(b)Income tax and workers' profit sharing expense

	2007 <i>US\$'000</i>	2006 <i>US\$'000</i>
Income tax		
- Current	2,711	920
- Deferred	<u>(1,715)</u>	<u>(223)</u>
	<u>996</u>	<u>697</u>
Workers' profit sharing (presented as part of administrative expenses)		
- Current	541	56
- Deferred	<u>(270)</u>	<u>(77)</u>
	<u>271</u>	<u>(21)</u>

(c) Movement of the deferred income tax and workers' profit sharing

	At 1 January 2006 US\$'000	Arising on acquisition US\$'000	Workers' profit sharing US\$'000	Income tax US\$'000	At 31 December 2006 US\$'000	Workers' profit sharing US\$'000	Income tax US\$'000	At 31 December 2007 US\$'000
<i>Deferred asset</i>								
Other	40	59	2	(3)	98	(9)	(43)	46
Deferred asset	40	59	2	(3)	98	(9)	(43)	46
<i>Deferred liability</i>								
Exploration and development costs	–	(356)	(1)	(1)	(358)	(5)	9	(354)
Contractual rights and customer relationships	–	(13,202)	28	84	(13,090)	294	1,668	(11,128)
Oil wells	–	(1,504)	6	20	(1,478)	32	184	(1,262)
Inventories	–	(270)	42	123	(105)	26	79	–
Work-overs	–	–	–	–	–	(68)	(182)	(250)
Deferred liability	–	(15,332)	75	226	(15,031)	279	1,758	(12,994)
Deferred liability, net	40	(15,273)	77	223	(14,933)	270	1,715	(12,948)

(c) Movement of the deferred income tax and workers' profit sharing (continued)

At 31 December 2007, there was no recognised deferred tax liability (2006: US\$Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as:

- the Group is able to control the timing of the reversal of the temporary difference; and
- the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

The temporary differences associated with investments in subsidiaries for which deferred tax liability has not been recognised aggregate to US\$8,678,000 (2006: US\$5,015,000).

(d) Reconciliation between income tax expenses, and the product of accounting profit multiplied by the tax rate

	2007 US\$'000	2006 US\$'000
Income (loss) before income tax	(994)	1,103
Legal consolidated rate	30%	30%
At consolidated rate	<u>(298)</u>	<u>331</u>
Losses of entities not subject to tax	1,771	122
Effect of change in tax rate due to change of legal status of Group entities	(996)	-
Taxes assumed by the Group	186	80
Other permanent items	333	164
	<u>996</u>	<u>697</u>
Effective income tax expense	<u><u>996</u></u>	<u><u>697</u></u>

5. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share amounts are calculated by dividing net (loss)/earnings for the year attributable to equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the year. Diluted (loss)/earnings per share amounts are calculated by dividing the net (loss)/earnings for the year attributable to ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would be issued on the conversion of all the dilutive potential Ordinary Shares into Ordinary Shares.

The following reflects the income and share data used in the basic and diluted (loss)/earnings per share computations:

	2007 US\$'000	2006 US\$'000
<i>Numerator</i>		
Net (loss)/profit attributable to equity holders of the parent for basic and diluted earnings	<u>(2,152)</u>	<u>40</u>

<i>Denominator</i>	<i>2007 Number</i>	<i>2006 Number</i>
Weighted average number of Ordinary Shares for basic and diluted earnings per share	63,657,928	4,386,863
	<i>2007 US dollar (cent)</i>	<i>2006 US dollar (cent)</i>
Basic and Diluted (Loss)/Earnings per Share	<u>(3.38)</u>	<u>0.91</u>

The calculation of basic and diluted (loss)/earnings per share for all periods presented has been adjusted retrospectively to reflect the application of the pooling of interests method to account for the share exchange agreement whereby the Company acquired the entire issued share capital of the former group parent, The Maple Companies, Limited. For all periods until 7 February 2007, the number of shares in issue is deemed to be the shares of The Maple Companies, Limited adjusted by a multiple of 30, the multiple applied by the Company to acquire The Maple Companies, Limited. After 7 February 2007, the actual number of shares in issue is taken into account.

