Reports and Consolidated Financial Statements 2017

Clontarf Energy Plc

CLONTARF
energy PLC

Contents
for the year ended 31 December 2017

Chairman's Statement

for the year ended 31 December 2017

Junior oil explorers remain in the doldrums. The shares of listed oil exploration companies are generally friendless. Their share prices have almost all fallen and remain in, many cases, more than 90% below their peak. It is virtually impossible to raise serious money. This in turn makes it very hard to undertake meaningful grass roots exploration. The bear market in this sector has lasted for at least seven years, with little sign of improvement.

That's the bad news. The good news is that oil prices are once again at levels which can provide a huge return to successful explorers. A serious reduction in oil and gas exploration in recent years means that properties with potential become available to companies surviving in the sector.

Clontarf has taken advantage of this environment. We were successful in acquiring ground offshore Ghana initially in 2008 with revisions in 2010. In 2017, we obtained Block 18 offshore Equatorial Guinea.

The Ghana block has been the subject of ongoing wrangling for over 5 years. This is not all bad as it implies that people see value in the ground. The current position following the most recent series of discussions is an agreement to submit the licence for approval to the cabinet in Accra. No time scale has been finalised. Cabinet approval would clear the way for the next step – parliamentary approval. Given our experience no guarantees can be given.

Equatorial Guinea is an emerging oil producer in West Africa. We applied for a particular block but were awarded in June an exclusive right to negotiate an agreement on another block – Block 18. Negotiations on the general terms of the licence led to us signing a six month exclusive Memorandum of Understanding earlier this year which enables us to agree a Production Service Contract (PSC) on the block. Talks on this continue though we are yet to negotiate the detailed terms of the PSC, which will be subject to final approval by the Minister and the President.

We have a long history, across numerous countries and resources, of bringing together good technical skills, seed finance and, later, partners to prospect and explore early stage prospects. The very tough oil industry environment of recent years has seen good ground such as that in Ghana and Equatorial Guinea become available. We did outstanding work on the Ghana ground to identify numerous drill targets. If we can finalise the Equatorial Guinea negotiations we will do the same. We then attempt to bring in bigger partners to do the drilling. We did this earlier in Clontarf by bringing in Union Oil on Block 183 in Peru. Earlier still, as Pan Andean, we had joint ventures with Reliance Industries of India, CEPSA of Spain in Peru, and BHP in Bolivia.

Companies such as Clontarf do the early prospecting work, identifying good geology, negotiating workable agreements and often doing enough work to validate the potential. At this stage the multinationals appear. The projects have been de-risked to a degree while the potential has been clarified to a degree. Juniors get a return and/or a potential upside by getting a participation in a joint venture. But the once active joint venture oil exploration market is on the floor. The majors gorged on debt in the early part of the century to fund acquisitions. The collapse in the oil price has seen a serious cut in discretionary expenditure as management scramble to reduce debt. Exploration has been a major casualty.

Of course this must change as oil fields run out and supply becomes sluggish while demand continues to grow. But, explorers such as Clontarf have to survive and hold on to their ground until the majors are ready to move. Eighty dollar oil and a growing world economy suggest that the time is near. But not yet.

Political uncertainty and changing policies continue to bedevil exploration. Governments frequently set unrealistic fiscal and permitting terms which mean that great ground can be left fallow. That has happened to our ground in Peru where our partner, Union Oil, returned Block 183 to the State after failing for three years to obtain necessary permits. Earlier, we had a long and successful period of investment in Peru selling most of our assets in 2009. The decision by Union means that Clontarf now has no assets in Peru so we have written off our residual investment of just over £2.5 million. This accounts for most of the loss reported in the accounts. It does not have any impact on our cash.

Chairman's Statement *(continued)*

for the year ended 31 December 2017

Bolivia nationalised natural resource assets without compensation in 2006. Since then almost no junior company exploration capital has been invested in Bolivia. We continue to have ongoing contact with parties in the country but there is nothing to report. Ghana, with good ground and good fiscal terms, has had inordinate delays in finalising contracts – years. Obstacles are raised which companies find difficult to overcome.

The directors are aware of the need to give hope to investors. Almost ten years after negotiating an agreement in Ghana it has not been ratified and we do not know when it will be. The Equatorial Guinea block award is a positive development but it too has complications. We like our strategy of selecting good geology with politics being a secondary concern but we are considering other directions.

John Teeling
Chairman

29 May 2018

Operations Review

for the year ended 31 December 2017

- The current Ghanaian Government has committed to expediting Petroleum development, after a period of limited progress.

- Revised coordinates for Tano offshore acreage, submitted by Clontarf, are under consideration by the Ghanaian authorities.

- Deep-water acreage was awarded to Clontarf for negotiation in the 2017 Equatorial Guinea offshore Bid Round. Block EG-18 has no wells but recent 3D seismic. Ratification requires concluding a partnership on terms sufficient for funding the demanding work programme. Our approach has been to minimise up-front dilution.

- Strong oil price recovery boosts oil & gas project economics – though this has not yet fed through to the farm-out market or juniors' share prices.

The principal focus in the period ended was ongoing discussions with the Ghanaian authorities and advancing the newly awarded Equatorial Guinea Block 18 (EG-18).

Industry context:

The horizon is finally brightening for exploration juniors. The crude oil commodity market has bounced back strongly in early 2018, and this will eventually feed through to our industry:

Surviving junior explorers have survived one of the longest and steepest declines in living memory. Institutional investment had virtually dried up, with subdued enthusiasm, even among those who had profited handsomely over past cycles.

At one point the oil price had fallen to $32. Stocks were at record highs, unconventional drilling had boosted US onshore output, and many feared stagnant demand. Critics claimed that fossil fuels were history, OPEC would not reign output in, quotas would not be honoured, Russia would never participate in cuts, and any market growth would be stolen by competitor fuels.

Yet as we predicted, the 2016 OPEC + Russia deal (to limit oil output) held, with almost no net cheating – despite differing priorities and influence of key players.

Though it has already achieved its objective of cutting oil stocks to normal levels, the key players seem committed to hold current output levels – they have not even tried to fill the gap caused by a collapse in Venezuelan output.

This is the first time Russia (or the USSR) has honoured its commitments to OPEC. The Saudi-Russian marriage of convenience has survived, with the Saudi King visiting Moscow in 2017. The Saudi Crown Prince now seems committed to a 20-year arrangement. For the first time, this effectively co-opts Russia into OPEC.

Meanwhile there have been profound changes in the energy industry: Exploration expenditure has been slashed, projects delayed, which exacerbates the precarious spare capacity cushion – leaving no safety factor for a supply interruption.

Nonetheless, the consensus media and market sentiment (as of Q2 2018) remains bearish – though this is contradicted by output and demand statistics:

Oil stocks have collapsed from record levels – especially in the USA, which traders monitor closely.

Instability in key producers (itself partly caused by low prices after 2014) has jeopardised supply – especially in Venezuela, Nigeria and the Middle East. But there is still not a 'risk premium' in the current oil price.

A difference from the 2014 boom is that US fracking investment is now moderated by the bursting of speculative euphoria and greater investor realism: US fracking output peaked in 2015 and has declined. Operators now target 'sweet-spots', but this is a short-cycle industry needing continual re-investment.

Venezuelan output has fallen by circa 60% since 1999, with a sharp fall recently.

But energy stockmarket equities' prices assume a low price (circa $27 vs an actual Brent of nearly $80).

