Clontarf Energy Plc

CLONTARF energy PLC

2014

Reports and Consolidated Financial Statements

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Recent years have not been kind to junior exploration ventures. The sector is used to cycles of disinterest but the current cycle has been long and deep. For the past couple of years there has been low levels of buying interest. Liquidity seems to have reduced in AIM listed shares. The occasional deal is sellers either forced or capitulating. Market makers try to hold as little inventory as possible so any sellers can cause share price falls. When good news is announced, the share price rises, only to fall back again as sellers see an opportunity to exit. Some share prices have fallen by upwards of 95 per cent making fundraising a dilutive exercise. That is, if finance is available at all. Outside of family and friends investors tend to take a short term approach. Many stock exchange listed explorers on AIM in the UK, ASX in Australia and on the TSX-V in Canada raise funds just to keep the company alive. Maintaining an AIM listing can cost in excess of £150,000 a year in overheads alone.

The 50% fall in the oil price in late 2014 and early 2015 was a further blow to weakened corporate structures. Many exploration ventures which looked good at US$100 a barrel of oil struggle at US$60 a barrel.

Is it total doom and gloom? No, by our nature, explorers are optimistic. I, along with others, recognise the early shoots of spring. Trading volumes are increasing in exploration stocks. There is a visible increase in interest from the media and potential investors. Speculators having done well from bonds through blue chips to industrials are finally starting to throw funds at more speculative ventures. AIM listed biotech and meditech ventures are being funded by new equity raises. Two other indicators are also positive. The Great Recession is over and world growth has returned. The price of oil appears to be recovering.

What does this mean for shareholders in Clontarf? When forced selling stops there could be a significant improvement in the share price as the sector recovers.

Clontarf Operations

The primary focus of Clontarf is on the Tano 2A block offshore Ghana (60% Clontarf, 30% Petrel, 10% local interests). This block, where an agreement was signed in 2008 with the local oil authorities, covers 1,500 plus sq km of good exploration ground on the landward side of the giant Jubilee discoveries. Clontarf and partners spent US$2 million on the block. The Cabinet and Parliament of Ghana never approved the Ghana National Petroleum Corporation agreement. In March 2014 a US company, CAMAC, which is Nigerian controlled, out of the blue got rapid approval for a licence which covered about a third of our licence area. High Court proceedings followed. An agreement was reached between all parties. The co-ordinates of the Tano 2A block were clarified to 1,500 sq km and rapid confirmation was promised. This has not happened and none of the options offered by the State are acceptable. We continue to engage with the parties concerned and further updates will be made to shareholders as soon as practicable.

Peru is our other active interest. We hold a revenue royalty of 3% on any production from Block 183 up to a maximum of US$5 million on each of two discoveries. A company, called Peru Oil & Gas Exploration Limited (POGEL), has a contract to supply hydrocarbons to Rurelec, a company building power stations in the area. There is a large and growing power supply deficit in the region. POGEL indicated to Clontarf that a joint venture to drill the block is being discussed with a South American oil company. It will be some time, if ever, before Clontarf sees a cash flow.

Our Bolivian interests are fully written off but are alive. Anything that emerges from the title and legal morass in the country will be a bonus.

Corporate Activity

We raised £121,500 at 0.75p in July 2014 and £500,000 at 0.7p in October 2014 respectively. We restructured the balance sheet converting South American loans into equity. Directors converted monies due into equity. There is sufficient cash in Clontarf to fund ongoing activities.

In the year under review, and to date in 2015, there has been interest in Clontarf, mainly from intermediaries. One group has spent several months trying to put together a strategy and structure to invest in and develop Clontarf. We encourage all approaches and will provide further updates to shareholders where necessary.

Future

Clontarf has survived and will continue to survive. We are very comfortable that we have a legal position in Ghana. Litigation is time consuming, tedious and expensive. It is a last resort. Having been to the courts in 2014 we are reluctant to repeat the process but it may be necessary.

Your directors continue to look at strategic options for Clontarf.

John Teeling

John Teeling
Chairman

19 May 2015

Introduction

Clontarf Energy plc has ongoing interests in Peru and Ghana. We have a 3% over-riding royalty in Peruvian Block 183, which is operated by POGEL, which itself has negotiated gas off-take arrangements with power-generator Rurelec. We expect Block 183 to attract an even larger development partner shortly.

In Ghana we have 60% of a signed Petroleum Agreement and an out-of-court agreement with the authorities to push ratification of our Block with adjusted coordinates.

The Bolivian interests have been written off to reflect adverse Bolivian government policy and lack of adequate legal title to justify further investment.

Clontarf Energy plc was formerly known (before March 2011) as ‘Persian Gold plc’. It now holds 100% of the oil & gas assets of Hydrocarbon Exploration plc, which included the main operational business of Pan Andean Resources plc that was sold in April 2010 to Petrominerales of Canada, which is now Pacific Rubiales Corporation.

Ghanaian Tano 2A Block:

Despite slow ratification and the worldwide downturn in exploration, Ghana remains an area of high exploration potential and development activity.

Clontarf holds a 60% interest (Petrel 30%, local interests 10%) in Pan Andean Resources Limited, a Ghanaian vehicle which holds a licence over the Tano 2A block offshore Ghana. Agreement was reached in 2008 with the Ghana National Petroleum Corporation (GNPC) but cabinet and parliamentary ratification dragged on. In early 2014, the Ghanaian parliament awarded ground, which appeared to partially overlap with our licence, to another company. Following High Court proceedings in Ghana an agreement was reached by all parties to revise the Tano 2A block co-ordinates, so as to eliminate any conflict. Although this agreement included a commitment by the authorities to rapidly ratify the adjusted Petroleum Agreement, the Ghanaian authorities have been slow to finalise the details. We retain the right to apply to resuscitate High Court proceedings if necessary.

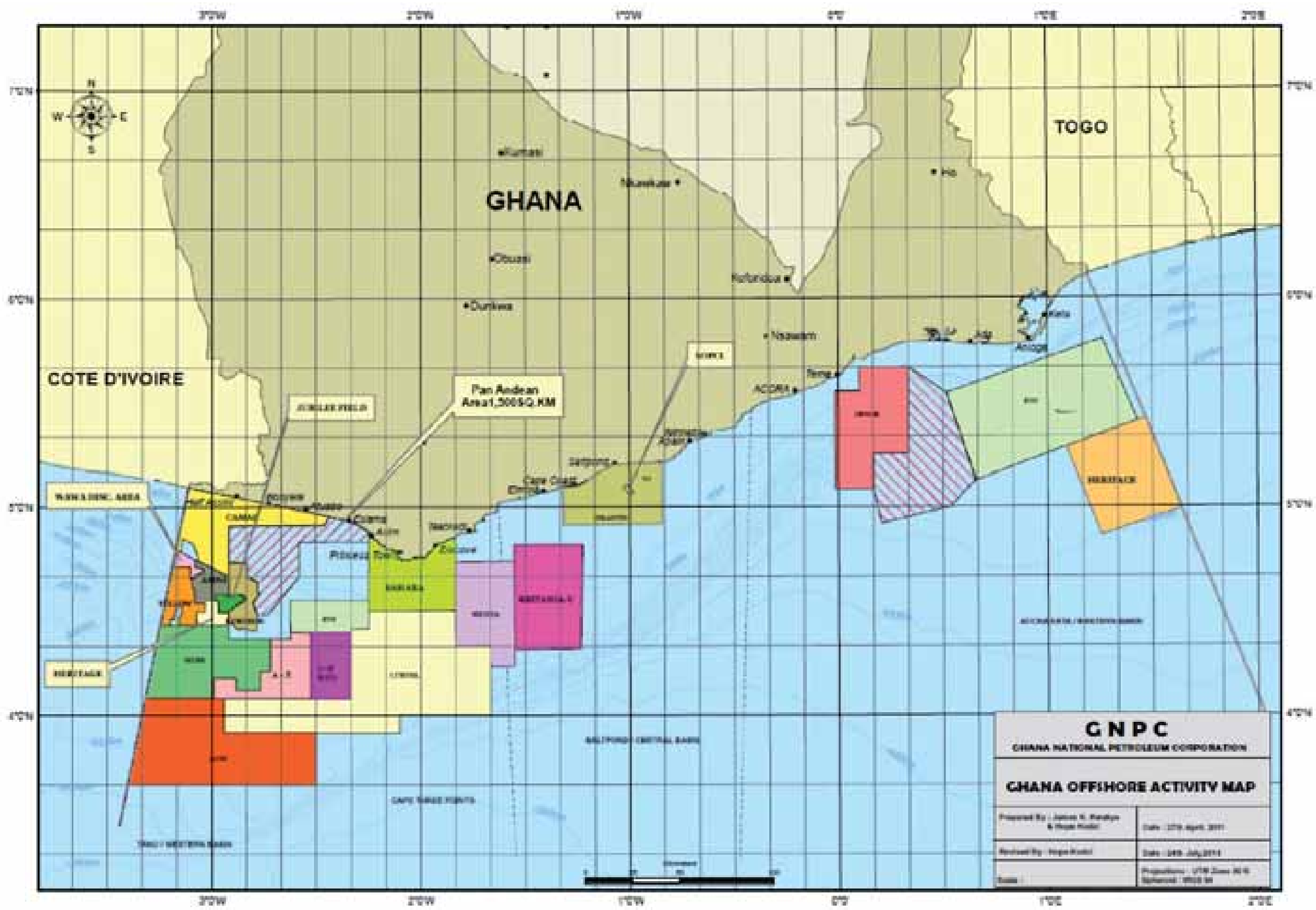

Figure 1 - GNPC Activity Map 2014

During the year under review, Clontarf Energy plc has been in dispute with the Ghanaian Government and the GNPC. We are always reluctant to litigate but were left with little choice but to seek equitable relief from the independent judiciary. Accordingly, we obtained an Injunction and a High Court Order prohibiting interference with our property rights over Tano 2A Block, and specifically the award of 529km2 which falls within our own Petroleum Agreement on Tano 2A Block.

