EQUATORIAL PALM OIL PLC

(formerly EQUATORIAL BIOFUELS PLC)

ANNUAL REPORT AND ACCOUNTS

For the year ended 31 December 2008

Registered Number 5555087

Contents

COMPANY INFORMATION

Directors	Michael Frayne (Executive Chairman) Peter Bayliss (Managing Director) Geoff Brown (Executive Director) Anthony Samaha (Non-Executive Director) Joseph Jaoudi (Non-Executive Director) Ross Warner (Non-Executive Director - resigned March 2009)
Secretary and Registered Office	John Bottomley One America Square Crosswall London EC3N 2SG
Auditors	Chapman Davis LLP 2 Chapel Court London SE1 1HH
Solicitors	Watson, Farley & Williams LLP 15 Appold Street London EC2A 2HB
Bankers	HSBC Bank Plc 39 Tottenham Court Road London W1T 2AR
Registrars	Share Registrars Ltd Craven House West Street Farnham Surrey GU9 7EN

CHAIRMAN'S STATEMENT

It has been an extremely challenging period for Equatorial Palm Oil Plc ("the Company" or "EPO") since the Company sought admission to AIM in June 2008. However, I believe we have weathered the storm and the opportunity is still with us to move forward and build EPO into a significant producer of sustainable palm oil products in Africa.

Following the conclusion of the extensive renegotiation process with the Government of Liberia in late 2007, the year 2008 started with great excitement with the Company holding two existing plantation concessions in Liberia, a highly experienced management team and a clear AIM IPO funding path and business plan to restart production at our existing plantations and roll-out planting of our "world class" land bank.

The Company commenced marketing to raise funds in May/June 2008 and whilst we received a positive response from institutional investors, we were overtaken by the significant slow down on financial markets over the Summer, which then deteriorated dramatically over the course of 2008 and into 2009.

After the proposed listing was put on hold, the Company pursued a number of alternative funding paths, including private equity, sovereign funds and strategic partners. During this time, Directors of the Company and their associated entities have been supporting EPO financially as management and staff continue to progress work on the ground in Liberia. As at 31 December 2008, this financial support from Directors and associated entities totalled £0.688 million.

In early November 2008, EPO signed a term sheet with two major private equity investors to invest in the Company. Again, this process was hampered by the global economic downturn and instead of reaching a planned closing by the end of 2008, it was delayed until 2009 and was ultimately not able to be completed.

During the period, the Company continued to progress operations on the ground in Liberia, as further outlined in the operations report. EPO has completed a number of studies and assessments, has reopened schools and first aid posts on the plantations, and currently employs approximately 180 people in Liberia, working on, and for, the plantations, providing much needed employment.

In August 2009, the Company signed an MOU to merge operations with Agriterra Limited ("Agriterra"), an African focused Agricultural company listed on AIM. After due diligence and a site visit by Agriterra, the MOU was terminated in September 2009 as Agriterra decided the palm oil sector was not the right fit with its existing operations. Whilst it was disappointing the transaction with Agriterra did not proceed, the Company has received renewed positive market interest towards an IPO and admission of EPO to AIM. The Company is currently working with its broker, Mirabaud Securities, towards achieving this.

I remain very positive on the prospects for investment in a sustainable palm oil development in Liberia. Whilst palm oil prices were negatively impacted in late 2008 by the global financial crisis, they have recovered well on the back of strong global demand for palm oil, and the restricted availability of suitable locations for new sustainable palm oil developments.

The potential of Liberia for development is highlighted by Sime Darby, the world's largest listed oil palm producer, signing an investment agreement with the Government of Liberia in May 2009, to invest up to USD800 million in the development of oil palm and rubber plantations in Liberia. Following this announcement, the Company has had meaningful and positive discussions with a number of large South East Asian plantation companies, as well as major trading houses, which have potential to evolve into joint ventures and/or strategic partnerships in the future.

During the year, we were very pleased to welcome to the Board, Peter Bayliss as Managing Director, Geoff Brown as Executive Technical Director and Joe Jaoudi as a Non-Executive Director. Together Peter and Geoff have over 60 years experience in the management and development of large scale oil palm plantations, including with New Britain Palm Oil. Joe, who owned and operated the Palm Bay plantation, has extensive experience in operating in Liberia.

We have come through an extraordinarily difficult global economic period and, notwithstanding the Company's challenging financial position, approach the end of 2009 with cautious optimism as the holder of two oil palm concessions and world class land development bank in Liberia, a highly experienced management team in place, and an active plan to pursue an IPO funding and admission to AIM by December.

The Group loss of £1.41 million for the year ended 31 December 2008 includes the write-off of over £0.35 million in costs of the proposed listing on AIM in 2008 and a provision of £0.26 million in respect of the recoverability of a deposit paid and holding costs for a palm oil processing mill. The Group's net current liabilities of £1.833 million as at 31 December 2008 highlight EPO's difficult financial challenges and include loans from Directors and associated entities of £0.688 million.