The oil price has surged by 20% (against most pundit forecasts) due to a tightening supply/demand balance since March 2018. This is based on faster than anticipated consumption growth, falling stock levels following the OPEC + Russia output cuts – exacerbated by output collapse in Venezuela and Libya, together with issues in Nigeria, Angola, apart from sanctions on Russia and Iran.

For the moment, investor sentiment remains negative on stocks exposed to oil, since many analysts are invested in new energy supplies and the economic boost from low energy costs. But the fundamentals of the oil industry are being transformed by the 2016 deal between OPEC + Russia. Production is down by nearly 2.5%, when we include production problems in Venezuela, Nigeria and the Middle East. Sanctions constrain developments in Iran and Russia.

Operations Review *(continued)*
for the year ended 31 December 2017

Meanwhile global growth has surged to over 1.5% yearly – versus the long-term average of 1.1%. Petrochemicals' demand grows strongly, especially in emerging economies. The rise of natural gas, including LNG, displaces coal rather than oil. The immediate future looks bright – though the industry will continue to follow supply/demand-driven cycles, exaggerated by political shocks – for which there is no risk premium in the oil price.

Ghana:

The Ghanaian economy is emerging from a difficult correction, with more pro-business policies being pursued by the new NPP Government.

The Ministry of Energy confirmed in May 2018 that Ghana plans to award nine western offshore petroleum blocks, 6 during 2018 and 3 in 2019 "through a mix of open competitive tender and direct negotiations".

Our focus has been on the western Tano Basin due to its proximity to current production of circa 180,000 barrels of oil daily, as well as existing infrastructure, including two gas pipelines, three operating production facilities with another Floating Production Storage and Offloading vessel (FPSO) expected by 2021.

Our group has been coordinating with the Ministry, GNPC and other relevant authorities for some years on the revised Open Tano Basin acreage. We are keen to complete the ratification process, so as to start field-work and drive forward with this important project.

The ratification process was delayed by the Ghanaian General and Presidential Election at end 2016 (originally scheduled for November, but finally occurring in December 2016), with officials and parliamentarians reluctant to sign-off shortly before a democratic change of government. The new, more business-friendly NPP administration took charge in January 2017, with parliamentary committees formed by end February 2017. It was an earlier NPP administration which had signed the original Memorandum of Understanding and Heads of Agreement with our group shortly before the end 2008 Ghanaian General and Presidential Election.

The new Minister of Energy is the Hon. Boakye Agyarko.

Ratification of the Signed Petroleum Agreement on Tano 2A Block:

Our Petroleum Agreement was signed, as required under Ghanaian law, by a Ghanaian limited company ('Pan Andean Resources Limited').

Pan Andean Resources Limited is 60% owned by Clontarf Energy plc, 30% by Petrel Resources plc - a sister company in the '162 Group', an Irish industrial / mining and petroleum investment active in Africa and worldwide. The other 10% is held by Abbey Oil & Gas Ltd., a Ghanaian company.

Now that the ratification process has been made a Ghanaian priority, we have applied for direct negotiations to finalize and implement our negotiated Petroleum Agreement on Tano 2A Block, with adjusted coordinates, in accordance with Section 10(9) of the Petroleum Exploration & Production Act 919, 2016.

The Pan Andean Group had originally signed a Memorandum of Understanding with GNPC on Tano 2A Block on 11th November 2008, and a Petroleum Agreement with GNPC on the Block in December 2008. This administration was led by the NPP, which returned to power in 2017.

We have since then acquired all Data available from GNPC and paid fully for same. We have now consolidated and integrated the GNPC Data with our regional database so as to expedite and focus the Exploration Work Programme.

Following 2017 meetings with the Ministry of Energy, the Ministry of Energy undertook to request that GNPC finalise any outstanding details, especially the revised Coordinates.

Accordingly, we submitted our proposed revised Coordinates. This included the remnant of the original Tano 2A Offshore Acreage, extended southwards into the open. If adjustments are necessary, we can dispense with the shallow north-eastern Area, so as to preserve deeper water areas.

Our Group has been coordinating with the Ministry, GNPC and other relevant Authorities for some years on the revised Open Tano Basin Acreage. We are keen to complete the Ratification Process, so as to start field-work and drive forward this important Project.

Equatorial Guinea:

Substantial deep-water acreage was awarded to Clontarf Energy for negotiation during the 2017 Equatorial Guinea offshore Bid Round.

Evolving Equatorial Guinea policy, including the recent adhesion to OPEC, opened the way to innovative juniors able to apply new thinking and approaches to historic data.

Operations Review *(continued)*
for the year ended 31 December 2017

Signing of Agreement on Block EG-18

This is an approach our group has profitably used elsewhere, from Peru to the Irish Atlantic. Accordingly in 2017, we formally applied for exploration and development acreage in Equatorial Guinea:

The acreage in the extension of the Niger delta required major up-front ‘sign-on bonuses’. But our group was invited into exclusive negotiations on EG-18, in the Rio Muni Basin, south-west of Bioko.

Clontarf Energy was awarded Block 18 (EG-18) in the Equatorial Guinea June 2017 Bid Round. The successful bidders then moved into detailed discussions. The acreage has potential but is in deep water, with uncertainties over trapping mechanisms.

Equatorial Guinea is an emerging oil & gas province in West Africa, which joined OPEC in 2017. Equatorial Guinea is a Spanish-speaking country, which has been relatively isolated since independence in 1968. Oil was discovered in 1975, but exploration and development has been largely limited to large US companies. Later, Chinese State Companies entered, with limited technology. The Ministry is now keen to develop new exploration and development approaches in order to boost output.

Clontarf has long been interested in Equatorial Guinea's deep-water potential, which is among some of the most prospective offshore areas in West Africa. EG-18 is part of the Northern Rio Muni Basin, which Clontarf has analysed. Our initial interest is in diverse Cretaceous sands plays, particularly a distal fan and turbidite channels visible on historic seismic data. This has proven a prolific play elsewhere along the Atlantic Margin and offers great potential in Equatorial Guinea.

The main risk is trap and likely structure size – given the deep water depth, and relatively demanding fiscal terms.

Until the 2017 Bid Round, Equatorial Guinea was largely perceived as the bailiwick of US majors and Chinese National Oil Corporations. For the first time, the 2017 Bid Round formally sought new ideas and fresh approaches from the diverse community of oil independents, who have delivered so much elsewhere in West Africa.