Background:
International investors are major contributors to the exploration and development of Ghana's oil potential. An important foundation for this investment is a transparent licensing system, under which Petroleum Agreements are signed by the Ghanaian National Petroleum Corporation (GNPC) and ratified in good faith by Parliament. Without sanctity of contracts and protection of property rights the international investment community would not be positive on Ghana. We are keen that this investment and technology transfer is maintained and expanded.

It was therefore with concern that we learnt that a serious issue arose threatening the Petroleum Agreement signed with GNPC on Tano 2A Block by Ghanaian company Pan Andean Resources Limited. This Ghanaian company is 60% owned and operated by British company Clontarf Energy plc and 30% Petrel Resources both of which are quoted on the AIM market of the London Stock Exchange. 10% is held by our local partner Abbey Oil and Gas.

Pan Andean Resources Limited signed a Petroleum Agreement on the 1,532km2 onshore / shallow offshore Tano 2A Block in 2008. To facilitate clarifications requested by GNPC and an optimal work programme, Pan Andean Resources Limited then signed a revised Petroleum Agreement on the Tano 2A Block in 2010. Since then, Pan Andean plc has invested over $2 million in good faith in purchasing seismic and other data from GNPC, and working up leads and prospects. Clontarf Energy plc's and Petrel Resources plc's rights and obligations have been fully advertised to the London Stock Exchange, as required under law.

It was therefore with surprise that we learnt that the Ghanaian authorities had submitted a conflicting licence proposal from Camac Energy Ghana Limited, Base Energy and GNPC Explore Co. to Parliament on or about 27th February 2014. On 26/3/2014 CAMAC Energy Inc. announced that "Camac Energy Ghana Limited holds 60% of the interest" in a new Ghanaian Block. There was no suggestion then that they did not own the entire 60%. But on 22/4/2014 CAMAC Energy Inc., an NYSE listed company, announced that they only hold 30% of the Block, as technical operator. This is held by "an indirect 50%-owned subsidiary of the company". It is unclear who are the shareholders of that subsidiary and where is it based.

We understand from Hansard, press reports (and the NGO ACEP) that this conflicting licence proposal was rushed through Parliament on or about 21st March 2014 in "approximately 6 hours". From these press reports and a Stock Exchange statement of 26th March 2014, the conflicting licence proposal ingresses 529km2 into the 1,532km2 onshore / shallow offshore Tano 2A Block, by purporting to take a section of the shallow water acreage already assigned to Tano 2A Block. This purported action was clearly in breach of an existing Petroleum Agreement which remains valid, as confirmed by correspondence from the Ministry of Energy dated 4th March 2014, and despatched by the Ministry of Energy to Pan Andean Resources Limited on 27th March 2014.

As a result of these actions by GNPC and the Ministry Of Energy we submitted a writ on the 27th March 2014, and an interlocutory injunction was put in place as of the 7th April 2014 against GNPC (and following the 30 day notice period the Government of Ghana).

As a result of these proceedings, discussions in July 2014 led to an agreement, involving all of the parties to the litigation, including the Ghanaian authorities, on the specific revised co-ordinates of the signed Petroleum Agreement on a licence Block in the Tano area of Ghana (see figure 1 above). This solution is satisfactory for Clontarf Energy plc and brings the Company's interests in acreage closer to existing discoveries. As announced in July 2014, it was agreed that additional, contiguous acreage will be added to preserve the size of the Block, and a revised Activity Map has been circulated.

All parties committed themselves to complete the ratification process in accordance with law, which requires Cabinet and Parliamentary approval. To date this has not happened.

Accordingly, Pan Andean Resources Ltd has not yet reapplied to the High Court for further equitable relief but retains its right to reapply should it prove necessary.

Clontarf Energy plc has already conducted technical extensive work, spending with its partners circa $2 million on exploring this prospective acreage. Prior to formal ratification, we are not planning additional detailed work on the 'new' area. Our technical staff is monitoring developments on neighbouring acreage and we intend to continue this work as soon as the legal situation is confirmed and parliamentary ratification completed. We are also open to an equitable alternative that properly recognises and compensates Clontarf Energy plc rights under its signed Petroleum Agreement.

South American Assets:

Peru, Block 183

Peruvian Block 183 is located in the northern, central hilly light jungle close to the fast-growing city of Tarapoto. The operator is Hydrocarbon Exploration Sucursal del Peru (formerly 100% owned by Clontarf Energy plc and currently 100% owned by POGEL).

Currently Clontarf Energy plc has a 3% over-riding royalty on any sales of gas or oil from discoveries on Block 183. These royalties are capped at US$10 million in total and US$5 million per discovery, and will be paid 6 months in arrears.

Peru is a large country (Land Area: 1.3 million km^2) including Andean and jungle territory, with a growing population of 29.5 million. Peru is a unitary state with an elected government and negligible civil disturbances since 2004. Both the Tarapoto area and Peru as a country are a major minerals producer and food exporter, with a thriving tourist industry. The region is gas and electricity poor, and government policy is to foment development generally and power projects particularly.

The licence was awarded to a Peruvian subsidiary of Clontarf Energy plc in 2011 following the late 2010 bid round. The operator of Block 183 obtained necessary extensions so as to ensure that the licence remains in good standing. The operator concluded a gas offtake agreement with power generator Rurelec during 2014 and is currently in farm out negotiations with a larger development partner. Accordingly, we are on track with our Perúpetro contract obligations.

Block 183 is located in Peru's prolific Marañon basin, which is a seven-billion barrel Sub-Andean foreland basin system.

Block 183 is covered by around 1,700 km of 1970s and 1980s 2D seismic acquired by Deminex, Coastal, and BP. This seismic was reprocessed to a very high standard by Amerada Hess in 2008, which included velocity controls based on the data from the fifteen deepest wells in the area. There are two oil fields, Maquia and Huaya located adjacent to the southern portion of Block 183 and one major gas field, Aguaytia, also to the south of Block 183.

Prior to the 2010 bid round and during Clontarf Energy plc's operatorship, our technical team completed extensive technical studies on Peruvian Block 183. Work continues by the operator Hydrocarbon Exploration Sucursal del Peru (currently 100% owned by POGEL) to the satisfaction of Perúpetro.

POGEL has a gas supply agreement with Rurelec, the AIM-listed power-generator with existing operations in Peru and other South American countries. Discussions are advanced by POGEL staff to attract additional investment from an industry farm-in partner.

Peruvian Block 183 is a c. 400k hectare block close to the fast growing town of Tarapoto, which has unfulfilled electricity and gas demand. There is an existing 1974 gas discovery (by Deminex) on the northern margin of the Block.
The geology, fiscal terms and fast-growing demand for gas and products in Peru represent a valuable opportunity.

Block 183 and the Alfaro Project

During its operatorship, Clontarf Energy plc worked up the Alfaro structure on Block 183, which has an estimated most likely case prospective resources of just over one trillion cubic feet of natural gas and 45 million barrels of condensate.

These resources could be significantly higher as evidenced by estimates from the nearby Shanusi structure at 1.2 tcf carried out by a US Geological Survey sponsored effort on the plunge of a similar anticline structure. Most interestingly, and as can be seen from Figure 1 below, the Alfaro prospect is located near the major cities of Tarapoto, Yurimaguas and Moyobamba, which currently do not have natural gas supply. These cities are also located on the Peru National Power Transmission Interconnected System.