Finally, I would like to thank my fellow directors and all the staff, advisors and suppliers for their support and efforts to date.

Michael Frayne
Chairman

16 October 2009

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group for the year ended to 31 December 2008.

Name Change

The Company name was changed from Equatorial Biofuels plc on 2 May 2008 to Equatorial Palm Oil plc.

Principal Activities and Review of Operations

The principal activities of the Group are the evaluation and development of the cultivation of oil palms for the production of crude palm oil and associated products in Liberia.

The Group holds two concession agreements with the Government of Liberia for the investment, rehabilitation and participation by the Group over 10,200 hectares of existing oil palm plantations and a further 78,548 hectares of agricultural land for development into oil palm plantations. The concession agreements are held by the wholly owned subsidiaries LIBINC Oil Palm Inc ("LIBINC") and Liberia Forest Products Inc ("LFPI") and include respectively the Palm Bay plantation in Grand Bassa County and the Butaw plantation in Sinoe County.

In addition, the Group has entered into a memorandum of intent with the River Cess County to establish a joint venture to develop oil palm plantations over at least a further 80,000 hectares.

The Group has established a significant on the ground operational and administrative presence in Liberia. The management team includes extensive oil palm plantation, agronomy and Liberia experience and expertise. The management and operations team and personnel provide the foundation for expansion as the Group ramps up through feasibility and development phases on securing additional funding.

The Group's concession agreements, signed by the Government of Liberia in December 2007, were forwarded to the legislature for review by the Senate and House of Representatives and were subsequently ratified in May 2008 during the fifty second legislature of the Republic of Liberia. Finally in August 2008, the act ratifying the Group's concession agreements was published by the Ministry of Foreign Affairs.

A number of preliminary operational activities have been undertaken at both concession areas.

Mapping surveys were undertaken to identify and where necessary replace boundary markers demarcating the concession boundaries. These surveys also involved identifying the boundaries of the previously planted areas on both concessions, the location of watercourses, infrastructure (both active and abandoned existing within the concession boundaries) and the commencement of a programme to locate and identify areas of smallholders who had previously supplied crop to the processing plants at both concessions. These surveys were carried out in conjunction with suitably qualified Liberian contractors and provide important information to enable the compilation of rehabilitation and development programmes for the two concessions.

A further survey was carried out at LIBINCO's concession area to compile a comprehensive demographic and social report on the existing inhabitants and ongoing economic activities in and around the concession boundaries. This study has provided valuable baseline data on population numbers and activities at Palm Bay and the findings are crucial in developing the rehabilitation and development programme for the concession and the existing smallholder plantings in the surrounding communities.

A series of technical surveys focusing on agronomic and processing issues on both concessions were carried out in the first quarter of 2008 at the two concessions by experienced oil palm industry consultants from Europe and Malaysia. The findings of these surveys have been incorporated into the rehabilitation and development plans drawn up for the two concessions.

Preliminary field activities have been undertaken at Palm Bay and Butaw engaging up to 140 Liberian workers. These workers are engaged in clearing and maintaining roads, boundary lines and enabling access to be made to all areas of the existing plantings on both concessions. A number of potential oil palm nursery sites have been identified on each concession ready for the establishment of permanent seedling nurseries once funding becomes available.

Existing social infrastructure has been upgraded at both concessions with old factory sites, office and workshop facilities and housing all cleared and maintained. Preliminary surveys and development plans have been prepared for the rehabilitation and construction of priority social infrastructure including schools, clinics, housing and associated water and sanitation facilities in due course. First-aid posts have been renovated at both concessions with a team of qualified health workers already employed at Butaw to provide basic health care to inhabitants of the concession. The facility is supplied with drugs and treats on average 500 to 600 outpatients per month. Plans are in place for the first-aid post at Palm Bay to be staffed and become fully operational in late 2009. Suitably qualified teaching staff have been recruited and the elementary school at Palm Bay re-opened providing education services for 351 students throughout the primary age group. In addition, on site security teams were established in February 2008 in collaboration with the Liberian National Police and county magistrates.

Results and Dividends

Loss on ordinary activities of the group after taxation amounted to £1,409,943 (2007: Loss £373,592).

The Directors do not propose the payment of a dividend.

Key Performance Indicators

The activities of the Group in the evaluation and development of the cultivation of oil palms for the production of crude palm oil and associated products in Liberia have been constrained by the available capital. In preparation for the rehabilitation and development of the two palm oil concessions in Liberia upon securing further funding, the Group has successfully undertaken preliminary operational and field activities.