During 2007, the Company issued instruments that could potentially dilute basic earnings per share in the future, but were not included in the calculation for the reasons outlined below:

- Stock Option Agreement with ACC – The Company granted Fondo de Inversión en Infraestructura, Servicios Públicos y Recursos Naturales (“ACC”) an option to receive 5,997,660 Ordinary Shares of US\$0.01 each in exchange for the 199,922 shares ACC holds in the equity of TMC, a subsidiary of the Company. These potential Ordinary Shares are anti-dilutive at 31 December 2007;
- Investment Agreement with ACC – If a subsidiary of the Company has to make tax payments in connection with certain potential tax claims for the tax years 2001, 2002 and 2003, the Company shall compensate ACC by one of the following, as selected by the Company, after consultation with ACC: (i) make a payment equal to 10.989% of the amount of the payment (“Pro Rata Tax Claim Amount”); or (ii) an amount in shares of TMC that is equivalent to the number of shares of the Company having a then market value equal to the Pro Rata Tax Claim Amount. As the status of the contingency remains unsatisfied at 31 December 2007, the contingently issuable Ordinary Shares are not included in the calculation of diluted loss per share at 31 December 2007; and
- Employee Stock Options – Refer to the Annual Report for the total number of shares related to the outstanding options that could potentially dilute basic earnings per share in the future. These potential Ordinary Shares are anti-dilutive at 31 December 2007.

There were no instruments that could potentially dilute basic earnings per share for the year ended 31 December 2006.

No ordinary share transactions or potential ordinary share transactions occurred after the balance sheet date but before the financial statements were authorised for issue that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period.

6. INVESTMENT IN ASSOCIATE

Aguaytía Energy, LLC (“Aguaytía”) was incorporated as a Delaware limited liability company on 30 October 1995 with a share capital divided into cash and non-cash units. Aguaytía has an issued and outstanding share capital of 181,838 units, comprised of 161,838 cash units and 20,000 non-cash units. Whilst both the cash and the non-cash units are entitled to voting rights, an adjustment is made to distributions paid by Aguaytía such that the distributions allotted to shareholders of cash units is greater than the distributions allotted to shareholders of non-cash units.

Through its wholly owned subsidiaries, Aguaytía carries out the following activities within Peru:

- Exploitation of natural gas deposit, located in the central jungle of Peru;
- Processing of natural gas to obtain natural gas liquids (“NGLs”);
- Fractionation of NGLs into liquefied petroleum gas (“LPG”) and natural gasoline. This latter product is sold to the Group;
- LPG transportation and distribution; and
- Electric power generation and transmission.

Movement in the investment for the years ended 31 December 2007 and 31 December 2006

	2007 <i>US\$'000</i>	2006 <i>US\$'000</i>
1 January	25,614	–
Arising on acquisition	–	25,715
Acquisition of additional interest	4,978	–
Share of profit for the year:		
Negative goodwill arising on acquisition of additional interest	203	–
Share of profit of associate	999	432
Elimination of Group's share of unrealised profit on transactions with associate	(31)	(89)
Dividends received	(1,520)	(444)
	<u>30,243</u>	<u>25,614</u>
31 December	<u>30,243</u>	<u>25,614</u>

At 31 December 2006, the Group held 17,419.5 cash units and 20,000 non-cash units thereby entitling the Company to a 20.6% voting interest in Aguaytía. The Group had granted to a third party the rights on the economic interest, but not the voting rights, associated with 7,971 cash units and 1,360 non-cash units. In accordance with IAS 39, the Company has treated this as a transfer of that part of

the investment in the associate, and has de-recognised such investment to the extent the Company has transferred substantially all the risks and rewards of ownership of that part of the investment and is committed to transfer the dividends received from Aguaytía associated with these units.

On 18 December 2007, the Company exercised its right of first refusal to acquire from a third party investor in Aguaytía an additional 5,684.5 cash units. The consideration of US\$4,978,000 was satisfied by the payment of US\$2,607,000, and a promissory note in the amount of US\$2,371,000 due in June 2008. Negative goodwill of US\$203,000, representing the difference between the consideration and the fair value of the associate's assets and liabilities multiplied by the additional interest acquired has been credited to the income statement for the year.

As of 31 December 2007, the Company held 23,104 cash units and 20,000 non-cash units, which represented a voting interest of 23.7% and an economic interest of 17.5%.