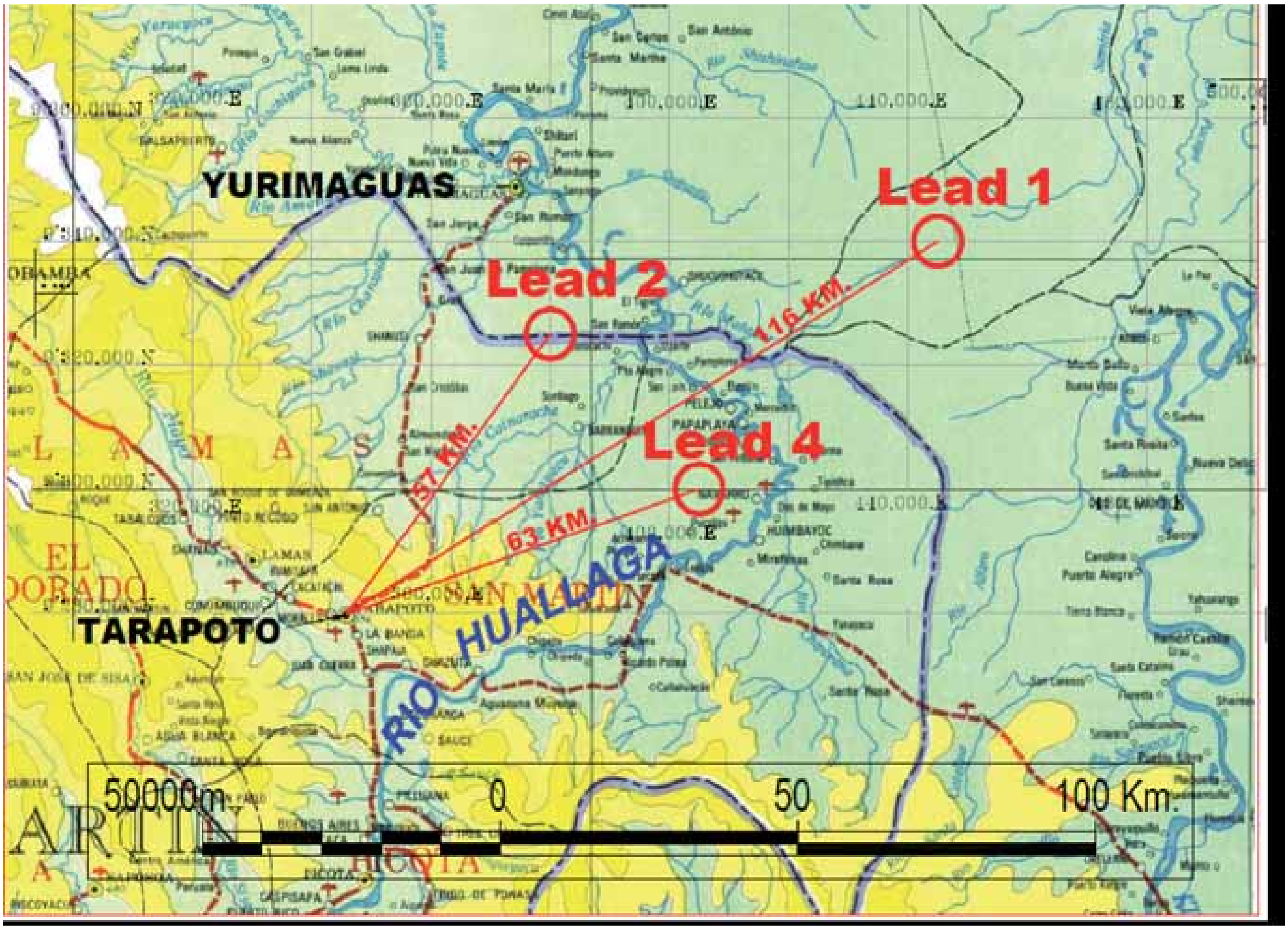

Figure 2

This prospect is relatively low risk:

a. The nearby Shanusi well, drilled by Deminex on the plunge of a similar structure, found natural gas and condensate including the five components at the top of the Jurassic Sarayaquillo formation. This well was not tested given severe stuck tools problems which resulted in the loss of the well, including the possibility of a DST test.

b. There is four-way closure in a structurally higher position than the Shanusi well, controlled by six seismic lines which cross the structure.

c. The work carried by Hydrocarbon Exploration based on the information from this latest reprocessing carried out by Amerada Hess identified very conspicuous amplitude anomalies related with probable gas reservoirs. The Hydrocarbon Exploration technical team has, in addition, identified paleo-channelling of a pre-Cretaceous origin, and has found clear pinch-outs related to the amplitude anomalies.

d. Hydrocarbon Exploration technical staff is currently executing a further technical effort to confirm these amplitude anomalies through Amplitude Versus Offset (AVO), with the assistance of Zeptec Geophysical, based in Colombia. The further confirmation of these amplitude anomalies definitely reduces the risk of not finding commercial hydrocarbons and increases the prospective gas reserves.

The target Sarayaquillo formation of the Jurassic Age, has approximately 400 metres thickness. Within this Formation, there are limestone evaporates and shales, which include the Eolian sandstone reservoirs, which are the main target. The porosity in these sandstone are 23%, which enhances the attractiveness of Alfaro. The hydrocarbons were sourced from the Pucara formation and migrated up to fill the Alfaro trap. Based on these technical parameters, and the stratigraphic sequence information, Hydrocarbon Exploration staff has estimated 50 meters as the net pay thickness. Parcep, for the Shanusi well, used 40 meters as the net pay thickness. Our prospective reserve estimates use a recovery factor (Rf) of 60%, where the Shanusi estimates utilized a 80% recovery factor. As concerns water saturation (Sw), Hydrocarbon Exploration is using a 35% water saturation, compared with 32% used by Parcep. Hence, we consider the 1.05 Trillion cubic feet as the prospective reserves in the most probable case, to be under conservative assumptions.

We believe that this gas is coming from methane carbohydrates, originating in the Paleo-Jurassic basin.

These reservoirs were sealed by the shales and/or evaporates of the same Jurassic age. It is our belief that the large Aguaytia gas field, which produces from the base Cretaceous Cushabatay formation is of the same gas origin that we are expecting in the Alfaro structure. The Aguaytia gas migrated to the Cretaceous Cushabatay probably as a result of damage in the Sarayaquillo seals.

Bolivia

Clontarf Energy plc's Bolivian interests are legacy assets formerly owned by Pan Andean Resources plc (before its sale to Petrominerales in 2010). Since the Bolivian projects were non-core to Petrominerales, these assets were spun off to Hydrocarbon Exploration plc, which became a wholly-owned subsidiary of Clontarf Energy plc in 2011.

The Bolivian interests were never central to Clontarf Energy plc's business plan. Nonetheless, management sought and obtained preliminary agreements with operating partners in both the Monteagudo and El Dorado projects to regularise the situation notwithstanding the overall political uncertainty.

Unfortunately, the Bolivian ratification process for such transactions is now cumbersome, requiring parliamentary approval as well as sign-off from the state oil company YPFB, Ministry of Energy and higher echelons of government. Regrettably, necessary state approvals and ratification of these agreements were never forthcoming. Instead, Bolivian government policy has been unhelpful and hostile to international investment in the oil & gas industry. Accordingly we have not invested fresh funds in Bolivia since 2010 and prudentially wrote these assets off in 2012.

We maintain a watching brief and have had early stage discussions with potential investors with the contacts and capital to resolve this impasse. We have had discussions about possible disposal of these assets but these did not result in a formal offer. Given the political uncertainty in Bolivia we decided not to invest any further funds in the country. During early 2014 the Bolivian authorities passed a new 'Investment Law', whose stated intention is to "offer legal security, and tax incentives and or concessions". The enabling legislation has not yet passed into law, and the situation remains uncertain.

Despite political uncertainty, Bolivia remains a growing economy with good geology for gas and gas export markets. Political uncertainty has constrained industry investment in recent years, but this could be rapidly transformed with a newly elected government or changed policies.

STRATEGY

Our strategy is the appraisal and exploitation of the assets currently owned. Simultaneous with this process, the Group's management expects to continue to use its expertise to acquire further licence interests for oil and gas exploration. The Group has exploration interests in Ghana and Peru.

BUSINESS REVIEW

Clontarf Energy plc is a UK registered company, focused on oil and gas exploration. Further information concerning the activities of the group and its future prospects is contained in the Chairman's Statement and the Review of Operations.

The loss after taxation for the year amounted to £274,196 (2013: loss £3,177,277).

The directors do not propose that a dividend be paid (2013: £Nil).

FURTHER DEVELOPMENTS

The directors intend to continue their involvement with the licences as disclosed in the Chairman's Statement and Review of Operations. They continue to seek further acquisition opportunities in relation to oil and gas exploration.

KEY PERFORMANCE INDICATORS

The group's main key performance indicators include measuring:

- quantity and quality of potential oil and gas reserves identified by the group; and
- ability to raise finance on the alternative investment market.

In addition, the group reviews expenditure incurred on exploration projects and ongoing operating costs. As detailed in Note 3 the directors expect that adequate resources will be available to meet the group's committed obligations as they fall due. Further details are set out in the Review of Operations and Chairman's Statement.

ENVIRONMENTAL MATTERS

There is currently no impact on the environment as the group has not commenced exploration or drilling on the licences. An impact on environmental matters will be determined once exploration work commences.

IMPAIRMENT

The directors monitor and access the recoverability of intangible assets and successful development of economic reserves. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. The recoverable amount is determined as the higher of fair value less costs to sell and value in use. Details of the impairment in the prior year are included in Note 12.

LEGAL CASES

During the prior year, the ongoing legal case with Hunt Oil Company was settled. Terms of the settlement are stated in Note 23.

LOANS

During the prior year the group received loans of £576,328 from third party South American lenders. The lender had agreed that they would accept ordinary shares in Clontarf Energy plc, the parent company, in lieu of cash repayments of amounts due. The loans bear interest at 10% per annum. On 17 July 2014, Clontarf Energy plc announced that 79,767,067 ordinary shares at a price of 0.75p per share were issued to the South American lenders in settlement of the total principal amount and interest outstanding.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Board is committed to maintaining appropriate standards of corporate governance and to managing the company in an honest and ethical manner.

The Board approves the Group's strategy, investment plans and regularly reviews operational and financial performance, risk management and health, safety, environment and community (HSEC) matters.

The Chairman is responsible for the leadership of the Board, whilst the Executive Directors are responsible for formulating strategy and delivery, once agreed by the Board.

The Group aims to maximise the use of natural resources such as energy and water, and is committed to full reinstatement as part of its environmental obligations, where applicable. The Group works towards positive and constructive relationships with government, neighbours and the public, ensuring fair treatment of those affected by the Group's operations. In particular, the Group aims to provide employees with a healthy and safe working environment whilst receiving payment that enables them to maintain a reasonable lifestyle for themselves and their families.

GOING CONCERN

Refer to Note 3 for details in relation to Going Concern.

FINANCIAL RISK MANAGEMENT

Details of the Group's financial risk management policies are set out in Note 21.

RISKS AND UNCERTAINTIES

The Group is subject to a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectation.