The Group has undertaken extensive technical and mapping surveys, and clearing activities enabling access to all areas on the existing plantations. A number of potential oil palm nursery sites have been identified on each concession ready for the establishment of permanent seedling nurseries once further funding is secured.

In addition, the Group has successfully undertaken demographic and social surveys and prepared development plans for the rehabilitation and construction of priority social infrastructure, including schools, clinics, housing, water and sanitation facilities once further funding is secured. A first-aid post staffed by qualified health works has been established at Butaw to provide basic health care to inhabitants of the concession. In addition, the Group has established an elementary school with suitably qualified teaching staff at Palm Bay.

The Group net current liabilities at 31 December 2008 were £1.833 million.

Directors and Directors Interests

The Directors who served during the period to 31 December 2008 had, at that time, the following beneficial interests in the shares of the Company:

	31 December 2008	**31 December 2007**
Michael Frayne[1]	466,666	466,666
Ross Warner[2] (Resigned 26 March 2009)	100,000	100,000
Anthony Samaha[3]	345,000	345,000
Geoff Brown (Appointed 12 March 2008)	-	-
Joseph Jaoudi (Appointed 17 March 2008)	5,345,000	-
Peter Bayliss (Appointed 20 May 2008)	-	-

Notes:

1 The shares are held by Adelise Services Ltd. The interest is a beneficial interest.
2 The shares are held by Bournemead International Ltd. The interest is a beneficial interest.
3 The Shares are held by Reabold Ltd. The interest is an indirect beneficial interest
4 Joseph Jaoudi's 5,345,000 Ordinary Shares are held as follows: (a) 3,100,000 Ordinary Shares held directly by Mr Jaoudi; and (b) 2,245,000 Ordinary Shares held by Argico Limited, a company which is held as to 100% by Mr Jaoudi

Substantial shareholdings

As at 7 October 2009 the following shareholdings were registered as being interested in 3% or more of the Company's issued share capital, other than Directors holdings as previously disclosed under Directors Interests above:

	Ordinary shares of £0.01 each	Percentage of issued share capital
Joseph Jaoudi	3,100,000	9.7%
Canaccord Nominees Limited	2,466,666	7.7%
Argico Limited	2,245,000	7.0%
Gertrude Govaert	1,675,000	5.2%
Subsea BV	1,500,000	4.7%
Chase Nominees Limited	1,250,000	3.9%
Securities Services Nominees Limited	1,166,666	3.6%
Fitel Nominees Limited	1,000,000	3.1%
Frankston Universal Limited	1,000,000	3.1%
OMX Securities Nominees Limited	990,966	3.1%

Share Capital

On 25 January 2008 the number of shares issued and fully paid was increased from 206,000,000 old ordinary shares of 0.1p each to 236,000,000 old ordinary shares by the issue of 30,000,000 old ordinary shares as consideration for the acquisition by the Company's subsidiary of the entire beneficial interest held in Liberia Forest Products Incorporated ("LFPI").

On 19 February 2008 the number of shares issued and fully paid was increased from 236,000,000 old ordinary shares of 0.1p each to 320,200,000 old ordinary shares by the issue of 84,200,000 old ordinary shares as consideration for the acquisition by the Company's subsidiary of the entire beneficial interest held in LIBINC Oil Palm Inc ("LIBINCO").

On 14 April 2008 the Company effected a 1 for 10 consolidation of the old ordinary shares into existing ordinary shares of 1p each giving an authorised share capital of 100,000,000 ordinary shares of which 32,020,000 existing ordinary shares of 1p each have been issued.

Charitable and Political Donations

During the period there were no charitable or political donations.

Payment of Suppliers

It is Group policy to settle all debts with creditors on a timely basis and in accordance with the terms of credit agreed with each supplier. During the period, the Group was unsuccessful in raising sufficient funding to meet all its current liabilities, particularly costs associated with the proposed IPO in June 2008. As a result, management worked with vendors and service providers to keep them informed of our position and establish payment plans where appropriate.

Insurance

The group maintained insurance in respect of its Directors and Officers against liabilities in relation to the group.

Post Balance Sheet Events

At the date these financial statements were approved, being 16 October 2009, the Directors were not aware of any significant post balance sheet events other than those set out in Note 23 to the Financial Statements.

Going Concern

The Group does not have sufficient cash to meet its current obligations and needs to raise further funding in order to meet its current liabilities and be able to continue to trade. The Directors are sufficiently confident about raising sufficient funds for the Company to be a going concern, and therefore the financial statements of the Company are prepared on a going concern basis.

Employment Policies

The group is committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure the ongoing success for the business. Employees and those who seek to work with the group are treated equally regardless of sex, marital status, creed, age, colour, race or ethnic origin.

Details of the director emoluments and payments made for professional services rendered are set out in notes 7 and 8 to the financial statements.