The following table illustrates summarised financial information of the Group's investment in Aguaytía at 31 December 2007 and 31 December 2006, and for the years then ended:

	2007 <i>US\$'000</i>	2006 <i>US\$'000</i>
<i>Share of the associate's balance sheet</i>		
Current assets	8,428	6,448
Non-current assets	34,415	30,283
Current liabilities	(3,251)	(2,242)
Non-current liabilities	(9,349)	(8,875)
	<hr/>	<hr/>
Net assets	<u>30,243</u>	<u>25,614</u>
 <i>Share of the associate's revenue and profit</i>		
Revenue	16,397	17,381
Profit for the year	999	432

7. COMMITMENTS AND CONTINGENCIES

(a) Income tax

The tax authorities are legally entitled to review and, if necessary, adjust the income tax calculated by Peruvian subsidiaries of the Group during the four years subsequent to the year of the related tax return filing. The income tax and value added tax returns of the following years are pending review by the tax authorities:

<i>Entity</i>	<i>Open years</i>
Maple Production del Perú S.R.L.	2003 - 2007
The Maple Gas Corporation del Perú S.R.L.	2003 - 2007
Acer Comercial S.R.L.	2003 - 2007
Maple Etanol S.R.L.	2003 - 2007

Due to various possible interpretations of current legislation, it is not possible to determine whether or not future reviews will result in tax liabilities for the Group. In the event that additional taxes payable, interest and surcharges result from tax authority reviews, they will be charged to expense in the period assessed and paid. However, other than as discussed below, in management's opinion, any additional tax assessment would not be significant to the consolidated financial information as at 31 December 2007.

The 2001 income tax return of Maple Gas was reviewed by the Tax Administration, and on 9 December 2003, Maple Gas received assessments related to a supposed omission on an income tax payment of US\$2,222,729, including interest as at 27 November 2003. On 7 January 2004, Maple Gas filed a tax claim against those assessments. Resolution of the matter is pending at 31 December 2007. Despite management considering this contingency to be not probable, arising on the acquisition of Maple BVI, the Group recognised an amount of US\$809,000 in connection with the fair value of this contingency.

(b) Ethanol Project

On 5 January 2007, the Group signed a contract with the Peruvian government to acquire untitled lands for the cultivation of sugar cane and to develop an industrial project for producing automotive ethanol. The Group acquired 10,676 hectares of land for a total amount of US\$641,000 and made the following commitments:

- To invest US\$32,029,391 over a five-year term from the date of delivery of the lands to the Group. This investment will be subject to an audit carried out by the Peruvian government;
- To pay in favour of the Piura region, for a 20 year period, an annual donation of US\$500,000. The initial payment will be made at the end of the first year of commercial production. The Group intends to expense US\$500,000 to the income statement each year on payment of the annual donation, unless the contract becomes onerous to the Group, in which case the pattern of expensing to the income statement would be accelerated; and
- To grant a bank security in favour of the Peruvian state in the amount of US\$3,202,939, equivalent to 10% of total investment commitment. This bank security guarantees the compliance of the investment commitment and the annual donation above mentioned, and will be proportionally reduced as the Group carries out the committed investment. The bank security will be reduced to US\$500,000 once the Group finishes with the committed investment of US\$32,029,391, and shall be kept at such amount until the Group complies with the committed donations.

(c)Environmental matters

The Group is subject to the Code for the Environment and Natural Resources. Such code requires companies to prepare an Environmental Impact Assessment ("EIA") approved by a competent authority. In connection with such Code and its rulings, the Group filed the corresponding EIAs, which were duly approved in 1996 and 2003, respectively.

In addition, according to the relevant license contracts and to the refinery and sales plant lease contract mentioned below, the Group is not responsible for environmental damages caused before the beginning of its operations. As at 31 December 2007 and 31 December 2006, management believes that the Group is in compliance with the current environmental regulations and therefore, no provisions are required with respect to environmental matters.

(d)Operating lease of refinery and sales plant and administrative facilities

The Group entered into an operating lease agreement for the refinery and sales plant in Pucallpa and the associated buildings and equipment. The Refinery and Sales Plant leases expire in 2014, although such term may be extendable by the parties on similar terms and conditions provided that Maple Gas is not in breach of any terms of the lease, and the License for the Exploitation of Hydrocarbons in Blocks 31-B and 31-D and the License for the Exploitation of Hydrocarbons in Block 31-C remain in force. In addition, the Group has entered into operating leases for its administrative facilities in Lima and in Northern Peru; these leases expire in various periods until 2014.