Operations Review *(continued)*

for the year ended 31 December 2017

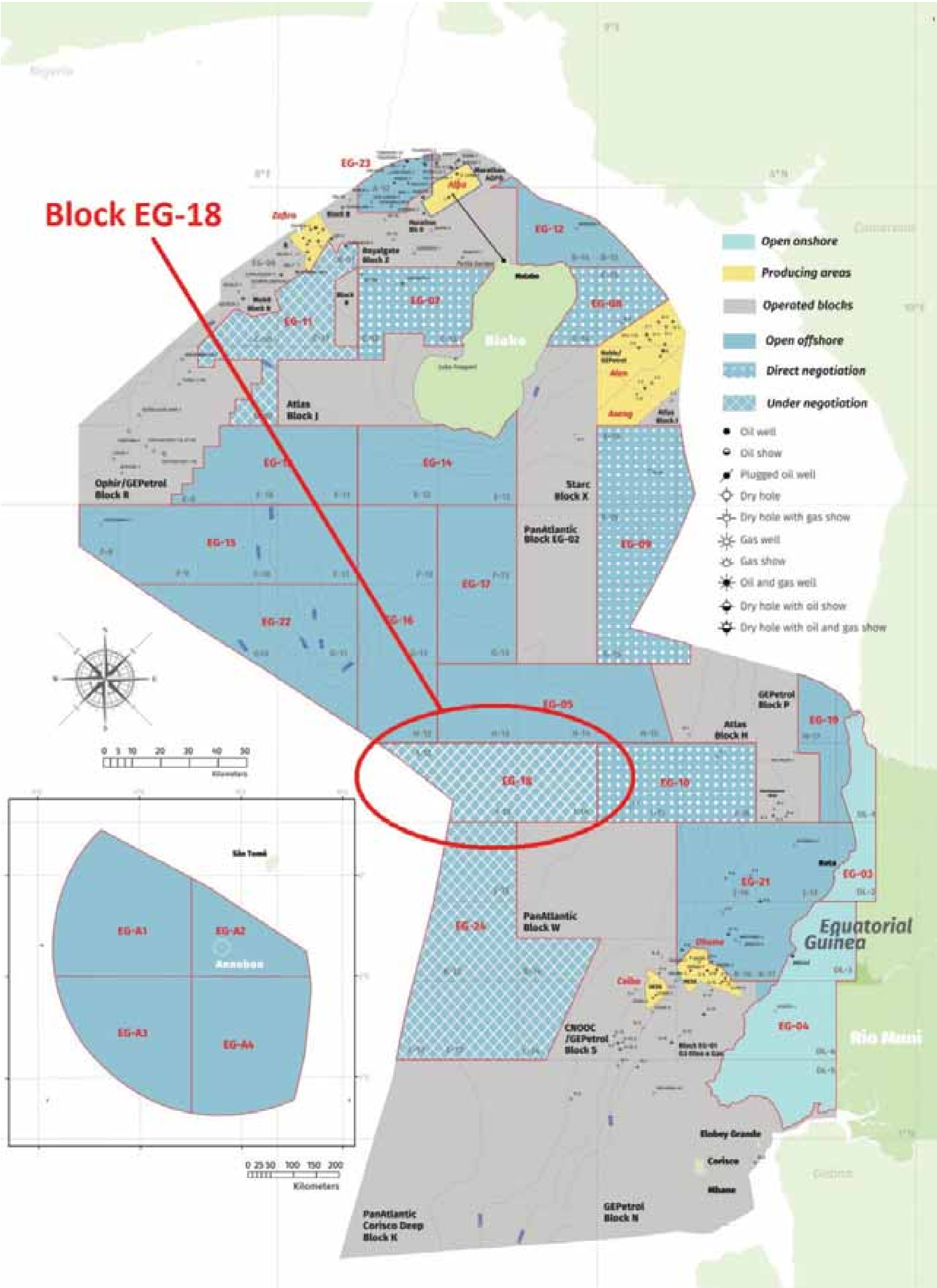


Figure 1: Block EG-18

Operations Review *(continued)*

for the year ended 31 December 2017

Block EG-18 covers approximately 5,056 km^2 of undrilled deep water acreage with several play types. Clontarf Energy's focus was on working on large structural and / or stratigraphic trap targets, which would merit the capex and opex necessary as well as the elevated state take.

The main amplitude anomaly trend is extensive, at circa 220 km^2. We believe that approaches that have worked in nearby offshore provinces could also be fruitful in Equatorial Guinea: in particular, 'mid-Cretaceous intervals' aged between 94 million years and 72 million years appear to feature meandering sand deposits across Block 18. Initial seismic interpretation suggests that a prime play could be confined turbidite channels and distal fans sealed by up-dip pinch-outs. This echoes play types we have studied elsewhere on the 'Atlantic Transform Margin' in the Cretaceous sands.

Water depth is circa 1,800m which used to be challenging for drilling, but dozens of wells have now been drilled at even greater depths. Drilling costs have fallen by about 70% since 2014. The waters are relatively benign compared to comparable depth further away from the Equator.

There is industry interest in this emerging province. In keeping with industry practice, Clontarf has had tentative discussions that may lead to productive partnerships. The farm-out market remains subdued, despite the recent oil price rally.

Details of the bid terms and discussions remain confidential, but fiscal terms are competitive for established oil producers and especially OPEC members. Total State-take is expected to be circa 70%.

Block EG-18 has no exploration wells yet, but recent 3D seismic covering most of the block has been acquired by a 3rd party seismic contractor on a speculative basis. The seismic is recent and of good quality.

However, following adverse experience elsewhere in West Africa we were keen to avoid buying this seismic data unless and until ratification had been confirmed. This led to a hiatus in the negotiations, following signature of the Memorandum of Understanding in February 2018, which delayed finalisation of the Production Sharing Agreement – the details of which we are substantially in agreement.

Following an examination of the seismic data, our technical team were able to refine the technical view of the basin:

Most of EG 18 is covered by high quality 3D data on which the seismic contractor had carried out interpretation, including AVO (amplitude variation with offset) analysis.

Leads have been identified, with AVO anomalies, at Campanian, Palaeogene and Miocene levels, and there are interesting prograding features in the Santonian and Paleocene:

– The seismic contractors' volumetrics suggest that the main East - West trending Campanian prospect (Galileo) could contain 1,000 barrels (MMstb) recoverable. Reservoir parameters used were from the Sabre field.

– The smaller Palaeogene leads, Hawking and Huygens, have potential for 215 and 488 MMstb recoverable respectively. The Bohr Miocene prospect could contain up to 1,500 MMstb recoverable.

– These are stratigraphic plays and lack 4-way structural closure. The seismic horizons shallow to the east or NE and it is difficult on the AVO maps to define the up-dip limit on both the Cretaceous and Tertiary leads. Re-interpretation may give different results - as suggested on some of the screen captures, on which a change of the seismic pick could give up-dip termination on the prospect. AVO inversion may also give better definition of permeability barriers. Lateral seal on the channel features appears to be less of a problem.

– Water depths are generally 2,500 - 3,000 m, with sub-mudline drill depths in the range 1,500-3,000+ metres.

– The first 2 years exploration period does not carry a drilling commitment, and the seismic commitment would be fulfilled by the license of the existing 3D data.

– Future work on the data would include detailed interpretation – there are major NE-trending fractures in this region and better understanding of the structural control may lead to the definition of further leads. AVO inversion could help with definition of seal of the stratigraphic leads.

– Despite the deep water, this is acreage with a range of plays.

Operations Review *(continued)*
for the year ended 31 December 2017

However, Clontarf Energy's technical team and those of prospective partners struggled with a lack of trap forming and structures and limited encouragement from the seismic amplitudes, which made EG-18 a challenge for us technically, and increasing the risk factor.

Ratification, for a junior explorer, requires concluding a partnership on terms sufficient for funding the demanding work programme. Our approach has been to minimise up-front dilution.

We signed a Memorandum of Understanding on Equatorial Guinea EG-18 in February 2018, which neighbours Kosmos Energy's acreage.

The fiscal terms discussion have gone well. The maximum state take is circa 70%.

The area has some early-stage identified prospects, require data work and interpretation before drilling.

But progress is dependent on concluding a satisfactory partnership to complete the ratification process.

Peru:

During the final quarter of 2017 Clontarf Energy was informed that operator Union Oil (the 80% owner of the concession) had returned to the Peruvian Authorities the licence held on Block 183. They gave as their reason an inability over a 3 year period to obtain the permits, particularly environmental permits, necessary to explore.

Clontarf had held a 3% royalty on revenue arising from future operations on the Block. Clontarf did not incur any liabilities as a result of Union Oil's decision but wrote off the carrying value of the asset in the financial statements for the year ending 31 December 2017. Block 183 has not been the principal focus of the Company's activities in recent years.