Health & Safety

The group's aim is to maintain its record of workplace safety. In order to achieve this objective the group provides training and support to employees and sets demanding standards for workplace safety.

Auditors

The auditors, Chapman Davis LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

Remuneration

The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes it upholds the objectives of the Company with regard to this issue.

Details of directors' emoluments and payments made for professional services rendered are set out in notes 7 and 8 to the financial statements.

Corporate Governance

The Directors are committed to maintaining high standards of corporate governance. The Directors have established procedures, so far as is practicable, given the Company's size, to comply with the Combined Code as modified by the recommendations of the Quoted Companies Alliance. The Company has adopted and operates a share dealing code for directors and senior employees on substantially the same terms as the Model Code appended to the Listing Rules of the UKLA.

The Board

The Board meets regularly throughout the year. To enable the Board to perform its duties, each of the Directors has full access to all relevant information and to the services of the Company Secretary. If necessary the non-executive directors may take independent professional advice at the Company's expense. The Board currently includes two non-executive directors. The Board has delegated specific responsibilities to the committees described below.

The Audit committee

The audit committee comprised Anthony Samaha (Chair) and Ross Warner during the period ended 31 December 2008 and met once during this period. The committee reviews the Company's annual and interim financial statements before submission to the Board for approval. The committee also reviews regular reports from management and the external auditors on accounting and internal control matters. When appropriate, the committee monitors the progress of action taken in relation to such matters. The committee also recommends the appointment of, and reviews the fees of, the external auditors.

The Remuneration committee

The remuneration committee is made up of Anthony Samaha (Chair) and Michael Frayne. The remuneration committee met once during the period ended 31 December 2008. It is responsible for reviewing the performance of the Executive Directors and for setting the scale and structure of their remuneration, paying due regard to the interests of shareholders as a whole and the performance of the Company.

Control Procedures

The Board has approved financial budgets and cash forecasts. In addition, it has implemented procedures to ensure compliance with accounting standards and effective reporting.

Business Risks and Uncertainties

The Group is subject to the risks arising from the need to procure further funding to meet its current commitments and continue to trade. Reference is made to the Going Concern note.

The Group's business is subject to risks inherent in the oil palm sector. In addition, there are risks associated with the jurisdictions where the Group operates. The Company has identified certain risks pertinent to its business including: agricultural and environmental risks, availability of financing, volatility of palm oil prices, dependence on key personnel, costs and availability of materials and services, foreign currency risk and Liberian economic and political risks.

Provision of information to auditors

As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken appropriate steps to ensure that they are aware of such relevant information, and that the company's auditors are aware of that information.

Annual General Meeting

This report and financial statements will be presented to shareholders for their approval at the Annual General Meeting ('AGM'). The notice of the AGM will be distributed to shareholders together with the Annual Report.

By order of the Board

Anthony Samaha
Director

16 October 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' Responsibilities for the Financial Statements

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the annual report includes information required by the Alternative Investment Market.

The maintenance and integrity of the Company's website is the responsibility of the directors. The work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS REPORT
for the year ended 31 December 2008

TO THE SHAREHOLDERS OF EQUATORIAL PALM OIL PLC (Registered Number 5555087)

We have audited the financial statements of Equatorial Palm Oil Plc for the year ended 31 December 2008 which comprises the group income statement, the group and company statement of changes in shareholders' equity, the group and parent company balance sheets, the group and parent company cash flow statement and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITES OF DIRECTORS AND AUDITORS

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS), as adopted by the EU.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and as regards the group financial statements, Article 4 of the IAS Regulations. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, of if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the other information contained within the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's statement, the operating and financial review and the Director's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT
for the year ended 31 December 2008 continued.../

OPINION

In our opinion, the financial statements;

- give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, of the state of affairs of the company and of the group as at 31 December 2008 and of the loss of the group for the period then ended;
- have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulations; and
- the information given in the directors' report is consistent with the financial statements.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in the Going Concern paragraph within accounting policies and reiterated within the Directors' Report concerning the Company's ability to continue as a going concern.

The Group has incurred a loss in the year of £1,410,000 and has net current liabilities as at 31 December 2008 of £1,833.000. These conditions cast significant doubt about the Company's ability to continue as a going concern in the absence of further funding as disclosed within the Going Concern paragraph within accounting policies and reiterated within the Directors' Report. The uncertainty surrounding further funding raises doubts concerning whether the Company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Chapman Davis LLP
Chartered Accountants and Registered Auditor
London
16 October 2009

GROUP INCOME STATEMENT
For the period 1 January 2008 to 31 December 2008

	Note	2008 £'000	2007 £'000
Administrative expenses		(1,395)	(458)
Operating loss	3	(1,395)	(458)
Interest received	4	12	84
Interest payable	4	(27)	-
Loss on ordinary activities before taxation		(1,410)	(374)
Taxation on loss on ordinary activities	5	-	-
Loss for the financial year		(1,410)	(374)
Loss per share expressed in pence per share			
- Basic & diluted (2007 restated for share consolidation)	9	(4.6)p	(1.8)p

All of the operations are considered to be continuing.