The minimum future lease payments are as follows:

<i>Minimum future lease payments payable within:</i>	2007			2006		
	Offices lease	Refinery and sales plant	Total	Office lease	Refinery and sales plant	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
1 year	481	584	1,065	362	584	946
2 to 5 years	1,731	2,335	4,066	1,541	2,335	3,876
Thereafter	883	6,616	7,499	1,204	7,188	8,392
Total	<u>3,095</u>	<u>9,535</u>	<u>12,630</u>	<u>3,107</u>	<u>10,107</u>	<u>13,214</u>

(e)Decommissioning of oil production facilities

At the end of the term of the license contracts, the Group is required to deliver to the Peruvian State, without any cost and charge, and in good condition, all the wells, camps, pipelines, constructions and other facilities located in the area of the license contracts. Accordingly, no obligation exists for the decommissioning of production facilities at the end of the license period, except for the plugging of wells with no reserves at that date.

(f) Legal claims

Payment claimed by Energy Services S.A.

In 2000, the Group was defendant in an action initiated by Energy Services S.A. for US\$248,832 (principal of US\$170,148 plus accrued interest of US\$78,684 until 15 May 2000), related to the acquisition and installation of a pipeline among others. In the same year, the Group filed a counter-claim against Energy Services S.A. requesting the payment of approximately US\$265,000, plus legal interest, which has been reduced to US\$223,000, plus legal interest, as of 31 December 2007.

On 11 April 2006, the Seventh Civil Court of Lima ruled in favour of Energy Services S.A. and ordered the Group to pay US\$170,148 plus interest calculated at an annual rate of 18%. On 23 May 2006, the Court accepted the appeal of the Group to the above decision. However, due to the favourable sentence obtained by Energy Services S.A., on 23 June 2006, the Court ordered the restriction of the Group to its funds deposited in Banco de Crédito de Peru by US\$200,000. These funds are presented as restricted funds.

On 6 November 2006, the Fourth Civil Room of the Superior Court of Lima declared null the sentence of the Seventh Civil Court dated 11 April 2006, on the basis that there had been a violation of the Group's right to due process, and ordered the judge to issue a new sentence, taking into consideration the arguments of the Group.

On 27 October 2007, the Court ruled in favour of Energy Services S.A. and confirmed the sentence of 11 April 2006. On 29 November 2007, the Group lodged an Appeal against the sentence of the Seventh Civil Court of Lima before the Fourth Civil Room of the Superior Court of Lima.

Based on the opinion of the Group's legal advisors, management consider that the final outcome will be favourable to the Group, considering that there are legal grounds that support the counterclaim. Consequently, no provision for any liability has been recorded in the consolidated financial statements.

Other contingencies

The Group is involved in other claims of a diverse nature. Management believes that any possible loss which may result from these claims will not have a materially adverse effect on the Company's financial position or reported results.

(g) Commitments to purchase natural gasoline from Aguaytía

The Group has a commitment to acquire at a price derived from market prices the natural gasoline produced by Aguaytía over the life of Aguaytía's Block 31-C license contract.

(h) Commitment to construct a drilling rig

On 17 December 2007, the Group concluded a contract for the construction of a 2,000 horse power heli-transportable diesel-electric drilling rig. Pursuant to the terms of the contract, the Group will pay a total of approximately US\$16 million for the engineering, procurement, and construction of the rig. The Group plans to finance a substantial portion of the cost of the rig in 2008 with long-term financing from one or more financial institutions in Peru. The rig will be used to drill exploration prospects in Block 31-E, located in the Peruvian jungle. As at 31 December 2007, the Group has paid advances in the amount of US\$3,677,000.

(i) Capital commitment in Block 31-E

In May 2007, the Group signed a contract for a new 2-D seismic program covering 225 kilometres to define the most advantageous drilling site for the Cashiboya Deep Prospect, while also providing better geological information on the Santa Rosa Prospect. This seismic program is expected to start in the first half of 2008 following approval of the environmental and social impact assessment ("EIA") by the Peruvian government.

8. FIRST-TIME ADOPTION OF IFRS

For all periods up to and including the year ended 31 December 2006, the Group prepared its financial statements in accordance with generally accepted accounting practice in Peru ("Peruvian GAAP"). These financial statements, for the year ended 31 December 2007, are the first the Group has prepared in accordance with IFRS as adopted for use in the EU.