Though we remain positive on the geological potential of central Peru for both oil, and gas to serve the growing local market, we recognise that the operating environment has worsened since Clontarf farmed the acreage out in 2013.

Permitting, which has long been challenging in Peru, has become frustratingly slow with often unreasonable and costly conditions. Our team, first as Pan Andean and later Hydrocarbon Exploration (a wholly owned Clontarf Energy plc subsidiary) had always managed to navigate these challenges to the reasonable satisfaction of both communities and authorities.

However, since our 2013 farm-out, communities and NGOs are no longer as pro-business, following issues with some other operators in other, often distant Peruvian regions.

The economics of medium-sized, remote plays where punished particularly in a high royalty environment with low prices. Most importantly, negative news from the South American continent has killed London enthusiasm for South American oil & gas exploration.

Accordingly, the total Peruvian acreage under hydrocarbon licenses has declined since we sold our direct acreage holding in 2013 (Clontarf's predecessor had previously sold its carried and operating acreage for cash to Petrominerales in 2010), with fewer than 80 hydrocarbon Peru petro-contracts in force (of which circa 20 are exploitation, and circa 60 exploration).

Many companies had over-bid royalty commitments in bid rounds since 2007. Falling oil prices and market worries over South American fiscal terms and legal title, made it harder to honour aggressive bid terms leading to many companies dropping some or all of their acreage.

Nonetheless, exploration work on logistically accessible acreage has continued in Peru, with production growth on the back of proven resource and what remains an attractive general fiscal regime. One of the resulting discoveries was by operator CEPSA on the Block 131 acreage, which our former group company Pan Andean bid for, won and farmed out to CEPSA in 2007.

Latin American investment policies are cyclical. We will monitor opportunities, especially given the recovering oil price, and may re-enter Peru – or other nearby country – when circumstances warrant.

Strategic Report

for the year ended 31 December 2017

STRATEGY

Our strategy is the appraisal and exploitation of the assets currently owned. Concurrent 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.

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 £2,778,395 (2016: £199,628).

The directors do not propose that a dividend be paid (2016: £Nil).

FUTURE 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. Any impact on environmental matters will be determined once exploration work commences.

IMPAIRMENT

The directors monitor and assess 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.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Company's securities are traded on the AIM Market of the London Stock Exchange ("AIM"). In line with recent amendments to the AIM Rules for Companies which will take effect from 28 September 2018 the Company is considering adopting the Quoted Company Alliance ("QCA") corporate governance guidelines for AIM Companies.

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.

Strategic Report *(continued)*

for the year ended 31 December 2017

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY ***(continued)***

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.

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 18.

DIVERSITY

Both group and entity have only the directors as employees and 100% of the directors are male.

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 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.

Strategic Report *(continued)*
for the year ended 31 December 2017

RISKS AND UNCERTAINTIES ***(continued)***

Risk	Nature of risk and mitigation
Title to assets	Title to oil and gas assets in Ghana can be complex due to local practices. 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 Euro. 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 therefore the Group is exposed to country specific risks such as the political, social and economic stability of this country. 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 18.

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

Date: 29 May 2018

Directors' Report

for the year ended 31 December 2017

The directors present their annual report and the audited financial statements of the group and company for the year ended 31 December 2017.

DIRECTORS

The current directors are:

John Teeling (Chairman)
David Horgan (Managing)
James Finn (Finance)

There were no changes to the Board during the year or since year end.

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors holding office at 31 December 2017 had the following interests in the ordinary shares of the company:

	31 December 2017		1 January 2017	
	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**	38,192,755	3,000,000
J. Finn	**38,312,722**	**3,000,000**	38,312,722	3,000,000
D. Horgan	**21,950,888**	**3,000,000**	21,950,888	3,000,000

DIRECTORS' REMUNERATION REPORT

The remuneration of the directors for the years ended 31 December 2017 and 31 December 2016 was as follows:

	Salaries And Fees	
	2017	2016
	£	£
J.J. Teeling	**30,000**	30,000
J. Finn	**30,000**	30,000
D.Horgan	**30,000**	30,000

Directors' Remuneration is disclosed in Note 6 of these financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 29 June 2018 in accordance with the Notice of Annual General Meeting on pages 47 and 48 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 16. 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.

Directors' Report *(continued)*

for the year ended 31 December 2017

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 2017 and 14 May 2018:

	14 May 2018		31 December 2017	
	No. of shares	**%**	No. of shares	%
HSBC Global Custody Nominee (UK) Limited	**59,462,267**	**10.22%**	59,462,267	10.22%
Interactive Investor Services Nominees Limited	**34,103,791**	**5.86%**	34,446,919	5.92%
Roy Nominees Limited	**33,789,900**	**5.81%**	-	-
SVS (Nominees) Limited	**19,926,993**	**3.42%**	20,708,781	3.56%
Hargreaves Lansdown (Nominees) Limited	**18,584,016**	**3.19%**	22,488,883	3.87%
Renee Nominees (IOM) Limited	**-**	**-**	32,544,800	5.59%

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 22 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.

POLITICAL CONTRIBUTIONS

There were no political contributions during the current year or prior year.

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 will be proposed at the forthcoming Annual General Meeting.

By order of the Board:

James Finn
Secretary

Date: 29 May 2018

Directors' Responsibility Statement
for the year ended 31 December 2017

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. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. 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 Auditor's Report to the Members of Clontarf Energy Plc

for the year ended 31 December 2017

Independent auditor's report to the members of Clontarf Energy Plc

Opinion on the financial statements of Clontarf Energy Plc (the "company")

In our opinion the group and parent company financial statements:
- Give a true and fair view of the assets, liabilities and financial position of the group and parent company as at the financial year end date and of the loss of the group for the financial year then ended; and
- Have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2006.

The financial statements we have audited comprise:

The group financial statements:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Cash Flow Statement;
- the related notes 1 to 22, including a summary of significant accounting policies as set out in note 1.

The parent company financial statements:

- the Company Balance Sheet;
- the Company Statement of Changes in Equity;
- the Company Cash Flow Statement;
- the related notes 1 to 22, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the group financial statements is the Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB) ("the relevant financial reporting framework").

The relevant financial reporting framework that has been applied in the preparation of the parent company financial statements is the Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB) ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)*
for the year ended 31 December 2017

Independent auditor's report to the members of Clontarf Energy Plc

Material uncertainty relating to going concern

We draw attention to Note 3 to the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a net loss for the year of £2,778,395 and had net current liabilities of £610,837. As stated in note 3, these events or conditions along with other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • *Recoverability of Intangible Assets* Within this report, any new key audit matters are identified with ⌃ and any key audit matters which are the same as the prior year identified with ».
Materiality	The materiality that we used for the group financial statements was £21,000, which was determined on the basis of intangible assets.
Scoping	We determined based on an assessment two significant components. Our assessment identified Clontarf Energy Plc and Bolivian Hydrocarbon Ltd and full scope audits were performed on both.
Significant changes in our approach	No significant changes in our audit approach.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

In addition to the matter described in the Material Uncertainty relating to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)*

for the year ended 31 December 2017

Independent auditor's report to the members of Clontarf Energy Plc

Key Audit Matters (Continued)