The management of risk is the collective responsibility of the Board of Directors and the Group has developed a range of internal controls and procedures in order to manage risk. The following risk factors, which are not exhaustive, are the principal risks relevant to the Group's activities:

Risk	**Nature of risk and mitigation**
Licence obligations	Operations must be carried out in accordance with the terms of each licence agreed with the relevant ministry for natural resources in the host country. Typically, the law provides that operations may be suspended, amended or terminated if a contractor fails to comply with its obligations under such licences or fails to make timely payments of relevant levies and taxes. The Group has regular communication and meetings with relevant government bodies to discuss future work plans and receive feedback from those bodies. Country Managers in each jurisdiction monitor compliance with licence obligations and changes to legislation applicable to the company and report as necessary to the Board.
Requirement for further funding	The Group will require additional funding to implement its exploration and development plans as well as finance its operational and administrative expenses. There is no guarantee that future market conditions will permit the raising of the necessary funds by way of issue of new equity, debt financing or farming out of interests. If unsuccessful, this may significantly affect the Group's ability to execute its long-term growth strategy. The Board regularly reviews Group cash flow projections and considers different sources of funds. The Group regularly meets with shareholders and the investor community and communicates through their website and regulatory reporting.
Geological and development risks	Exploration activities are speculative and capital intensive and there is no guarantee of identifying commercially recoverable reserves. The Group activities in Ghana and Peru are in proven resource basins. The Group uses a range of techniques to minimise risk prior to drilling and utilises independent experts to assess the results of exploration activity.

RISKS AND UNCERTAINTIES (CONTINUED)

Risk	Nature of risk and mitigation
Title to assets	Title to oil and gas assets in Ghana can be complex. The Directors monitor any threats to the Group's interest in its licences and employ the services of experienced and competent lawyers in relevant jurisdictions to defend those interests, where appropriate.
Exchange rate risk	The Group's expenses, which are primarily to contractors on exploration and development, are incurred in US Dollar, Sterling and Euros. The Group is therefore exposed to fluctuations in the relative values of the Euro and Dollar. The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates and maintaining a level of cash in foreign denominated currencies sufficient to meet planned expenditure in that currency.
Political risk	The Group holds assets in Ghana and Peru and therefore the Group is exposed to country specific risks such as the political, social and economic stability of these countries. The countries in which the Group operates are encouraging foreign investment. The Group's projects are longstanding and we have established strong relationships with local and national government which enable the Group to monitor the political and regulatory environment.
Financial risk management	Details of the Group's financial risk management policies are set out in Note 21.

In addition to the above there can be no assurance that current exploration programmes will result in profitable operations. The recoverability of the carrying value of exploration and evaluation assets is dependent upon the successful discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Group to raise additional financing, if necessary, or alternatively upon the Group's and company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write down of the carrying values of the Group's assets.

APPROVAL OF THE BOARD

This Strategic Report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration industry. While the directors believe the expectation reflected within the Annual Report to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control, for example owing to a change of plan or strategy.

Accordingly, no reliance may be placed on the forward-looking statements.

On behalf of the Board:

John Teeling
Chairman

19 May 2015

The directors present their annual report and the audited financial statements of the group and company for the year ended 31 December 2014.

DIRECTORS

The current directors are listed on the inside back cover. Manouchehr Takin resigned as a director on 27 May 2014.

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors holding office at 31 December 2014 had the following interests in the ordinary shares of the company:

	31 December 2014		1 January 2014	
	Ordinary Shares of 0.25p each Shares Number	**Ordinary Shares of 0.25p each Options Number**	Ordinary Shares of 0.25p each Shares Number	Ordinary Shares of 0.25p each Options Number
J. J. Teeling	**38,192,755**	**3,000,000**	22,286,633	3,000,000
J. Finn	**38,312,722**	**3,000,000**	11,024,867	3,000,000
D. Horgan	**21,950,888**	**3,000,000**	10,842,233	3,000,000

DIRECTORS' REMUNERATION REPORT

The remuneration of the directors for the years ended 31 December 2014 and 31 December 2013 was as follows:

	SALARIES AND FEES	
	2014	2013
	£	£
J.J. Teeling	**45,000**	60,000
J. Finn	**45,000**	60,000
D.Horgan	**65,000**	100,000

Directors' Remuneration is disclosed in Note 8 of these financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 22 June 2015 in accordance with the Notice of Annual General Meeting on page 40 of these financial statements. Details of the resolutions to be passed are included in this notice.

CAPITAL STRUCTURE

Details of the authorised and issued share capital, together with details of movements in the company's issued share capital during the year are shown in Note 19. The company has one class of ordinary share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. With regard to the appointment and replacement of directors, the company is governed by the Articles of Association, the Companies Act, and related legislation.

SUBSTANTIAL SHAREHOLDINGS

The share register records that the following shareholders, excluding directors, held 3% or more of the issued share capital of the company as at 31 December 2014 and 14 May 2015:

	14 May 2015		31 December 2014	
	No. of shares	**%**	No. of shares	%
SVS (Nominees) Limited	**64,640,506**	**14.23%**	67,380,148	14.83%
HSBC Global Custody Nominee (UK) Limited	**52,015,867**	**11.45%**	52,015,867	11.45%
Citicorp Investments Limited	**32,544,800**	**7.16%**	32,544,800	7.16%

SUPPLIER PAYMENT POLICY

The group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

SUBSEQUENT EVENTS

Refer to Note 26 for details of Post Balance Sheet Events.

The group made no political or charitable contributions during the year.

DIRECTORS' INDEMNITIES

The company does not currently maintain directors' or officer's liability insurance.

AUDITORS

Each of the persons who are a director at the date of approval of this report confirms that:

1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act, 2006.

A resolution to reappoint Deloitte & Touche will be proposed at the forthcoming Annual General Meeting.

By order of the Board:

James Finn
Secretary

19 May 2015

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report to the Members of Clontarf Energy plc

We have audited the financial statements of Clontarf Energy plc for the year ended 31 December 2014 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Cash Flow Statements and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the Parent Company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter – Realisation of Assets and Going Concern

In forming our opinion on the financial statements, which is not modified, we draw your attention to:

- Notes 12 and 13 concerning the valuation and realization of intangible assets and investments in subsidiaries. The realisation of intangible assets of £3,058,916 included in the consolidated balance sheet and intangible assets of £520,378 and investments in subsidiaries of £1,582,188 included in the company balance sheet is dependent on the discovery and the successful development of economic oil and gas reserves including the Group's ability to raise sufficient finance to develop those projects. The financial statements do not include any adjustments in relation to these uncertainties and the ultimate outcome of these uncertainties cannot, at present, be determined.
- Note 3 to the financial statements which indicates that the group incurred a loss of £274,196 during the year and had net current liabilities of £383,170 at the balance sheet date. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The Group had a cash balance of £396,610 at the balance sheet date. Cashflow projections prepared by the directors indicate that the funds available are sufficient to meet the obligations of the Group for a period of at least twelve months from the date of approval of the financial statements. The directors have prepared the financial statements of the group on the basis that the group is a going concern. The financial statements do not include any adjustments that would result if the group was unable to continue as a going concern.

Separate opinion in relation to IFRSs issued by IASB

As explained in Note 1(i) to the financial statements, the group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ciarán O'Brien (Senior Statutory Auditor)
for and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm

Deloitte & Touche House
Earlsfort Terrace
Dublin 2

19 May 2015

Consolidated Statement Of Comprehensive Income For The Year Ended 31 December 2014

CONTINUING OPERATIONS	Notes	2014 £	2013 £
REVENUE		**-**	-
Cost of sales		**-**	-
GROSS PROFIT		**-**	-
Administrative expenses	4	**(244,303)**	(667,370)
Impairment of evaluation and exploration assets	12	**-**	(2,473,538)
OPERATING LOSS		**(244,303)**	(3,140,908)
Finance revenue	5	**51**	93
Finance costs	6	**(29,944)**	(36,462)
LOSS BEFORE TAXATION	4	**(274,196)**	(3,177,277)
Income tax expense	10	**-**	-
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		**(274,196)**	(3,177,277)
LOSS PER SHARE – Basic and diluted	11	**(0.09p)**	(1.59p)

Consolidated Balance Sheet As At 31 December 2014

	Notes	2014 £	2013 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	12	**3,058,916**	2,963,916
		3,058,916	2,963,916
CURRENT ASSETS			
Other receivables	14	**10,138**	5,094
Cash and cash equivalents	15	**396,610**	29,330
		406,748	34,424
TOTAL ASSETS		**3,465,664**	2,998,340
LIABILITIES:			
CURRENT LIABILITIES			
Trade payables	16	**(79,351)**	(190,429)
Other payables	17	**(710,567)**	(1,162,717)
		(789,918)	(1,353,146)
NON CURRENT LIABILITIES			
Loans	18	**-**	(576,328)
		-	(576,328)
TOTAL LIABILITIES		**(789,918)**	(1,929,474)
NET ASSETS		**2,675,746**	1,068,866
EQUITY			
Called-up share capital	19	**1,135,564**	500,461
Share premium	19	**10,493,259**	9,248,336
Retained earnings – (deficit)		**(9,148,159)**	(9,010,518)
Share based payment reserve		**195,082**	330,587
TOTAL EQUITY		**2,675,746**	1,068,866

The financial statements of Clontarf Energy plc, registered number 4967918, were approved by the Board of Directors on 19 May 2015 and signed on its behalf by:

John Teeling
Director

Clontarf Energy plc

Annual Report & Accounts 2014
Company Balance Sheet As At 31 December 2014

	Notes	**2014** £	2013 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	12	**520,378**	490,378
Investment in subsidiaries	13	**1,582,188**	1,582,188
		2,102,566	2,072,566
CURRENT ASSETS			
Other receivables	14	**615,582**	5,092
Cash and cash equivalents	15	**388,476**	11,018
		1,004,058	16,110
TOTAL ASSETS		**3,106,624**	2,088,676
LIABILITIES:			
CURRENT LIABILITIES			
Trade payables	16	**(79,351)**	(190,429)
Other payables	17	**(351,527)**	(829,381)
TOTAL LIABILITIES		**(430,878)**	(1,019,810)
NET ASSETS		**2,675,746**	1,068,866
EQUITY			
Called-up share capital	19	**1,135,564**	500,461
Share premium	19	**10,493,259**	9,248,336
Retained earnings – (deficit)		**(9,148,159)**	(9,010,518)
Share based payment reserve		**195,082**	330,587
TOTAL EQUITY		**2,675,746**	1,068,866

The financial statements of Clontarf Energy plc, registered number 4967918, were approved by the Board of Directors on 19 May 2015 and signed on its behalf by:

John Teeling
Director

Consolidated And Company Statement Of Changes In Equity For The Year Ended 31 December 2014

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Total £
At 1 January 2013	500,461	9,248,336	330,587	(5,833,241)	4,246,143
Loss for the year	-	-	-	(3,177,277)	(3,177,277)
At 31 December 2013	500,461	9,248,336	330,587	(9,010,518)	1,068,866
Share options granted	-	-	1,050	-	1,050
Share options expired	-	-	(129,977)	129,977	-
Warrants expired	-	-	(6,578)	6,578	-
Issue of shares	635,103	1,274,268	-	-	1,909,371
Share issue expenses	-	(29,345)	-	-	(29,345)
Loss for the year	-	-	-	(274,196)	(274,196)
At 31 December 2014	**1,135,564**	**10,493,259**	**195,082**	**(9,148,159)**	**2,675,746**

Share premium

The share premium reserve comprises of a premium arising on the issue of shares.