Accordingly, the Group has prepared financial statements which comply with IFRS as adopted for use in the EU applicable for periods beginning on or after 1 January 2007 as described in the accounting policies. In preparing these financial statements, the Group opening balance sheet was prepared as at 1 January 2006, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Peruvian GAAP balance sheet as at 1 January 2006 and its previously published Peruvian GAAP financial statements for the year ended 31 December 2006.

IFRS 1 *First-Time Adoption of International Financial Reporting Standards* ("IFRS 1") allows first-time adopters certain exemptions from the general requirement to apply IFRS as effective for December 2007 year ends retrospectively. The Group has availed of no exemptions in preparing its financial statements.

(a) Reconciliation of equity at 1 January 2006

	Peruvian GAAP	Other adjustments	Peruvian GAAP (restated)	GAAP differences	IFRS
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
<i>Non-current assets</i>					
Property, plant and equipment	45	–	45	–	45
Intangible assets	7,394	–	7,394	(7,394)	–
Deferred income tax asset	40	–	40	–	40
Other financial assets	1,649	–	1,649	–	1,649
	<u>9,128</u>	<u>–</u>	<u>9,128</u>	<u>(7,394)</u>	<u>1,734</u>
<i>Current assets</i>					
Prepayments and other assets	340	–	340	–	340
Inventories	162	–	162	–	162
Trade and other receivables	5,893	(457)	5,436	–	5,436
Cash and cash equivalents	130	–	130	–	130
	<u>6,525</u>	<u>(457)</u>	<u>6,068</u>	<u>–</u>	<u>6,068</u>
TOTAL ASSETS	<u>15,653</u>	<u>(457)</u>	<u>15,196</u>	<u>(7,394)</u>	<u>7,802</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued capital	3	–	3	–	3
Share premium	(42,614)	–	(42,614)	–	(42,614)
Retained earnings/(loss)	2,531	(7)	2,524	(7,394)	(4,870)
Merger reserve	42,647	–	42,647	–	42,647
	<u>2,567</u>	<u>(7)</u>	<u>2,560</u>	<u>(7,394)</u>	<u>(4,834)</u>
Minority interests	<u>3,036</u>	<u>(450)</u>	<u>2,586</u>	<u>–</u>	<u>2,586</u>
Total equity	<u>5,603</u>	<u>(457)</u>	<u>5,146</u>	<u>(7,394)</u>	<u>(2,248)</u>
<i>Non-current liabilities</i>					
Long-term debt	9	–	9	–	9
	<u>9</u>	<u>–</u>	<u>9</u>	<u>–</u>	<u>9</u>
<i>Current liabilities</i>					
Current portion of long-term debt	10	–	10	–	10
Trade and other payables	5,871	–	5,871	–	5,871
Payables due to related parties	3,601	–	3,601	–	3,601
Other current liabilities	559	–	559	–	559
	<u>10,041</u>	<u>–</u>	<u>10,041</u>	<u>–</u>	<u>10,041</u>
Total liabilities	<u>10,050</u>	<u>–</u>	<u>10,050</u>	<u>–</u>	<u>10,050</u>

TOTAL EQUITY AND LIABILITIES	<u>15,653</u>	<u>(457)</u>	<u>15,196</u>	<u>(7,394)</u>	<u>7,802</u>
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(b) Reconciliation of balance sheet and equity as at 31 December 2006