Recoverability of Intangible Assets & Investments in Subsidiaries - Group and Parent Company	
Key audit matter description	During the year the company recognised an impairment charge of £2,551,985 and as of 31 December 2017, the carrying value of intangible assets remaining amounted to £703,023 (company: £548,023). The value of investments in subsidiaries amounted to £52,104 (company). The intangible assets relate to costs capitalised in relation to the Group's exploration activities in both the consolidated balance sheet and Parent Company balance sheet. As disclosed in note 10 & 11 to the financial statements, the recoverability and realisation of these assets is dependent on the discovery and successful development of economic oil and gas reserves which is subject to a number of risks including on going title to the license, the ability of the company to finance the development of the asset, the future profitabile production or process from the asset and the ability of the Group to raise sufficient finance to develop the projects. Refer to the accounting policy on pages 30 and 31 and the disclosures in note 10 & 11 of the financial statements.
How the scope of our audit responded to the key audit matter	We inspected the documentation around the licence, considered and challenged the directors' assessment of indicators of impairment in relation to these exploration and evaluation assets. We performed a review of the board of directors' minutes of meetings and press releases in relation to the status of the exploration activities and funding strategies, including a review of the Group's budgeted expenditure for the next 12 months. We also considered the adequacy of the disclosures included in the financial statements.
Key observations	An inherent uncertainty exists in relation to the ability of the Group to realise the exploration and evaluation assets capitalised as intangible assets, which could impact the recoverability of the investments in subsidiaries. As noted above, recoverability of these assets is dependent on the discovery and the successful development of economic oil and gas reserves, the on-going title to the license, the ability of the company to finance the development of the asset and on the future profitable production or process from the asset and the ability of the Group to raise sufficient finance to develop the projects. The financial statements do not include any adjustments relating to this uncertainty and the ultimate outcome cannot, at present, be determined. Our opinion is not modified in respect of this matter.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)*

for the year ended 31 December 2017

Independent auditor's report to the members of Clontarf Energy Plc

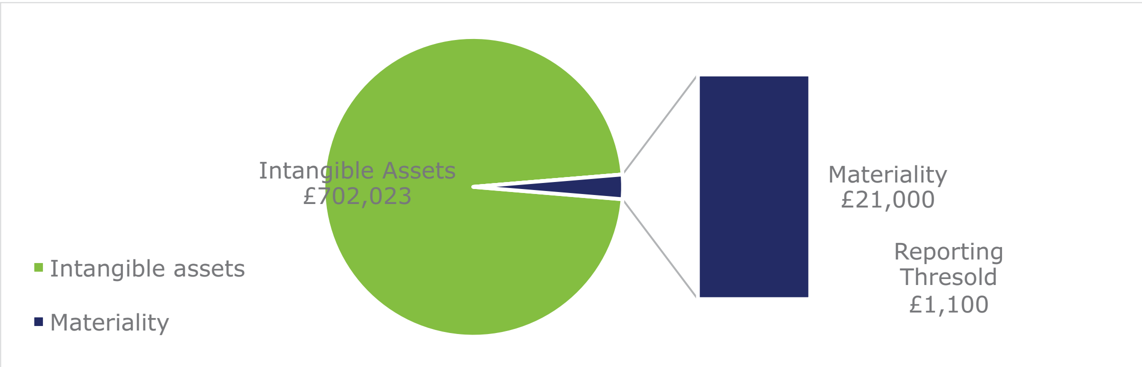
Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£21,000	£17,000
Basis for determining materiality	3% of Intangible assets	3% of Intangible assets
Rationale for the benchmark applied	We have determined that intangible assets is the appropriate benchmark considering this makes up more than 60% of the Group's total assets.	We have determined that intangible assets is the appropriate benchmark considering this makes up more than 50% of the Company's total assets.

Group materiality



We agreed with the Board of Directors that we would report to them all audit differences for the Group in excess of £1,100 and all audit differences for the Company in excess of £900 as well as differences below those thresholds that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

In approaching the audit, we considered how the Group is organised and managed. We assessed the Group to be made up of two significant components being Clontarf Energy Plc and Bolivian Hydrocarbon Ltd. Full scope audits were performed on these two significant components by Deloitte Ireland.

Component materiality levels applicable to each component were lower than Group materiality.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)*

for the year ended 31 December 2017

Independent auditor's report to the members of Clontarf Energy Plc

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to reporting in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assesses the risks of material misstatement of the entity's (or where relevant, the consolidated) financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's (or where relevant, the group's) internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)*

for the year ended 31 December 2017

Independent auditor's report to the members of Clontarf Energy Plc

Auditor's responsibilities for the audit of the financial statements (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's (or where relevant, the group's) ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e gives a true and fair view).
- Where we are required to report on consolidated financial statements, obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

For listed entities and public interest entities, we also provide those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the FRC's Ethical Standard, and communicates with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

Where we are required to report on key audit matters, from the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

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 auditor's 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.

Independent Auditor's Report to the Members of Clontarf Energy Plc *(continued)*

for the year ended 31 December 2017

Independent auditor's report to the members of Clontarf Energy Plc

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and or the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2006 which require us to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.
- We have nothing to report in respect of the provisions in the Companies Act 2006 which require us to report to you if, in our opinion, certain disclosures of directors' remuneration have not been made.

Sinéad McHugh (Senior Statutory Auditor)
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2
Ireland

Date: 29 May 2018

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2017

	Notes	2017 £	2016 £
CONTINUING OPERATIONS			
REVENUE		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Administrative expenses	4	(226,410)	(199,628)
Impairment of exploration and evaluation assets	11	(2,551,985)	-
LOSS BEFORE TAXATION	4	(2,778,395)	(199,628)
Income tax expense	8	-	-
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		(2,778,395)	(199,628)
LOSS PER SHARE – Basic and diluted	9	(0.48p)	(0.04p)

Consolidated Balance Sheet
as at 31 December 2017

	Notes	2017 £	2016 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	10	**703,023**	3,131,779
		703,023	3,131,779
CURRENT ASSETS			
Other receivables	12	**3,809**	5,273
Cash and cash equivalents	13	**433,680**	677,198
		437,489	682,471
TOTAL ASSETS		**1,140,512**	3,814,250
LIABILITIES:			
CURRENT LIABILITIES			
Trade payables	14	**(67,759)**	(53,102)
Other payables	15	**(980,567)**	(890,567)
		(1,048,326)	(943,669)
TOTAL LIABILITIES		**(1,048,326)**	(943,669)
NET ASSETS		**92,186**	2,870,581
EQUITY			
Called-up share capital	16	**1,454,612**	1,454,612
Share premium	16	**10,773,211**	10,773,211
Retained deficit		**(12,327,283)**	(9,548,888)
Share based payment reserve		**191,646**	191,646
TOTAL EQUITY		**92,186**	2,870,581

The financial statements of Clontarf Energy plc, registered number 4967918, were approved by the Board of Directors on 29 May 2018 and signed on its behalf by:

John Teeling
Director

Company Balance Sheet
as at 31 December 2017

	Notes	2017 £	2016 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	10	**548,023**	2,669,279
Investment in subsidiaries	11	**52,104**	52,104
		600,127	2,721,383
CURRENT ASSETS			
Other receivables	12	**3,806**	46,631
Cash and cash equivalents	13	**433,678**	677,196
		437,485	723,827
TOTAL ASSETS		**1,037,611**	3,445,210
LIABILITIES:			
CURRENT LIABILITIES			
Trade payables	14	**(117,759)**	(103,102)
Other payables	15	**(531,527)**	(471,527)
TOTAL LIABILITIES		**(649,286)**	(574,629)
NET ASSETS		**388,325**	2,870,581
EQUITY			
Called-up share capital	16	**1,454,612**	1,454,612
Share premium	16	**10,773,211**	10,773,211
Retained deficit+		**(12,031,144)**	(9,548,888)
Share based payment reserve		**191,646**	191,646
TOTAL EQUITY		**388,325**	2,870,581

The company reported a loss for the financial year ended 31 December 2017 of £2,482,256 (2016: £199,628).