A separate Statement of Recognised Income and Expense is not required.

The notes on pages 20 to 32 form part of these financial statements.

GROUP BALANCE SHEET
As at 31 December 2008

	Note	2008 £'000	2007 £'000
ASSETS			
Non-current assets			
Intangible assets	11	6,663	2,388
Investments	13	-	-
Plant and equipment	15	75	103
		6,738	2,491
Current assets			
Other receivables	16	14	81
Cash & cash equivalents	20	18	1,142
		32	1,223
LIABILITIES			
Current liabilities			
Trade and Other payables	17	1,091	284
Short term borrowings	18	774	-
		1,865	284
Net current (liabilities)/assets		(1,833)	939
NET ASSETS		4,905	3,430
SHAREHOLDERS' EQUITY			
Share Capital	19	320	206
Share premium		6,175	2,863
Equity reserve	19	-	900
Other reserves		377	18
Retained loss		(1,967)	(557)
Total equity		4,905	3,430

The financial statements were approved by the Board of Directors on 16 October 2009 and were signed on its behalf by:

Michael Frayne
Chairman

Anthony Samaha
Director

The notes on pages 20 to 32 form part of these financial statements.

COMPANY BALANCE SHEET
As at 31 December 2008

	Note	2008 £'000	2007 £'000
ASSETS			
Non-current assets			
Intangible assets	11	-	-
Investments	13	-	-
Plant and equipment	15	44	62
		44	62
Current assets			
Other receivables	16	6,420	2,543
Cash & cash equivalents	20	18	1,137
		6,438	3,680
LIABILITIES			
Current liabilities			
Trade and Other payables	17	1,091	284
Short term borrowings	18	774	-
		1,865	284
Net current assets		4,573	3,396
NET ASSETS		4.617	3,458
SHAREHOLDERS' EQUITY			
Share capital	19	320	206
Share premium		6,175	2,863
Equity reserve	19	-	900
Other reserves		21	21
Retained loss		(1,899)	(532)
Total equity		4,617	3,458

The financial statements were approved by the Board of Directors on 16 October 2009 and were signed on its behalf by:

Michael Frayne
Chairman

Anthony Samaha
Director

The notes on pages 20 to 32 form part of these financial statements.

CASH FLOW STATEMENT
For the period 1 January 2008 to 31 December 2008

	Group 2008 £'000	Group 2007 £'000	Company 2008 £'000	Company 2007 £'000
Cash flows from operating activities				
Operating Loss	(1,395)	(458)	(1,352)	(437)
Decrease/(Increase) in trade and other receivables	67	-	(1,351)	(850)
Increase in trade and other payables	807	140	807	140
Depreciation	48	39	23	26
Net cash outflow from operating activities	(473)	(279)	(1,873)	(1,121)
Cash flows from investing activities				
Interest Received	12	84	12	84
Payments to acquire investments	-	(48)	-	-
Payments to acquire intangible assets	(1,405)	(773)	-	-
Payments to acquire tangible assets	(5)	(30)	(5)	(10)
Net cash (outflow)/inflow from in investing activities	(1,398)	(767)	7	74
Cash flows from financing activities				
Short term borrowings	774	-	774	-
Issue of ordinary share capital	-	-	-	-
Share issue costs	-	-	-	-
Interest paid	(27)	-	(27)	-
Net cash inflow from financing activities	747	-	747	-
Net increase in cash and cash equivalents	(1,124)	(1,046)	(1,119)	(1,047)
Cash and cash equivalents at beginning of period	1,142	2,188	1,137	2,184
Cash and cash equivalents at end of period	18	1,142	18	1,137

The notes on pages 20 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2008

	Called up share capital	Share premium reserve	Foreign currency translation reserve	Equity reserve	Share based payment reserve	Retained earnings	Total equity
Group	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
As at 1 January 2007	**206**	**2,863**	**(1)**	**-**	**21**	**(183)**	**2,906**
Share capital issued (Note 19)	-	-	-	900	-	-	**900**
Cost of share issue	-	-	-	-	-	-	**-**
(Loss) for the year	-	-	-	-	-	(374)	**(374)**
Share based payments	-	-	-	-	-	-	**-**
Currency translation differences	-	-	(2)	-	-	-	**(2)**
As at 31 December 2007	**206**	**2,863**	**(3)**	**900**	**21**	**(557)**	**3,430**
As at 1 January 2008	**206**	**2,863**	**(3)**	**900**	**21**	**(557)**	**3,430**
Share capital issued (Note 19)	114	3,312	-	(900)	-	-	**2,526**
Cost of share issue	-	-	-	-	-	-	**-**
(Loss) for the year	-	-	-	-	-	(1,410)	**(1,410)**
Share based payments	-	-	-	-	-	-	**-**
Currency translation differences	-	-	359	-	-	-	**359**
As at 31 December 2008	**320**	**6,175**	**356**	**-**	**21**	**(1,967)**	**4,905**