	Peruvian GAAP (reported) US\$'000	Finalisation of fair values US\$'000	Other adjustments US\$'000	Peruvian GAAP (restated) US\$'000	GAAP differences US\$'000	IFRS US\$'000
ASSETS						
<i>Non-current assets</i>						
Property, plant and equipment	7,808	(1,965)	1,088	6,931	–	6,931
Intangible assets	71,766	(13,812)	(903)	57,051	(7,782)	49,269
Investment in an associate	<u>24,124</u>	<u>1,579</u>	<u>(89)</u>	<u>25,614</u>	<u>–</u>	<u>25,614</u>
	<u>103,698</u>	<u>(14,198)</u>	<u>96</u>	<u>89,596</u>	<u>(7,782)</u>	<u>81,814</u>
<i>Current assets</i>						
Other financial assets	1,118	–	–	1,118	–	1,118
Income tax recoverable	629	–	–	629	–	629
Prepayments and other assets	1,503	2,179	–	3,682	–	3,682
Inventories	8,360	–	–	8,360	–	8,360
Trade and other receivables	2,702	(719)	–	1,983	–	1,983
Cash and cash equivalents	1,663	–	–	1,663	–	1,663
Restricted cash	<u>638</u>	<u>–</u>	<u>–</u>	<u>638</u>	<u>–</u>	<u>638</u>
	<u>16,613</u>	<u>1,460</u>	<u>–</u>	<u>18,073</u>	<u>–</u>	<u>18,073</u>
TOTAL ASSETS	<u>120,311</u>	<u>(12,738)</u>	<u>96</u>	<u>107,669</u>	<u>(7,782)</u>	<u>99,887</u>
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent						
Issued capital	486	–	–	486	–	486
Share premium	23,434	(5,552)	–	17,882	–	17,882
Other reserves	2,952	–	–	2,952	–	2,952
Merger reserve	42,647	–	–	42,647	–	42,647
Retained earnings/(loss)	<u>1,890</u>	<u>198</u>	<u>(102)</u>	<u>1,986</u>	<u>(7,782)</u>	<u>(5,796)</u>
Total Equity	<u>71,409</u>	<u>(5,354)</u>	<u>(102)</u>	<u>65,953</u>	<u>(7,782)</u>	<u>58,171</u>

(b) Reconciliation of balance sheet and equity as at 31 December 2006 (continued)

	Peruvian GAAP (reported)	Finalisation of fair values	Other adjustment s	Peruvian GAAP (restated)	GAAP differences	IFRS
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Non-current liabilities</i>						
Long-term debt	5,633	–	–	5,633	–	5,633
Other non-current liabilities	1,107	–	–	1,107	–	1,107
Provisions	3,060	(2,253)	191	998	–	998
Deferred income tax liability	14,995	(3,835)	–	11,160	–	11,160
Deferred workers' profit sharing liability	5,069	(1,296)	–	3,773	–	3,773
	29,864	(7,384)	191	22,671	–	22,671
<i>Current liabilities</i>						
Current portion of long-term debt	2,905	–	–	2,905	–	2,905
Trade and other payables	9,375	–	–	9,375	–	9,375
Overdrafts and bank loans	3,829	–	–	3,829	–	3,829
Other current liabilities	2,929	–	7	2,936	–	2,936
	19,038	–	7	19,045	–	19,045
Total liabilities	48,902	(7,384)	198	41,716	–	41,716
TOTAL EQUITY AND LIABILITIES	120,311	(12,738)	96	107,669	(7,782)	99,887

(c) Reconciliation of consolidated statement of income for the year ended 31 December 2006

	Peruvian GAAP (as reported) US\$'000	Finalisation of fair values US\$'000	Other adjustments US\$'000	Peruvian GAAP (restated) US\$'000	GAAP differences US\$'000	IFRS US\$'000
Revenue	56,712	–	–	56,712	–	56,712
Cost of sales	(50,370)	21	(1,571)	(51,920)	–	(51,920)
Gross profit	6,342	21	(1,571)	4,792	–	4,792
Administrative expenses	(2,733)	174	(159)	(2,718)	–	(2,718)
Selling and distribution costs	(2,146)	–	1,567	(579)	–	(579)
Exploration expense	–	–	–	–	(388)	(388)
Total operating expenses	(4,879)	174	1,408	(3,297)	(388)	(3,685)
Operating profit	1,463	195	(163)	1,495	(388)	1,107
Finance revenue	213	–	–	213	–	213
Finance costs	(704)	–	144	(560)	–	(560)
Share of profit in an associate	365	67	(89)	343	–	343
Other	(56)	–	56	–	–	–
Profit before tax	1,281	262	(52)	1,491	(388)	1,103
Workers' profit sharing	45	–	(45)	–	–	–
Income tax benefit/ (expense)	(634)	(64)	1	(697)	–	(697)
Profit for the year	692	198	(96)	794	(388)	406
Profit attributable to:						
Equity holders of the parent	326	198	(96)	428	(388)	40
Minority interests	366	–	–	366	–	366

Peruvian GAAP (as reported)	Finalisation of fair values	Other adjustments	Peruvian GAAP (restated)	GAAP differences	IFRS
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
692	198	(96)	794	(388)	406

(d)Notes to the reconciliation between Peruvian GAAP and IFRS

Finalisation of fair values

The main adjustments shown in the above reconciliations refer to the finalisation in March 2008 of the fair value of the assets, liabilities and contingent liabilities of Maple BVI at the date of acquisition, as follows:

- The fair value of property, plant and equipment was US\$6,879,000 at the date of acquisition, a decrease of US\$1,986,000.
- Intangible assets that can be separately identified in accordance with IAS 38 include license contracts for the exploration and exploitation of hydrocarbons and customer relationships, and represented a fair value at the date of acquisition of US\$33,445,000, a decrease of US\$11,791,000 compared to the provisional fair value.
- Goodwill of US\$16,097,000, included in the intangible assets caption resulted in a decrease of US\$2,217,000 compared to the initial accounting.
- Investment in associate and share of profit in associate increased by US\$1,579,000 and US\$67,000, respectively, as a result of the review of the economic interest percentage in Aguaytía from 14.0622% to 14.393% and the change in the fair value of Aguaytía's net assets at 30 November 2006 due to the recognition of the impact of IAS 21.
- Prepayments and other assets include a reclassification from Trade and Other Receivables of US\$719,000, corresponding to listing costs incurred by the Group at 30 November 2006. In addition, it includes listing costs of US\$1,460,000 that were incorrectly expensed at 30 November 2006.
- As a result of the fair value adjustments, the Group recognised an adjustment to deferred workers' profit sharing and income tax liability of in the amount of US\$14,672,000, a decrease of US\$5,217,000 compared to the provisional value.
- Although the contingencies liabilities were considered possible or remote, as required by IFRS 3, and only for the purposes of allocating the costs of this business combination, the Group recognised a fair value at the date of acquisition of US\$809,000 in respect of contingent liabilities, a decrease of US\$2,253,000 compared to the provisional value.

- The correction of an error in the determination of the cost of the combination resulted in a decrease of the share premium caption of US\$5,552,000.
- The Group reduced the cost of sales and administrative expenses captions by US\$21,000 and US\$196,000, respectively, due to reduced depreciation and amortisation originated by the reduced fair value of property, plant and equipment and intangible assets.
- The impact on deferred workers' profit sharing and income tax due to the reduced depreciation and amortisation resulted in a reduced administrative expense of US\$22,000 and reduced income tax expense of US\$64,000.

Other adjustments

The Group made other adjustments and reclassifications:

31 December 2006

- The property, plant and equipment and provisions captions were increased by US\$187,000 due to decommissioning costs (plugging of wells), net of accumulated depreciation of US\$2,000.
- The cost of drilling development wells by US\$903,000 was reclassified from intangible assets to property, plant and equipment.
- The freight expenses amounting to US\$1,567,000 were reclassified from selling and distribution costs to cost of sales.
- The tax on financial transactions and the exchange difference amounting to US\$120,000 and US\$25,000, respectively, were reclassified from finance costs to administrative expenses.
- The share of profit in an associate was reduced due to an elimination of inter-company gains by US\$89,000.
- Other expenses by US\$56,000 were reclassified from Other to administrative expenses
- Workers' profit sharing benefit by US\$45,000 was reclassified to administrative expenses.

1 January 2006

- The trade and other receivables and minority interest were reduced by US\$450,000 in connection with an intercompany transaction not properly eliminated.

GAAP differences

- Under Peruvian GAAP, oil exploration and development expenditure is accounted for using the full cost method of accounting, whereby exploration and development costs are capitalised. Under IFRS, oil exploration and development expenditure is accounted for using the successful efforts method of accounting. Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well or wells in an Exploration Drilling programme for an Area of Interest, are capitalised as an intangible asset until the drilling of the well or

wells is complete and the results have been evaluated. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells (exploration or exploratory-type stratigraphic test wells), are likely to be capable of commercial development, the costs continue to be carried as an asset. This GAAP difference resulted in a decrease of US\$7,782,000 intangible assets at 31 December 2006 and a decrease of US\$388,000 in the consolidated income statement.

(e) Reconciliation of consolidated cash flow statement for year ended 31 December 2006

There are no material differences other than changes in classification between the consolidated cash flow statement prepared under IFRS and that prepared under Peruvian GAAP.

9. STATUTORY ACCOUNTS

The financial information presented in this report does not represent full statutory accounts. Full statutory accounts for the year ended 31 December 2007 prepared in accordance with IFRS upon which the Auditors have given an unqualified audit report, have not yet been filed with the Registrar of Companies.

10. APPROVAL OF PRELIMINARY ANNOUNCEMENT

The board approved the preliminary announcement on 22 April 2008.