The financial statements of Clontarf Energy plc, registered number 4967918, were approved by the Board of Directors on 29 May 2018 and signed on its behalf by:

John Teeling
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2017

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Total £
At 1 December 2016	1,135,564	10,493,259	191,646	(9,349,260)	2,471,209
Issue of shares	319,048	330,952	-	-	650,000
Share issue expenses	-	(51,000)	-	-	(51,000)
Loss for the year	-	-	-	(199,628)	(199,628)
At 31 December 2016	1,454,612	10,773,211	191,646	(9,548,888)	2,870,581
Loss for the year	**-**	**-**	**-**	**(2,778,395)**	**(2,778,395)**
At 31 December 2017	**1,454,612**	**10,773,211**	**191,646**	**(12,327,283)**	**92,186**

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 2017 and prior years.

Company Statement of Changes in Equity
for the year ended 31 December 2017

	Called-up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Deficit £	Total £
At 1 December 2016	1,135,564	10,493,259	191,646	(9,349,260)	2,471
Issue of shares	319,048	330,952	-	-	650,000
Share issue expenses	-	(51,000)	-	-	(51,000)
Loss for the year	-	-	-	(199,628)	(199,628)
At 31 December 2016	1,454,612	10,773,211	191,646	(9,548,888)	2,870,581
Loss for the year	**-**	**-**	**-**	**(2,482,256)**	**(2,482,256)**
At 31 December 2017	**1,454,612**	**10,773,211**	**191,646**	**(12,031,144)**	**388,325**

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 2017 and prior years.

Consolidated Cash Flow Statement

for the year ended 31 December 2017

	Notes	2017 £	2016 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for financial year		**(2,778,395)**	(199,628)
Impairment of exploration and evaluation assets		**2,551,985**	-
Finance costs recognised in loss		**-**	529
Exchange movement		**3,493**	468
		(222,917)	(198,631)
MOVEMENTS IN WORKING CAPITAL			
Increase in payables		**74,657**	54,848
Decrease/(Increase) in trade and other receivables		**1,464**	(75)
CASH USED BY OPERATIONS		**(146,796)**	(143,858)
Finance costs		**-**	(529)
NET CASH USED IN OPERATING ACTIVITIES		**(146,796)**	(144,387)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		**(93,229)**	(2,863)
NET CASH USED IN INVESTING ACTIVITIES		**(93,229)**	(2,863)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**-**	650,000
Share issue expenses	16	**-**	(51,000)
NET CASH GENERATED BY FINANCING ACTIVITIES		**-**	599,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(240,025)**	451,750
Cash and cash equivalents at beginning of the financial year		**677,198**	225,916
Effect of exchange rate changes on cash held in foreign currencies		**(3,493)**	(468)
Cash and cash equivalents at end of the financial year	13	**433,680**	677,198

Company Cash Flow Statement
for the year ended 31 December 2017

	Notes	2017 £	2016 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for financial year		**(2,482,256)**	(199,628)
Impairment of exploration and evaluation assets		**2,214,485**	-
Provision for intercompany receivable		**41,360**	-
Finance costs recognised in loss		**-**	529
Exchange movement		**3,493**	468
		(222,918)	(198,631)
MOVEMENTS IN WORKING CAPITAL			
Increase in payables		**74,657**	54,848
Decrease/(Increase) in trade and other receivables		**1,465**	(75)
CASH USED BY OPERATIONS		**(146,796)**	(143,858)
Finance costs		**-**	(529)
NET CASH USED IN OPERATING ACTIVITIES		**(146,796)**	(144,387)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets	16	**(93,229)**	(2,863)
NET CASH USED IN INVESTING ACTIVITIES		**(93,229)**	(2,863)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**-**	650,000
Share issue expenses	16	**-**	(51,000)
NET CASH GENERATED BY FINANCING ACTIVITIES		**-**	599,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(240,025)**	451,750
Cash and cash equivalents at beginning of the financial year		**677,196**	225,914
Effect of exchange rate changes on cash held in foreign currencies		**(3,493)**	(468)
Cash and cash equivalents at end of the financial year	13	**433,678**	677,196

Notes to the Financial Statements
for the year ended 31 December 2017

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 2017, 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) Basis of Accounting

The financial statements are prepared under the historical cost basis.

(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, 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.

Notes to the Financial Statements *(continued)*
for the year ended 31 December 2017

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.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2017

1. PRINCIPAL ACCOUNTING POLICIES ***(continued)***

(vi) Taxation ***(continued)***

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.

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”.

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.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2017

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(x) Financial Instruments *(continued)*

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 recognized 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 recognized in the statement of comprehensive income as other gains and losses.

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.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2017

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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

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.

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.

Impairment of Intangible Assets
The assessment of intangible assets for any indication of impairment involves uncertainty. There is uncertainty as to whether the exploration activity will yield any economically viable discovery. Aspects of uncertainty surrounding the Group's intangible assets include the recoverability of the asset, which is dependent upon the discovery and successful development of economic reserves, ability to be awarded exploration licences and the ability to raise sufficient finance, to develop the Group's projects. If the directors determine that an intangible asset is impaired, an allowance is recognised in the statement of comprehensive income.

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
Amendments to IAS 7 — Disclosure Initiative	1 January 2017
Amendments to IAS 12 — Recognition of Deferred Tax Assets for Unrealized Losses	1 January 2017
Annual Improvements to IFRS 2014 – 2016 Cycle – Amendments to IFRS 12	1 January 2017

Notes to the Financial Statements *(continued)*
for the year ended 31 December 2017

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

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 15 - Revenue from Contracts with Customers	1 January 2018
Amendments to IAS 40 Transfers of Investment Property	1 January 2018
IFRS 16 — Leases	1 January 2019
IFRS 9 Financial Instruments 2014	1 January 2019
IAS 19 Amendments	1 January 2019
Amendments to IAS 28 Long Term Interests in Associates and Joint Ventures	1 January 2019
IFRIC Interpretation 22 Foreign Currency Translation and Advance Consideration	1 January 2019
Annual Improvements to IFRS's 2015 – 2017 Cycle	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019

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 £2,778,395 (2016: £199,628) and had net current liabilities of £610,837 (2016: £261,198) 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 £980,567 (2016: £890,567) 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 £433,680 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

	2017	2016
	£	£
The loss before taxation is stated after charging/(crediting):		
Auditors' remuneration	**16,000**	16,000

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2017

4. LOSS BEFORE TAXATION ***(continued)***

The analysis of auditors' remuneration is as follows:

	2017	2016
	£	£
Fees payable to the group's auditors for the audit of the Group's annual accounts	**16,000**	16,000
	16,000	16,000

Details of directors' remuneration are disclosed in Note 6.

Administrative expenses comprise:

	2017	2016
Professional fees	**131,156**	123,159
Foreign exchange losses	**3,493**	468
Directors' remuneration (Note 6)	**60,000**	60,000
Other administrative expenses	**31,761**	16,001
	226,410	199,628

5. 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 organized into three segments (Peru, Equatorial Guinea and Ghana).