The notes on pages 20 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2008

	Called up share capital	Share premium reserve	Foreign currency translation reserve	Equity reserve	Share based payment reserve	Retained earnings	Total equity
Company	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2007	**206**	**2,863**	**-**	**-**	**21**	**(178)**	**2,912**
Share capital issued (Note 19)	-	-	-	900	-	-	**900**
Cost of share issue		-	-	-	-	-	**-**
(Loss) for the year		-	-	-		(354)	**(354)**
Share based payments	-	-	-	-	-	-	**-**
Currency translation differences	-	-	-	-	-	-	**-**
As at 31 December 2007	**206**	**2,863**	**-**	**900**	**21**	**(532)**	**3,458**
As at 1 January 2008	**206**	**2,863**	**-**	**900**	**21**	**(532)**	**3,458**
Share capital issued (Note 19)	**114**	**3,312**	**-**	**(900)**	**-**	**-**	**2,526**
Cost of share issue		**-**	**-**	**-**	**-**	**-**	**-**
(Loss) for the year		**-**	**-**	**-**		**(1,367)**	**(1,367)**
Share based payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Currency translation differences	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2008	**320**	**6,175**	**-**	**-**	**21**	**(1,899)**	**4,617**

The notes on pages 20 to 32 form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
For the period 1 January 2008 to 31 December 2008

1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

Authorisation of financial statements

The consolidated financial statements of Equatorial Palm Oil Plc for the year ended 31 December 2008 were authorised for issue by the Board on 16 October 2009 and the balance sheets signed on the Board's behalf by Michael Frayne and Anthony Samaha.

Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Equatorial Palm Oil Plc and its subsidiaries (the 'Group') as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Revenue

The Group had no revenue during the year.

Foreign currencies

The consolidated financial statements are stated in thousands of Sterling (£), which is the reporting currency of the Group and the Company and all values are rounded to the nearest £'000 unless otherwise stated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. All other differences are taken to the income statement. The relevant exchange rates for pounds Sterling (GBP) to United States Dollars (USD) and Australian Dollars (AUD) used at year end were respectively USD:GBP – 1.45 and AUD:GBP – 2.08.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Intangible assets

Intangible assets are recognised if it is probable that they will provide a future economic benefit to the Company and are recorded at cost less eventual amortisation and provision for impairment in value.

The costs in respect of project evaluation and the development of the cultivation of oil palms are capitalised at cost. The developments are not yet at a stage where accounting for biological assets, under IAS 41, is deemed necessary.

Goodwill on consolidation is capitalised and shown within intangible assets. Positive goodwill is subject to an annual impairment review, and negative goodwill is immediately written-off to the income statement when it arises.

Investment

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value, prior to their elimination on consolidation.

Where the Group has entered into a contract to acquire a company, and the acquisition has not been completed at the balance date, but it is probable that the acquisition will be completed and provide a future economic benefit to the Group, the costs incurred in respect of that acquisition are capitalised.

Impairment of non-financial assets

Non-financial assets and identifiable intangibles, other than exploration and evaluation assets, are reviewed for impairment each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected undiscounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognised and measured using the asset's fair value or discounted cash flows.

Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Plant and Equipment	25% - 33%
Vehicles	20%

All assets are subject to annual impairment reviews.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in used in the computation of taxable profit and is accounted for using the balance sheet liability method. 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.

Share-based payments

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

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received, except where it is in respect to costs associated with the issue of securities, in which case it is charged to the share premium account.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is determined using a Black-Scholes model.

Financial Instruments

The Group's financial assets consist of cash and trade and other receivables.

Cash consists of cash on hand and cash held on current account or on short-term deposits at variable interest rates. Any interest earned is accrued monthly and classified as interest.

Trade and other receivables are stated at cost less impairment losses.

The Group's financial liabilities consist of trade and other payables, which are stated at their cost. All interest and other borrowing costs incurred in connection with the above are expensed as incurred and reported as part of net financing costs in the income statement.

Going concern

The Group does not have sufficient cash to meet its current obligations and needs to raise further funding in order to meet its current liabilities and be able to continue to trade. The Directors are sufficiently confident about raising sufficient funds for the Company to be a going concern, and therefore the financial statements of the Company are prepared on a going concern basis.