Share based payment reserve

The share based payment reserve arises on the grant of share options under the share option plan.

Retained deficit

Retained deficit comprises of losses incurred in 2014 and prior years.

Consolidated Cash Flow Statement For The Year Ended 31 December 2014

	Notes	2014 £	2013 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for financial year		**(274,196)**	(3,177,277)
Finance costs recognised in loss		**29,944**	36,462
Finance revenue recognised in loss		**(51)**	(93)
Exchange movement		**(5,314)**	(1,561)
Share options granted		**1,050**	-
Impairment		**-**	2,473,538
		(248,567)	(668,931)
MOVEMENTS IN WORKING CAPITAL			
Increase in payables		**53,315**	150,063
(Increase)/decrease in trade and other receivables		**(5,044)**	5,322
CASH USED BY OPERATIONS		**(200,296)**	(513,546)
Finance costs		**(29,944)**	(36,462)
Finance revenue		**51**	93
NET CASH USED IN OPERATING ACTIVITIES		**(230,189)**	(549,915)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for intangible assets		**-**	(97,524)
NET CASH USED IN INVESTING ACTIVITIES		**-**	(97,524)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in loans		**-**	576,328
Proceeds from issue of shares		**621,500**	-
Share issue expenses	19	**(29,345)**	-
NET CASH GENERATED BY FINANCING ACTIVITIES		**592,155**	576,328
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**361,966**	(71,111)
Cash and cash equivalents at beginning of the financial year		**29,330**	98,880
Effect of exchange rate changes on cash held in foreign currencies		**5,314**	1,561
Cash and cash equivalents at end of the financial year	15	**396,610**	29,330

Company Cash Flow Statement For The Year Ended 31 December 2014

	Notes	2014 £	2013 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for financial year		**(274,196)**	(3,177,277)
Finance costs recognised in loss		**29,944**	36,462
Finance revenue recognised in loss		**(51)**	(93)
Exchange movement		**1,241**	3,112
Share options granted		**1,050**	-
Impairment		**-**	2,015,993
Provision against investment in subsidiary		**-**	797,368
		(242,012)	(324,435)
MOVEMENTS IN WORKING CAPITAL			
Increase in payables		**63,493**	362,503
(Increase)/decrease in trade and other receivables		**(5,044)**	16
CASH (USED IN)/GENERATED BY OPERATIONS		**(183,563)**	38,084
Finance costs		**(29,944)**	(36,462)
Finance revenue		**51**	93
NET CASH (USED IN)/GENERATED BY OPERATING ACTIVITIES		**(213,456)**	1,715
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**621,500**	-
Share issue expenses	19	**(29,345)**	-
NET CASH GENERATED BY FINANCING ACTIVITIES		**592,155**	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**378,699**	1,715
Cash and cash equivalents at beginning of the financial year		**11,018**	12,415
Effect of exchange rate changes on cash held in foreign currencies		**(1,241)**	(3,112)
Cash and cash equivalents at end of the financial year	15	**388,476**	11,018

1. PRINCIPAL ACCOUNTING POLICIES

The significant accounting policies adopted by the Group and Company are as follows:

(i) Basis of preparation

The financial statements for the year ended 31 December 2014, for the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as published by the IASB and as applied in accordance with the provisions of the Companies Act 2006. These financial statements have also been prepared in accordance with IFRSs as adopted by the European Union and in accordance with the Companies Act 2006. The financial statements are presented in pounds sterling.

(ii) Accounting Convention

The financial statements are prepared under the historical cost convention.

(iii) 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 31 December each year.
Control is achieved where the Company:

- has the power over the investee.
- Is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns

Where necessary, adjustments have been 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.

When the group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets less liabilities of the subsidiary.

(iv) Intangible assets

Exploration and evaluation assets
Exploration expenditure relates to the initial search for oil and gas deposits with economic potential in Peru and Ghana. Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential.

The costs of exploration properties and leases, which include the cost of acquiring prospective properties and exploration rights and costs incurred in exploration and evaluation activities, are capitalised as intangible assets as part of exploration and evaluation assets when they meet the conditions for capitalisation and outlined in IFRS 6.

Exploration costs are capitalised as an intangible asset until technical feasibility and commercial viability of extraction of reserves are demonstrable, when the capitalised exploration costs are re-classed to property, plant and equipment. Exploration costs include an allocation of administration and salary costs (including share based payments) as determined by management.

Prior to reclassification to property, plant and equipment, exploration and evaluation assets are assessed for impairment and any impairment loss is recognised immediately in the statement of comprehensive income.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(iv) Intangible assets (continued)

Impairment of intangible assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The company reviews and tests for impairment on an ongoing basis and specifically if the following occurs:

a) the period for which the group has a right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
d) sufficient data exists to indicate that although a development in the specific area is likely to proceed the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(v) Foreign currencies

The individual financial statements of each Group company are maintained in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company and presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. 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 items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was re-determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of comprehensive income for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of comprehensive income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign 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 during that period, in which case the exchange rates at the date of transactions are used.

(vi) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on the taxable result for the year. Taxable result differs from the loss as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years 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 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 result, 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 for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(vi) Taxation (continued)

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, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(vii) Share-based payments

The group has applied the requirements of IFRS 2 “Share-Based Payment”. In accordance with the transitional provisions, IFRS 2 has been applied to all equity instruments vesting after 1 January 2006, where the grant date is after 7 November 2002.

The group issues equity-settled share based payments. Equity settled share-based payments are measured at fair value at the date of grant. The fair value excludes the effect of non market based vesting conditions. 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 and adjusted for the effect of non-market based vesting conditions.

Where the value of the goods or services received in exchange for the share-based payment cannot be reliably estimated the fair value is measured by use of a Black-Scholes model.

(viii) Investment in Subsidiaries

Investments in subsidiaries are stated at cost less any impairment allowance.

(ix) Operating loss

Operating loss comprises of general administrative costs incurred by the company, which are not specific to evaluation and exploration projects in addition to any impairments charged on exploration and evaluation assets. Operating loss is stated before finance income, finance costs and other gains and losses.

(x) Financial Instruments

Financial instruments are recognised in the Group and Company balance sheet when the Group or Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents
Cash and cash equivalents comprises cash held by the Group and Company short-term bank deposits with an original maturity of three months or less.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into, mainly accruals.

Trade Payables
Trade payables classified as financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets
Where the fair value of a financial asset can be reliably measured the financial asset is initially recognised at fair value through the profit and loss account. At each balance sheet date gains or losses arising from a change in fair value are recognised in the statement of comprehensive income as other gains and losses.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(x) Financial Instruments (continued)

Financial assets for which the fair value cannot be reliably measured are carried at cost.

Trade Receivables
Trade receivables are measured at initial recognition at invoice value which approximates to fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income where there is objective evidence that the carrying value of the asset exceeds the recoverable amount. Subsequently, trade receivables are classified as loans and receivables which are measured at amortised cost, using the effective interest method.

(xi) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Exploration and evaluation
The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets. Costs which can be demonstrated as project related are included within exploration and evaluation assets. Exploration and evaluation assets relate to prospecting, exploration and related expenditure in Peru and Ghana. The group's exploration activities are subject to a number of significant and potential risks including:

- licence obligations
- requirement for further funding
- geological and development risks
- title to assets
- political risk

The recoverability of these intangible assets is dependent on the discovery and successful development of economic reserves, including the ability to raise finance to develop future projects. Should this prove unsuccessful, the value included in the balance sheet would be written off to the statement of comprehensive income.

Impairment of intangible assets
The assessment of intangible assets for any indications of impairment involves judgement. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

The assessment requires judgement as to the likely future commerciality of the asset and when such commerciality should be determined; future revenues, capital and operating costs and the discount rate to be applied to such revenues and costs.

Deferred tax assets
The assessment of availability of future taxable profits involves judgement. A deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(xi) Critical accounting judgements and key sources of estimation uncertainty (continued)

Going concern
The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the group's projects becoming available. Based on the assumptions that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the group's assets, in particular the intangible assets, to their realisable values. Further information concerning going concern is outlined in Note 3.