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

5A. Segment Revenue and Segment Result

	Segment Revenue		**Segment Result**	
	2017	2016	**2017**	2016
	£	£	**£**	£
Group				
Peru	**-**	-	**(2,473,538)**	-
Equatorial Guinea	**-**	-	**(78,447)**	-
Total continuing operations	**-**	-	**(2,551,985)**	-
Unallocated head office	**-**	-	**(226,410)**	(199,628)
	-	-	**(2,778,395)**	(199,628)

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

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2017

5. SEGMENTAL ANALYSIS *(continued)*

5B. Segment assets and liabilities

	Assets		Liabilities	
	2017	2016	**2017**	2016
	£	£	**£**	£
Group				
Peru	**-**	2,473,538	**-**	-
Ghana	**703,023**	658,241	**-**	-
Total continuing operations	**703,023**	3,131,779	**-**	-
Unallocated head office	**437,489**	682,471	**1,048,326**	943,669
	1,140,512	3,814,250	**1,048,326**	943,669

	Assets		Liabilities	
	2017	2016	**2017**	2016
	£	£	**£**	£
Company				
Peru	**-**	2,136,038	**-**	-
Ghana	**548,023**	533,241	**-**	-
Total continuing operations	**548,023**	2,369,279	**-**	-
Unallocated head office	**489,588**	775,931	**649,286**	574,629
	1,037,611	3,445,210	**649,286**	574,629

5C. Other segmental information

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Additions to non current assets				
Peru	**-**	-	**-**	-
Ghana	**44,782**	32,863	**14,782**	2,863
Equatorial Guinea	**78,447**	-	**78,447**	-
Total continuing operations	**123,229**	32,863	**93,229**	2,863
Unallocated head office	**-**	-	**-**	-
	123,229	32,863	**93,229**	2,863

Notes to the Financial Statements *(continued)*
for the year ended 31 December 2017

6. 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.

	2017 Fees: Services as director	**2017 Fees: Other services**	**2017 Total**	2016 Fees: Services as director	2016 Fees: Other services	2016 Total
	£	**£**	**£**	£	£	£
John Teeling	**5,000**	**25,000**	**30,000**	5,000	25,000	30,000
James Finn	**5,000**	**25,000**	**30,000**	5,000	25,000	30,000
David Horgan	**5,000**	**25,000**	**30,000**	5,000	25,000	30,000
	15,000	**75,000**	**90,000**	15,000	75,000	90,000

Included in the above is £30,000 (2016: £30,000) of directors' remuneration which was capitalised as exploration and evaluation expenditure during the year.

Company

	2017 Fees: Services as director	**2017 Fees: Other services**	**2017 Total**	2016 Fees: Services as director	2016 Fees: Other services	2016 Total
	£	**£**	**£**	£	£	£
John Teeling	**5,000**	**25,000**	**30,000**	5,000	25,000	30,000
James Finn	**5,000**	**25,000**	**30,000**	5,000	25,000	30,000
	10,000	**50,000**	**60,000**	10,000	50,000	60,000

Included in the above is £Nil (2016: £ Nil) 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 (2016: £Nil) and all remuneration related to short term employment benefits.

As outlined in Note 15, remuneration due to directors remains unpaid at the year end.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2017

6. RELATED PARTY AND OTHER TRANSACTIONS *(continued)*

- **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 December 2016	-	-	-	-
Overhead and office costs recharged	(13,848)	(4,998)	(23,791)	(42,637)
Repayments	13,848	4,998	23,791	42,637
Balance at 31 December 2016	-	-	-	-
Overhead and office costs recharged	**(14,228)**	**(8,633)**	(25,121)	(47,981)
Repayments	**14,228**	**8,633**	25,121	47,981
Balance at 31 December 2017	**-**	**-**	-	-

Company

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

	2017 £	2016 £
Amounts due from Bolivian Hydrocarbon Limited	**-**	41,360
Amounts due to Hydrocarbon Prospecting Limited	**(50,000)**	(50,000)
	(50,000)	(8,640)

The balances above are net of an allowance of £574,519 (2016: £533,159) against an amount due from Bolivian Hydrocarbon Limited.

7. EMPLOYEE INFORMATION

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

Notes to the Financial Statements *(continued)*
for the year ended 31 December 2017

8. INCOME TAX EXPENSE

	2017 £	2016 £
Current tax	**-**	-
Factors affecting the tax expense:		
Loss on ordinary activities before tax	**(2,778,395)**	(199,628)
Income tax calculated at 19.25% (2016: 20.25%)	**(534,841)**	(40,425)
Effects of:		
Tax losses carried forward	**534,841**	40,425
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 £7,324,541 (2016: £4,536,146) which equates to a deferred tax asset of £1,409,974 (2016: asset of £820,998). No deferred tax asset has been recognised due to the unpredictability of the future profit streams.

9. 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):

	2017 £	2016 £
Numerator		
For basic and diluted EPS	**(2,778,395)**	(199,628)
Denominator		
For basic and diluted EPS	**581,844,829**	489,628,260
Basic EPS	**(0.48p)**	(0.04p)
Diluted EPS	**(0.48p)**	(0.04p)

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

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2017

10. INTANGIBLE ASSETS

Exploration and evaluation assets:

	2017 Group £	2016 Group £	2017 Company £	2016 Company £
Cost:				
At 1 January	**8,178,324**	8,145,461	**7,715,824**	7,712,961
Additions during the year	**123,229**	32,863	**93,229**	2,863
At 31 December	**8,301,553**	8,178,324	**7,809,053**	7,715,824
Impairment:				
At 1 January	**5,046,545**	5,046,545	**5,046,545**	5,046,545
Impairment during the year	**2,551,985**	-	**2,214,485**	-
At 31 December	**7,598,530**	5,046,545	**7,261,030**	5,046,545
Carrying Value:				
At 1 January	**3,131,779**	3,098,916	**2,669,279**	2,666,416
At 31 December	**703,023**	3,131,779	**548,023**	2,669,279

	2017 Group £	2016 Group £	2017 Company £	2016 Company £
Segmental analysis:				
Peru	**-**	2,473,538	**-**	2,136,038
Ghana	**703,023**	658,241	**548,023**	533,241
	703,023	3,131,779	**548,023**	2,669,279

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

On 26 September 2017 the board of Clontarf Energy had been informed that Union Oil (the 80% owner of the concession held in Peru) had returned to the Peruvian Authorities the licence held on Block 183. They gave as their reason an inability over a 3 year period to obtain the permits, particularly environmental permits, necessary to explore.

Clontarf held a 3% royalty on revenue arising from future operations on the Block. Clontarf did not incur any liabilities as a result of Union Oil's decision but has written off the carrying value of the asset. Accordingly an impairment charge of £2,473,538 in respect of the full carrying value of the Group' Peruvian assets has been recorded by the Group in the current year.

During the year the Group incurred expenditure of £78,447 on evaluating licences in Equatorial Guinea. An impairment charge of £78,447 has been recorded by the Group in the current year in respect of those licences.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2017

10. INTANGIBLE ASSETS *(continued)*

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.

The realisation of these intangible assets is dependent on the discovery and successful development of economic oil and gas reserves, the ongoing title to the license, the ability of the company to finance the development of the asset and on the future profitable production or process from the asset 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.

11. INVESTMENTS IN SUBSIDIARIES

	2017 **£**	2016 £
Company		
Cost:		
Opening balance	**52,104**	52,104
Closing balance	**52,104**	52,104

The subsidiaries of the company at 31 December 2017 are:

	Total allotted Capital	**Country of Incorporation**	**% Ownership**	**Nature of Business**
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%	Dormant
**Endeavour Oil & Gas Inc	10,000 Shares at 10cent each	USA	100%	Dormant
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

Notes to the Financial Statements *(continued)*
for the year ended 31 December 2017

11. INVESTMENTS IN SUBSIDIARIES *(continued)*

In the opinion of the directors, at 31 December 2017, the value of the investments are not less than their balance sheet value.