Adoption of new and revised Accounting Standards

In the current year the Company has adopted all of the new and revised Standards and Interpretations issued by the Accounting Standards Board that are relevant to its operation and effective and mandatory for the current annual reporting period and there is no material financial impact on the financial statements of the group or the company.

2. Revenue and Segmental Analysis

The Group had no revenue during the period.

The Group operates in the business segment of the evaluation and development of the cultivation of oil palms.

The Group has material interests in two geographical segments, the United Kingdom and Liberia.

By geographical area	United Kingdom £'000	Liberia £'000	Total £'000
2008			
Loss for the period ended 31 December 2008	(1,367)	(43)	(1,410)
Other segment information:			
Segment assets	76	6,716	6,794
2007			
Loss for the period ended 31 December 2007	(359)	(14)	(373)
Other segment information:			
Segment assets	1,280	2,434	3,714

3. Operating Loss

The operating loss is stated after charging:

		Group 2008 £'000	Group 2007 £'000
Auditors' remuneration	– audit services	10	8
	– other services	30	3
Depreciation (note 15)		48	39
Directors' emoluments (note 8)		326	36

Auditors' remuneration for non-audit services provided during 2008 amounting to £30,000 relates to the provision of Reporting Accountants services for the proposed re-Admission to AIM.

Auditors' remuneration for non-audit services provided during 2007 amounting to £2,500 relates to the provision of review services.

4. Interest

	Group 2008 £'000	Group 2007 £'000
Received		
Bank interest received or receivable	12	84
Other interest receivable	-	-
Payable		
On short term borrowings	(27)	-

5. Taxation

	Group 2008 £'000	Group 2007 £'000
Current year taxation		
UK corporation tax at 28.5% on results for the period (2007: 30%)	-	-
Factors affecting the tax charge for the period		
Loss on ordinary activities before tax	(1,410)	(374)
Loss on ordinary activities at the UK standard rate of 28.5% (2007: 30%)	(402)	(111)
Effects:		
Future tax benefit not brought to account	402	111
Current period taxation	-	-

No deferred tax assets have been created.

6. Directors' Emoluments

	Group 2008 £'000	Group 2007 £'000
Michael Frayne[1]	72	12
Ross Warner	36	12
Anthony Samaha	36	12
Geoff Brown	86	-
Peter Bayliss	76	-
Joseph Jaoudi	20	-
Total	326	36

1) Services provided by Adelise Services Ltd.

The above remuneration includes £109,000 in unpaid directors' fees outlined in Note 22.

No pension benefits are provided for any Director.

No options had been granted to directors as at 31 December 2008.

7. Compensation of Key Management Personnel (excluding Directors)

	Group 2008 £'000	Group 2007 £'000
Salaries	176	190
Social Security Costs	3	11
Total	179	201

8. Staff Costs (including Directors)

	Group 2008 £'000	Group 2007 £'000
Staff Costs		
Director Fees	326	36
Salaries & Wages	520	266
Social Security Costs	32	21
Total Staff Costs	878	323
Capitalised to Intangible Assets	(512)	(178)
Total Staff Costs Expensed	366	145

The Group average 160 employees during the year ended 31 December 2008 (2007: 18). The Company averaged 9 employees during the year ended 31 December 2008 (2007: 5). The Group had an average of 9 employees involved in administration and an average of 151 employees involved in field and operational support activities for the year ended 31 December 2008.

9. Loss Per Share

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

As inclusion of the potential Ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive, as such, a diluted earnings per share is not included.

The comparative disclosure has been adjusted to reflect the 1 for 10 share consolidation effected in April 2008.

	Group 2008 £'000	Group 2007 (restated) £'000
Loss for the period	(1,410)	(373)
Weighted average number of Ordinary shares of 1p in issue	30.7 million	20.6 million
Loss per share – basic	(4.6)p	(1.8)p

10. Financial Instruments

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade receivables and trade payables, finance leases, and provisions.

The Group seeks to obtain a favourable interest rate on its cash balances through the use of bank treasury deposits.

At the period end the Group had a cash balance of £18,000, made up as follows:

	Group 2008 £'000	Group 2007 £'000
British pounds	17	1,137
US dollars	1	5

There is no material difference between the book value and fair value of the Group's cash.

As at 31 December 2008, the Group had three overseas subsidiaries which operated in Liberia and whose expenditure is primarily denominated in US dollars. Foreign exchange risk is inherent in the Group's activities and is accepted as such.

The majority of parent Company expenses are denominated in British pounds.

Management review the Group and Company's exposure to currency risk, interest rate risk, liquidity risk and credit risk on a regular basis and consider that through this review they manage the exposure of the Group and Company.

No formal policies have been put in place in order to hedge the Group and Company's activities to the exposure to currency risk or interest risk.