Key sources of estimation uncertainty
The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payments
The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Group has made estimates as to the volatility of its own shares, the probable life of options and warrants granted and the time of exercise of those options and warrants. The model used by the Group is the Black-Scholes valuation model.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group did not adopt any new International Financial Reporting Standards (IFRS) or Interpretations in the year that had a material impact on the Group's Financial Statements. The following IFRS became effective since the last Annual Report but had no material impact on the Financial Statements:

		Effective date
IFRS 10 (amendment)	Investment Entities	1 January 2014
IFRS 12 (amendment)	Investment Entities	1 January 2014
IAS 32 (amendment)	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 27 (amendment)	Investment Entities	1 January 2014
IAS 36 (amendment)	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
IAS 39 (amendment)	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IAS 19 (amendment)	Defined Benefit Plans: Employee Contributions	1 July 2014
IFRIC 21	Levies	1 January 2014
Annual Improvements to IFRSs: 2010-12 Cycle		1 July 2014
Annual Improvements to IFRSs: 2011-13 Cycle		1 July 2014

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

		Effective date
IFRS 9	Financial Instruments	1 January 2018
IFRS 10 (amendment)	Investment Entities: Applying the Consolidation Exception	1 January 2016
IFRS 11 (amendment)	Investment Entities: Applying the Consolidation Exception	1 January 2016
IFRS 12 (amendment)	Investment Entities: Applying the Consolidation Exception	1 January 2016
IFRS 10 (amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IFRS 12 (amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IFRS 11 (amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IAS 1 (amendment)	Disclosure Initiative	1 January 2016
IAS 27 (amendment)	Equity Method in Separate Financial Statements	1 January 2016

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

		Effective date
IAS 28 (amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IAS 16 (amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 18 (amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Annual Improvements to IFRSs: 2012-2014 Cycle		1 January 2016

The Directors are currently assessing the impact in relation to the adoption of these Standards and Interpretations for future periods of the Group, however, at this point they do not believe they will have a significant impact on the financial statements of the Group in the period of initial application.

3. GOING CONCERN

The Group incurred a loss for the year of £274,196 (2013: £3,177,277) and had net current liabilities of £383,170 (2013: £1,318,722) at the balance sheet date. These conditions represent a material uncertainty that may cast doubt on the group's ability to continue as a going concern.

Included in current liabilities is an amount of £710,567 owed to directors in respect of directors' remuneration due at the balance sheet date. The directors have confirmed that they will not seek settlement of these amounts in cash for a period of at least one year after the date of approval of the financial statements or until the group has generated sufficient funds from its operations after paying its third party creditors.

The Group had a cash balance of £396,610 at the balance sheet date. Cashflow projections prepared by the directors indicate that the funds available are sufficient to meet the obligations of the Group for a period of at least twelve months from the date of approval of these financial statements.

As in previous years the Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements and believe the going concern basis is appropriate for these financial statements. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

4. LOSS BEFORE TAXATION

	2014	2013
	£	£
The loss before taxation is stated after charging/(crediting):		
Auditors' remuneration	**25,000**	25,000
The analysis of auditors' remuneration is as follows:		
Fees payable to the group's auditors for the audit of the Group's annual accounts	**25,000**	25,000
	25,000	25,000

Details of directors' remuneration are disclosed in Note 8.

Administrative expenses comprise:

	2014	2013
Professional fees	**150,549**	130,406
Foreign exchange (gains)/losses	**(5,314)**	(1,561)
Directors' remuneration (Note 8)	**68,333**	115,000
Other administrative expenses	**29,685**	13,364
Share options granted	**1,050**	-
Legal settlement	**-**	410,161
	244,303	667,370

5. FINANCE REVENUE

	2014 £	2013 £
Bank deposit interest	**51**	93

6. FINANCE COSTS

	2014 £	2013 £
Bank and finance charges	**29,944**	36,462

7. SEGMENTAL ANALYSIS

Operating segments are identified on the basis of internal reports about the Group that are regularly reviewed by the chief operating decision maker. The Board is deemed the chief operating decision maker within the Group. For management purposes, the Group is currently organised into two segments (Peru and Ghana).

Segment information about the Group and company's activities is presented below.

7A. Segment Revenue and Segment Result

	Segment Revenue		Segment Result	
Group	**2014** **£**	2013 £	**2014** **£**	2013 £
Peru	**-**	-	**-**	(2,473,538)
Ghana	**-**	-	**-**	-
Total continuing operations	**-**	-	**-**	(2,473,538)
Unallocated head office	**-**	-	**(274,196)**	(703,739)
	-	-	**(274,196)**	(3,177,277)

There was no revenue earned during the current or prior year.

7B. Segment assets and liabilities

Group

	Assets		Liabilities	
	2014 **£**	2013 £	**2014** **£**	2013 £
Peru	**2,473,538**	2,473,538	**-**	-
Ghana	**585,378**	490,378	**-**	-
Total continuing operations	**3,058,916**	2,963,916	**-**	-
Unallocated head office	**406,748**	34,424	**789,918**	1,929,474
	3,465,664	2,998,340	**789,918**	1,929,474

7. SEGMENTAL ANALYSIS (CONTINUED)

7B. Segment assets and liabilities (CONTINUED)

Company

	Assets		Liabilities	
	2014	2013	**2014**	2013
	£	£	**£**	£
Peru	**1,582,188**	1,582,188	**-**	-
Ghana	**520,378**	490,378	**-**	-
Total continuing operations	**2,102,566**	2,072,566	**-**	-
Unallocated head office	**1,004,058**	16,110	**430,878**	1,019,810
	3,106,624	2,088,676	**430,878**	1,019,810

7C. Other segmental information

Additions to non current assets

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Peru	**-**	197,524	**-**	-
Ghana	**95,000**	25,000	**30,000**	25,000
Total continuing operations	**95,000**	222,524	**30,000**	25,000
Unallocated head office	**-**	-	**-**	-
	95,000	222,524	**30,000**	25,000

8. RELATED PARTY AND OTHER TRANSACTIONS

- Directors' Remuneration and Key Management Compensation

Group

The remuneration of the directors, who are considered to be the key management personnel, is set out below.

	2014 Fees: Services as director	**2014 Fees: Other services**	**2014 Total**	2013 Fees: Services as director	2013 Fees: Other services	2013 Total
	£	**£**	**£**	£	£	£
John Teeling	**5,000**	**40,000**	**45,000**	5,000	55,000	60,000
James Finn	**5,000**	**40,000**	**45,000**	5,000	55,000	60,000
David Horgan	**5,000**	**60,000**	**65,000**	5,000	95,000	100,000
Manouchehr Takin	**-**	**8,333**	**8,333**	5,000	15,000	20,000
	15,000	**148,333**	**163,333**	20,000	220,000	240,000

Included in the above is £95,000 (2013: £125,000) of directors' remuneration which was capitalised as exploration and evaluation expenditure during the year.

8. RELATED PARTY AND OTHER TRANSACTIONS (CONTINUED)

Company

	2014 Fees: Services as director £	**2014 Fees: Other services £**	**2014 Total £**	2013 Fees: Services as director £	2013 Fees: Other services £	2013 Total £
John Teeling	**5,000**	**40,000**	**45,000**	5,000	55,000	60,000
James Finn	**5,000**	**40,000**	**45,000**	5,000	55,000	60,000
Manouchehr Takin	**5,000**	**8,333**	**8,333**	5,000	15,000	20,000
	15,000	**83,333**	**98,333**	15,000	125,000	140,000

Included in the above is £30,000 (2013: £25,000) of directors' remuneration which was capitalised as exploration and evaluation expenditure during the year.

The number of directors to whom retirement benefits are accruing is £ Nil (2013: £ Nil) and all remuneration related to short term employment benefits.

As outlined in Note 17, remuneration due to directors remains unpaid at the year end.

During 2013 the group received loans of £200,000 and £100,000 from John Teeling and James Finn, respectively. In addition to directors' remuneration and loans due at year end 31 December 2013 an amount of £44,019 was due by the company to David Horgan, and an amount of £65,363 was due by the company to James Finn at the balance sheet date. On 21 July 2014, Clontarf Energy plc announced that 70,302,632 ordinary shares at a price of 0.75p per share were issued as settlement of directors loans and accrued remuneration totaling £409,382 and £117,888 respectively.

- Other

Group and Company

Clontarf Energy plc shares offices and overheads with a number of companies also based at 162 Clontarf Road. These companies have some common directors.

Transactions with these companies during the year are set out below:

	Botswana Diamonds Plc £	**Petrel Resources Plc £**	**Connemara Mining Co. Plc £**	**Total £**
Balance at 1 January 2013	-	(685)	-	(685)
Overhead and office costs recharged	(21,716)	-	(38,973)	(60,689)
Exploration and evaluation expenditure recharged by Clontarf	-	35,874	-	35,874
Repayments	21,716	(35,189)	38,973	25,500
Balance at 31 December 2013	-	-	-	-
Overhead and office costs recharged	(23,192)	-	(20,858)	(44,050)
Repayments	23,192	-	20,858	44,050
Balance at 31 December 2014	**-**	**-**	**-**	**-**

Clontarf Energy Plc has a 60% interest in a Ghanian licence. Petrel Resources plc, and Abbey Oil and Gas Ltd, an unrelated third party investor, own the remaining 40%. During 2013 exploration and evaluation expenditure was paid by Petrel Resources plc in relation to the Ghanaian operations. This expenditure was recharged to Clontarf Energy Plc during the year.

8. RELATED PARTY AND OTHER TRANSACTIONS (CONTINUED)

Company

At 31 December the following amount was due to the company by its subsidiaries:

	2014	2013
	£	£
Amounts due from Hydrocarbon Exploration Limited	**605,444**	-

In 2014 the company settled debt due by Hydrocarbon Exploration Limited to unrelated third party South American lenders through the issue of ordinary shares as disclosed in Note 18.

A provision of £982,885 (2013: 953,881) has been deducted from the amount due by Hydrocarbon Exploration Limited as a result of losses incurred by that company during the year. The gross amount due is £1,588,329 (2013: £953,881). The amount due is unsecured, non-interest bearing and repayable on demand.

The recoverability of amounts due from Hydrocarbon Exploration Limited is dependent on the discovery and successful development of economic mineral reserves.

9. EMPLOYEE INFORMATION

There were no employees of the Group or company other than the directors during the current or prior year.