The realisation of the investments in subsidiaries is dependent on the discovery and successful development of economic oil and gas reserves which is subject to a number of risks as outlined in Note 1(xi).

12. OTHER RECEIVABLES

	2017 Group £	2016 Group £	**2017 Company £**	2016 Company £
Current assets				
Prepayment	**3,809**	5,273	**3,806**	5,271
Due by group undertakings	**-**	-	**-**	41,360
	3,809	5,273	**3,806**	46,631

13. CASH AND CASH EQUIVALENTS

	2017 Group £	2016 Group £	**2017 Company £**	2016 Company £
Cash and cash equivalents	**433,680**	677,198	**433,678**	677,196

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

14. TRADE PAYABLES

	2017 Group £	2016 Group £	**2017 Company £**	2016 Company £
Trade payables	**51,759**	37,102	**51,759**	37,102
Other accruals	**16,000**	16,000	**16,000**	16,000
Due to group undertakings	**-**	-	**50,000**	50,000
	67,759	53,102	**117,759**	103,102

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.

Notes to the Financial Statements *(continued)*
for the year ended 31 December 2017

15. OTHER PAYABLES

	2017 Group £	2016 Group £	**2017 Company £**	2016 Company £
Amounts due to directors	**980,567**	890,567	**531,527**	471,527
	980,567	890,567	**531,527**	471,527

Other payables relate to amounts due to directors' remuneration of £980,567 (2016: £890,567) accrued but not paid at year end.

16. CALLED-UP SHARE CAPITAL

Allotted, called-up and fully paid:

	Number	**Share Capital £**	**Share Premium £**
At 1 January 2016	454,225,781	1,135,564	10,493,259
Issued during the year	127,619,048	319,048	330,952
Share issue expenses	-	-	(51,000)
At 31 December 2016	581,844,829	1,454,612	10,773,211
Issued during the year	-	-	-
At 31 December 2017	**581,844,829**	**1,454,612**	**10,773,211**

Movements in issued share capital
On 20 September 2016 a total of 80,000,000 shares were placed at a price of 0.50 pence per share. Proceeds were used to provide additional working capital and fund development costs.

On 22 September 2016 a total of 47,619,048 shares were placed at a price of 0.525 pence per share. Proceeds were used to provide additional working capital and fund development costs.

Share Options
A total of 8,900,000 share options were in issue at 31 December 2017 (2016: 8,900,000). These options are exercisable, at prices ranging between 0.725p and 4.6p, up to seven years from the date of granting of the options unless otherwise determined by the board.

17. MATERIAL NON-CASH TRANSACTIONS
There were no material non-cash transactions during the year other than those outlined in Note 6, Note 10, Note 11 and Note 16.

Notes to the Financial Statements *(continued)*
for the year ended 31 December 2017

18. FINANCIAL 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.

Liquidity risk
As regards liquidity, the group's exposure is confined to meeting obligations under short term trade payables agreements. This exposure is not considered significant. The terms of amounts owed to 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.

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:

	Assets		Liabilities	
	2017	2016	**2017**	2016
	£	£	**£**	£
Group				
Euro	**9,424**	12,702	**21,680**	453
US Dollar	**10,075**	847	**-**	-

	Assets		Liabilities	
	2017	2016	**2017**	2016
	£	£	**£**	£
Company				
Euro	**9,424**	12,702	**21,680**	453
US Dollar	**10,075**	847	**-**	-

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2017

18. 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, share premium 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 2017 and 31 December 2016. 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.

19. COMMITMENTS

There is no capital expenditure authorised or contracted for which is not provided for in these accounts (2016 £Nil).

20. 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 8,900,000 share options were in issue at 31 December 2017 (2016: 8,900,000) with a weighted average exercise price of 4.25p. These options are exercisable, at prices ranging between 0.725p and 4.46p 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.

21. 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 £2,482,256 (2016: £199,628).

22. POST BALANCE SHEET EVENTS

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

Notice of Annual General Meeting

for the year ended 31 December 2017

Notice is hereby given that an Annual General Meeting of Clontarf Energy plc ("the Company") will be held at the Hilton Paddington Hotel, 146 Praed Street, London W2 1EE on 29 June 2018 at 10.30am for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Directors' Report, Audited Accounts and Auditor's Report for the year ended 31 December 2017

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

3. To re-elect Deloitte 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 £5,000,000 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 substituting 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 that allotment of equity securities up to an aggregate nominal amount of £5,000,000; 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 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.

For Consideration

To consider in accordance with section 656 Companies Act 2006 whether any, and if so what, steps should be taken to deal with the situation that the net assets of the Company are less than half its called up share capital.

By order of the Board.

James Finn
Secretary

Registered Office: Suite 1 3rd Floor, 11-12 St. James Square, London, SW1Y 4LB
Registered in England and Wales with company number: 04967918

29 May 2018

Notice of Annual General Meeting *(continued)*

for the year ended 31 December 2017

Notes:

1. A member 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. The appointment of a proxy will not preclude a member from the Meeting and voting in person.
2. To be effective, the completed Form of Proxy duly signed, together with the power of attorney (if any) or other authority under which it is executed, or a notarially certified copy thereof, 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. A shareholder wishing to appoint a proxy by electronic means may do so on www.eproxyappointment.com. A shareholder who wishes to appoint more than one proxy by electronic means must contact the Registrar by sending an email to clientservices@computershare.ie.
3. A shareholder may appoint more than one proxy to attend, speak, ask questions and vote at the meeting provided each proxy is appointed to exercise rights attached to different shares held by that shareholder. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on +353 1 216 3100 or you may photocopy the proxy form. Please indicate in the box next to the proxy holder's name on the Form of Proxy the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided in the Form of Proxy if the proxy instruction is one of multiple instructions being given. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name on the Form of Proxy the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if the Form of Proxy has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). All Forms of Proxy must be signed and should be returned together in the same envelope. Where a poll is taken at the Meeting, a shareholder, present in person or proxy, holding more than one share is not required to cast all their votes in the same way.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
5. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a' Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
6. Pursuant to the Regulation 41 of the Uncertificated Securities Regulation 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the date of the meeting (or in the case of an adjournment as at close of business on the day which is 2 days before the date of the adjourned meeting). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 10a.m. on 27 June 2018 (or in the case of an adjournment as at 48 hours before the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Directors and Other Information

DIRECTORS	John Teeling (Chairman) David Horgan (Managing) James Finn (Finance)
SECRETARY	James Finn
REGISTERED OFFICE	Suite 1, 3rd Floor 11-12 St. James's Square London, SW1Y 4LB United Kingdom
DUBLIN OFFICE	162 Clontarf Road Dublin 3 Ireland Telephone +353 1 833 2833 Fax +353 1 833 3505
STATUTORY AUDITORS	Deloitte Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
COMPANY REGISTRATION NUMBER	04967918
SOLICITORS	McEvoy Corporate Law 22 Fitzwilliam Place Dublin 2 Ireland
BANKERS	Barclays Bank plc Two Park Place Hatch Street Upper Dublin 2 Ireland
NOMINATED ADVISOR AND JOINT BROKER	Northland Capital Partners Limited 60 Gresham Street, 4th Floor London, EC2V 7BB United Kingdom
JOINT BROKER	Novum Securities Limited 8-10 Grosvenor Gardens London, SW1W 0DH United Kingdom
REGISTRARS	Computershare Investor Services (Ireland) Limited Heron House, Corrig Road Sandyford Industrial Estate Dublin 18 Ireland

Clontarf Energy Plc
Suite 1, 3rd Floor, 11-12 James's Square, London SW1Y 4LB
Company Registration Number 04967918

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