10. INCOME TAX EXPENSE

	2014	2013
	£	£
Current tax	**-**	-
Factors affecting the tax expense:		
Loss on ordinary activities before tax	**(274,196)**	(3,177,277)
Income tax calculated at 21.49% (2013: 23.25%)	**(58,925)**	(738,717)
Effects of:		
Tax losses carried forward	**58,925**	163,619
Items not subject to taxation	**-**	575,098
Tax charge	**-**	-

No charge to corporation tax arises in the current year or the prior year due to losses incurred.

At the balance sheet date, the group had unused tax losses of £4,131,971 (2013: loss of £3,857,775) which equates to a deferred tax asset of £887,960 (2013: asset of £896,932). No deferred tax asset has been recognised due to the unpredictability of the future profit streams.

11. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the year available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets out the computation for basic and diluted earnings per share (EPS):

	2014	2013
	£	£
Numerator		
For basic and diluted EPS	**(274,196)**	(3,177,277)
Denominator		
For basic and diluted EPS	**298,858,400**	200,184,469
Basic EPS	**(0.09p)**	(1.59p)
Diluted EPS	**(0.09p)**	(1.59p)

Basic and diluted loss per share is the same as the effect of the outstanding share options is anti-dilutive and is therefore excluded.

12. INTANGIBLE ASSETS

	2014	2013	**2014**	2013
	Group	Group	**Company**	Company
	£	£	**£**	£
Exploration and evaluation assets:				
Cost:				
At 1 January	**8,010,461**	7,787,937	**2,222,832**	2,197,832
Additions during the year	**95,000**	222,524	**30,000**	25,000
At 31 December	**8,105,461**	8,010,461	**2,252,832**	2,222,832
Impairment:				
At 1 January	**5,046,545**	2,573,007	**1,732,454**	1,732,454
Provision for impairment	**-**	2,473,538	**-**	-
At 31 December	**5,046,545**	5,046,545	**1,732,454**	1,732,454
Carrying Value:				
At 1 January	**2,963,916**	5,214,930	**490,378**	465,378
At 31 December	**3,058,916**	2,963,916	**520,378**	490,378

Segmental analysis	**2014**	2013	**2014**	2013
	Group	Group	**Company**	Company
	£	£	**£**	£
Peru	**2,473,538**	2,473,538	**-**	-
Ghana	**585,378**	490,378	**520,378**	490,378
	3,058,916	2,963,916	**520,378**	490,378

12. INTANGIBLE ASSETS (CONTINUED)

On 15 May 2013, the company signed an agreement with an unrelated third party, Peru Oil and Gas Exploration Limited (POGEL). Under the agreement POGEL, an energy investment company, has undertaken responsibility to put up performance bonds and conduct contractual work on the Exploration and Development Contracts on Peruvian Blocks 183 and 188. Clontarf Energy plc converted its interest in Blocks 183 and 188 to an overriding royalty of 3% on production from any commercial discovery.

On 12 August 2013, Rurelec Plc, an AIM listed energy provider in South America, entered into an agreement with POGEL to purchase gas from Block 183 when and if gas is produced. Clontarf holds a 3% overriding royalty on production from any commercial discovery. The royalty payment is capped at US$5 million per structure and US$10 million in total for the block.

Subsequently in 2013, POGEL released Block 188. Due to Block 188 being released the directors decided to provide against the carrying value of the Peruvian assets. Accordingly an impairment provision of £2,473,538 had been recorded by the Group in the prior year. This represented the total carrying value of Block 188 as the recoverable amount is £Nil.

In 2014, the Group reached an agreement with the Ghanaian authorities on the specific revised coordinates of the signed petroleum agreement on a licence block in the Tano area of Ghana. Clontarf Energy PLC await ratification of the amended Petroleum Agreement by Cabinet and Parliament.

Exploration and evaluation assets relates to expenditure incurred in prospecting and exploration for oil and gas in Peru and Ghana. The directors are aware that by its nature there is an inherent uncertainty in such development expenditure as to the value of the asset.

The realisation of these intangible assets is dependent on the discovery and successful development of economic oil and gas reserves which is affected by the uncertainties outlined above and risks outlined in Note 1(xi). Should this prove unsuccessful the value included in the balance sheet would be written off to the statement of comprehensive income.

13. INVESTMENTS IN SUBSIDIARIES

	2014	2013
	£	£
Company		
Cost:		
Opening balance	**1,582,188**	4,395,549
Impairment	**-**	(2,015,993)
Provision against Investments	**-**	(797,368)
Closing balance	**1,582,188**	1,582,188

An allowance of £Nil (2013: £797,368) has been recognised due to losses incurred by the subsidiary, Hydrocarbon Exploration Limited in the current year.

An impairment provision of £2,015,993 against the investment in Hydrocarbon Exploration Limited had been recorded by the company in the prior year, due to the release of Block 188 by POGEL. Further details are provided in Note 12.

13. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The subsidiaries of the company at 31 December 2014 are:

	Total allotted Capital	Country of Incorporation	% Ownership	Nature of Business
Hydrocarbon Exploration Limited	25,538 Ordinary Shares of £50 each	England & Wales	100%	Exploration & Production
Hydrocarbon Prospecting plc	5,000,000 Shares At 1p each	England &Wales	100%	Dormant
**Petrolex SA	1,000 Shares at Bs1,000 each	Bolivia	100%	Exploration & Production
**Endeavour Oil & Gas Ltd	100 Shares at £1 each	England &Wales	100%	Exploration & Production
**Endeavour Oil & Gas Inc	10,000 Shares at 10cent each	USA	100%	Exploration & Production
Bolivian Hydrocarbons Ltd	2 Shares at £1 each	Jersey	100%	Management Company
**Pan Andean Oil & Gas Ltd	200 Shares At 1p each	England &Wales	100%	Dormant
Pan Andean Resources Limited	30,000 Shares of GHC1 each	Ghana	60%	Dormant

** indirectly held

In the opinion of the directors, at 31 December 2014, the value of the investments are not less than their balance sheet value.

14. OTHER RECEIVABLES

	2014 Group £	2013 Group £	**2014 Company £**	2013 Company £
Current assets				
Prepayments	**10,138**	5,094	**10,138**	5,092
Due by group undertakings	**-**	-	**605,444**	-
	10,138	5,094	**615,582**	5,092

The value of the amounts due from group undertakings is dependent on the discovery and successful development of economic mineral reserves as outlined in Note 12.

The carrying value of the receivables approximates to their fair value.

An allowance of £982,885 (2013: £953,881) has been deducted from the amount due by group undertakings. The gross amount due is £1,588,329 (2013: £953,881).

15. CASH AND CASH EQUIVALENTS

	2014 Group £	2013 Group £	**2014 Company £**	2013 Company £
Cash and cash equivalents	**396,610**	29,330	**388,476**	11,018

Cash at bank earns interest at floating rates based on daily bank deposit rates.

16. TRADE PAYABLES

	2014 Group £	2013 Group £	**2014 Company £**	2013 Company £
Trade payables	**59,351**	170,429	**59,351**	170,429
Other accruals	**20,000**	20,000	**20,000**	20,000
	79,351	190,429	**79,351**	190,429

It is the company's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, payment is made accordingly. In the absence of agreed terms it is the company's policy that payment is made between 30 – 40 days. The carrying amount of trade and other payables approximates to their fair value.

17. OTHER PAYABLES

	2014 Group £	2013 Group £	**2014 Company £**	2013 Company £
Amounts due to directors	**710,567**	1,162,717	**351,527**	829,381
	710,567	1,162,717	**351,527**	829,381

Other payables relate to amounts due to directors' accrued but not paid at year end. The amount consists of unpaid remuneration of £710,567 (2013: £753,335) and loans of £Nil (2013: £409,382).

18. OTHER LOANS

	2014 Group £	2013 Group £	**2014 Company £**	2013 Company £
Loans repayable	**-**	576,328	**-**	-
	-	576,328	**-**	-

During 2013 loans were received by the company from unrelated third party South American lenders. The lenders had agreed that they would accept ordinary shares in Clontarf Energy plc, the parent company, in lieu of cash repayment of amounts due. The loans bear interest at 10% per annum.

On 17 July 2014, Clontarf Energy plc announced that 79,767,067 ordinary shares at a price of 0.75p per share were issued to the South American lenders in settlement of the total principal amount and all outstanding interest.

19. CALLED-UP SHARE CAPITAL

	2014	2013
	£	£
Group and Company		
Authorised:		
800,000,000 Ordinary shares of 0.25p each	**2,000,000**	2,000,000

Allotted, called-up and fully paid:

	Number	**Share Capital £**	**Share Premium £**
At 1 January 2013	200,184,469	500,461	9,248,336
Issued during the year	-	-	-
At 31 December 2013	200,184,469	500,461	9,248,336
Issued during the year	254,041,312	635,103	1,274,268
Share issue expenses	-	-	(29,345)
At 31 December 2014	**454,225,781**	**1,135,564**	**10,493,259**

Movements in issued share capital

On 14 January 2014 a total of 7,231,975 shares were issued at a price of 1.3 pence per share in settlement of outstanding professional fees amounting to £94,016.

On 17 July 2014 a total of 79,767,067 shares were issued at a price of 0.75 pence per share to South American lenders in settlement of the total principal amount and interest outstanding on the loans in the subsidiary company Hydrocarbon Exploration Limited.

On 21 July 2014 a total of 16,200,000 shares were placed at a price of 0.75 pence per share. Proceeds were used to provide additional working capital and fund development costs.

On 21 July 2014 a total of 79,413,699 shares were issued at a price of 0.75 pence per share to directors in settlement of unpaid directors remuneration and loans.

On 28 October 2014 a total of 71,428,571 shares were placed at a price of 0.70 pence per share. Proceeds were used to provide additional working capital and fund development costs.

Share Options

A total of 8,940,000 share options were in issue at 31 December 2014 (2013: 9,940,000). These options are exercisable, at prices ranging between 0.725p and 17p, up to seven years from the date of granting of the options unless otherwise determined by the board.

Warrants

On 6 April 2011 a total of 649,616 warrants were granted to the company's broker in relation to a share placing. These warrants had a fair value of £6,578. The warrants expired in the current year and have been written off.

20. MATERIAL NON-CASH TRANSACTIONS

There were no material non-cash transactions during the year other than those outlined in Note 8, Note 12, Note 13 and Note 19.

21. RISK MANAGEMENT

The group's financial instruments comprise cash and cash equivalent balances, receivables and payables. The main purpose of these financial instruments is to fund exploration activities.

The group does not enter into any derivative transactions, and it is the group's policy that no trading in financial instruments is undertaken.

The board reviews and agrees policies for managing risk and they are summarised below.

Interest rate risk profile of financial assets and financial liabilities
The group has no outstanding bank borrowings at the year end or the end of the prior year.

In 2013 the group had interest bearing non-bank borrowings of £576,328 from South American lenders. These accrued interest at a fixed rate of 10% per annum. On 17 July 2014, Clontarf Energy plc announced that 79,767,067 ordinary shares at a price of 0.75p per share was issued to the South American lenders in settlement of the total principal amount and interest outstanding.

Liquidity risk
As regards liquidity, the group's exposure is confined to meeting obligations under short term trade payables agreements and under borrowing agreements. This exposure is considered significant. The risk is partially managed by the majority of third party borrowings being taken on terms that allow conversion to shares. The terms of borrowings from directors state that repayment will not be made until the Group has sufficient funds to do so.

The group's commitments have been fully met from cash flows generated from equity and loan finance raised to date. The directors are confident that they will be able to raise additional finance to meet the group's committed obligations as they fall due.

The Group's and Company's contractual maturity for its non-derivative long term financial liabilities is more than one but not more than five years. The Group's and Company's other non derivative financial liabilities were payable on demand at 31 December 2014 and 31 December 2013.

Foreign currency risk
The group has a policy of not hedging due to no significant dealings in currencies other than Sterling and Dollar. As a result the group takes market rates in respect of foreign exchange risks; however it does review its currency exposures on an ad hoc basis.

The carrying amounts of the Group and Company foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

Group

		Assets		**Liabilities**
	2014	2013	**2014**	2013
	£	£	**£**	£
Euro	**5,492**	8,500	**13,459**	53,234
US Dollar	**5,390**	13,008	**-**	261,911

Company

		Assets		**Liabilities**
	2014	2013	**2014**	2013
	£	£	**£**	£
Euro	**5,492**	530	**13,459**	53,234
US Dollar	**-**	3,014	**-**	-

21. RISK MANAGEMENT (CONTINUED)

Capital Management
The primary objective of the group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The capital structure of the group consists of issued share capital and reserves.

The group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013. The group's only capital requirement is its authorised minimum capital as a plc.

Credit risk
With respect to credit risk arising from financial assets of the group, which comprise of cash and cash equivalents, the group's exposure to credit risk arises from default of counter party, with a maximum exposure equal to the carrying amount of these instruments. The credit risk of the group is considered minimal.

Credit risk arises on the financial assets of the company, which comprise receivables, as a result of the uncertainties set out in Note 1 (xi) surrounding the recoverability of the assets.

22. COMMITMENTS

There is no capital expenditure authorised or contracted for which is not provided for in these accounts (2013 £Nil).

23. LEGAL CLAIMS AND CONTINGENCIES

UNITED STATES

Hunt Oil Company
In the prior year the company announced that legal proceedings in Texas against subsidiaries of the company and against certain directors of the company had been settled at a total cost, including legal fees, to the group of £600,000.

BOLIVIA

The Bolivian legal claims involve Petrolex SA, a Bolivian subsidiary only. As disclosed in Note 12 the value of the Bolivian assets has been fully impaired. There has been no movement in the year.

Repsol YPF
Petrolex SA, a Bolivian subsidiary of the company, has filed legal proceedings against Repsol YPF, an international integrated oil and gas company. Repsol YPF have in turn, filed legal proceedings against Petrolex SA. The lawsuit against Repsol YPF seeks to claim recompense for economic losses suffered by Petrolex SA as a result of the alleged mismanagement of the Monteagudo Block by Repsol YPF.

Empresa Petrolera Chaco SA
Petrolex SA has filed legal proceedings against Empresa Petrolera Chaco SA, operator of El Dorado block, for alleged non-fulfilment of the Joint Operating Agreement. Empresa Petrolera Chaco SA has filed a counter-claim against Petrolex SA.

Intergas Limited
Intergas Limited has filed civil legal proceedings against the company's subsidiary, Petrolex SA. Intergas is claiming US$1,700,000 in respect of costs incurred in relation to drilling at the Chipiriri (Bolivia) X-1 well.

Bolivia Tax Authority
The Bolivian Tax Authority has filed claims for taxes due against the company's subsidiary, Petrolex SA. Petrolex SA is defending itself from these claims.

24. SHARE-BASED PAYMENTS

Share options

The Group issues equity-settled share-based payments to certain directors and individuals who have performed services for the Group. Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by the use of a Black-Scholes model.

A total number of 8,940,000 share options were in issue at 31 December 2014 (2013: 9,940,000) with a weighted average exercise price of 4.31p and a weighted average remaining contractual life of 2.49 years. These options are exercisable, at prices ranging between 0.725p and 17p up to seven years from the date of granting of the options unless otherwise determined by the board.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant. The options vest immediately.

	2014 Options	**2014 Weighted average exercise price in pence**	2013 Options	2013 Weighted average exercise price in pence
Outstanding at beginning of year	**9,940,000**	**6.39**	9,940,000	6.39
Expired during the year	**(1,500,000)**	**(2.55)**	-	-
Granted during the year	**500,000**	**0.04**	-	-
Outstanding and exercisable at the end of the year	**8,940,000**	**4.31**	9,940,000	6.39

During the year 1,500,000 options with a fair value of £129,977 expired.

During the year 500,000 options were issued at an exercise price of 0.725p to senior management. The fair value of these options was £1,050. The fair value was calculated using the Black-Scholes model.

The inputs into the Black-Scholes model were as follows:

Weighted average share price at date of grant (pence)	0.725
Weighted average exercise price (pence)	0.725
Expected volatility	26.50%
Expected life	7 years
Risk free rate	0.5%
Expected dividends	-

25. PARENT COMPANY INCOME STATEMENT

As permitted by Section 408 of the Companies Act, 2006 the Parent Company's Income Statement has not been presented in this document. The loss after taxation as determined in accordance with IFRS for the parent company for the year is £274,196 (2013: loss of £3,177,277).

26. POST BALANCE SHEET EVENTS

There were no material post balance sheet events affecting the company or group.

Clontarf Energy plc

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Clontarf Energy plc ("the Company") will be held on 22 June 2015 at the Canal Court Hotel, Merchants Quay, Newry, Co. Down, BT35 8HF, United Kingdom at 11 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Directors' Report, Audited Accounts and Auditor's Report for the year ended December 31, 2014.

2. To re-elect director: James Finn retires in accordance with Article 25 and seeks re-election.

3. To re-elect Deloitte & Touche as auditors and to authorise the directors to fix their remuneration.

4 To transact any other ordinary business of an annual general meeting.

SPECIAL BUSINESS
ORDINARY RESOLUTION

5. That, in accordance with section 551 of the Companies Act 2006 ("2006 Act"), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £4,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on a date no longer than five years from the date the resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

   This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act.

SPECIAL RESOLUTION

6. "THAT, subject to the passing of resolution 5 and in accordance with sections 570 and 573 of the 2006 Act, the Directors be and are generally empowered to allot equity securities (as defined in section 560 of the "2006 Act") for cash pursuant to the authority conferred by resolution 5, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:

6.1 Be limited to the allotment of equity securities up to an aggregate nominal amount of £4,000,000; and

6.2 Expire on a date no longer than five years from the date the resolution is passed (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board:

James Finn
Secretary

Registered Office 20-22 Bedford Row, London WCIR 4JS

19 May 2015

Note: A member of the company who is unable to attend and vote at the above Annual General Meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company.

To be effective, the Form of Proxy duly signed, together with the power of attorney (if any) under which it is signed, must be deposited at the Company's Registrars, Computershare Investor Services (Ireland) Ltd., Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, not less than forty-eight hours before the time appointed for the Meeting or any adjournment thereof at which the person named in the Form of Proxy is to vote.

Directors and Other Information

DIRECTORS	John Teeling (Chairman) David Horgan James Finn
SECRETARY	James Finn
REGISTERED OFFICE	20-22 Bedford Row London, WCIR 4JS United Kingdom Telephone +44 117 923 0600
DUBLIN OFFICE	162 Clontarf Road Dublin 3 Ireland Telephone +353 1 833 2833 Fax +353 1 833 3505
STATUTORY AUDITORS	Deloitte & Touche Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
COMPANY REGISTRATION NUMBER	04967918
SOLICITORS	Brown Rudnick 33 Fitzwilliam Square Dublin 2 Ireland
BANKERS	Barclays Bank plc Two Park Place Hatch Street Upper Dublin 2 Ireland
NOMINATED ADVISOR AND BROKER	Northland Capital Partners Limited 131 Finsbury Pavement London, EC2A 1NT United Kingdom
REGISTRARS	Computershare Investor Services (Ireland) Limited Heron House, Corrig Road Sandyford Industrial Estate Dublin 18 Ireland

Clontarf Energy Plc
20-22 Bedford Row, London WCIR 4JS
Company Registration Number 04967918

www.clontarfenergy.com