The Group and Company manage the interest rate risk associated with the Group cash assets by ensuring that interest rates are as favourable as possible, whether this is through investment in floating or fixed interest rate deposits, whilst managing the access the Group requires to the funds for working capital purposes.

11. Intangible Assets

	Group	Company
	£'000	£'000
Opening cost as at 1 January 2007	310	285
Reallocation	(310)	(285)
Acquired through business combination in December 2007	2,147	-
Costs of acquisition	241	-
Amortisation/Impairment	-	-
Net book value as at 31 December 2007	2,388	-
Acquired through business combination in February 2008	3,134	-
Currency translation adjustment	344	-
Development expenditure	797	-
Amortisation/Impairment	-	-
Net book value as at 31 December 2008	6,663	-

The Directors undertook an impairment review as at 31 December 2008 and as a result of this review no provision was required. See also Note 12 below.

12. Business Combinations

2008
On 21 February 2008 EBF (Mauritius) Limited acquired 100% of the share capital of LIBINC Oil Palm Inc for cash consideration of USD200,000 (£137,931) and the issue of 84.2 million fully paid 'old' ordinary shares in the Company with an assessed fair value of 3p per share. A further USD700,000 (£482,759) is payable to the vendors upon the Company completing its readmission to AIM. LIBINC Oil Palm Inc was incorporated in Liberia on 4 October 2007 and at the date of acquisition was a non-trading entity of USD100 capital and the holder of a fifty year agreement with the Government of Liberia to rehabilitate and develop the Palm Bay Oil Palm plantation in Grand Bassa County, Liberia. The fair value adjustment of this acquisition, as disclosed in note 11, amounted to £3,134,000.

2007
As at 31 December 2007, EBF (Mauritius) Limited ("EBFM") had agreed to acquire 100% of the share capital of Liberia Forest Products Incorporated ("LFPI") for cash consideration of £405,000 and share consideration of 30 million ordinary shares in the Company payable upon completion ("Consideration").

The assessed fair value of the ordinary shares issued by the Company in respect of the acquisition of LFPI in January 2008 is 3p per share, equating to a consideration of £900,000.

The total assessed value of the Consideration is £1,305,000.

The fair value of the assets and liabilities of LFPI on acquisition were assessed as:

	Book Value LFPI £'000	Fair Value Adjustment £'000	Adjusted LFPI £'000
Intangible Asset – Oil Palm Development	842	1,305	2,147
Loans	(842)	-	(842)
Net Assets	-	1,305	1,305
Consideration	1,305	-	1,305

The acquisition of LFP included a number of building structures and items of plant and equipment which are located on the land subject to the concession licence. These assets are considered to be in a dilapidated state of repair and accordingly, the directors' consider it to be prudent to allocate no material value to these assets, at this stage.

In addition, the land subject to the concession licence contains approximately 4,600 hectares of existing palm plantations which have not been maintained for a considerable period of time. The directors have engaged agricultural experts to assess the possibility of regenerating the plantations and whilst the directors' are optimistic that the plantations can be regenerated, they consider it prudent to attribute nil value to the existing plantations until a detailed assessment of its economic potential value has been completed.

13. Investments

Unlisted investments

	Group £'000	Company £'000
Opening cost as at 1 January 2007	348	348
Additions	48	48
Transfers	(396)	(396)
Closing cost as at 31 December 2007	-	-
Additions	-	-
Closing cost as at 31 December 2008	-	-

Costs of acquisition of LFPI of £396,991 (2007: £348,414) previously capitalised in the Company were transferred to EBF (Mauritius) Limited for £396,991.

Subsidiaries of Equatorial Palm Oil plc

Company	Country of Registration	Holding 2008	Holding 2007	Nature of business
Direct				
Equatorial Biofuels (Guernsey) Limited	Guernsey	100%	100%	Holding Company
Indirect				
EBF (Mauritius) Limited	Mauritius	100%	100%	Holding Company
EBF Liberia	Liberia	100%	100%	Operating company in Liberia
Liberia Forest Products Incorporated	Liberia	100%	100%	Operating company in Liberia
Liberia Agricultural Development Corporation	Liberia	100%	100%	Non-operating company in Liberia
LIBINC Oil Palm Inc.	Liberia	100%	N/A	Operating company in Liberia

14. Loans to Subsidiaries

	Company 2008 £'000	Company 2007 £'000
Equatorial Biofuels (Guernsey) Limited	14	5
EBF (Mauritius) Limited	5,651	2,187
Equatorial Biofuels Liberia Incorporated	741	270
Total	6,406	2,463

The loans to subsidiaries are interest free and have no fixed repayment date. They are denominated in US Dollars and are repayable on demand. Repayment of loans is subject to the Director's assessment of the Group's requirements and availability of appropriate liquid resources.

15. Property, Plant and Equipment

Plant and Equipment	Group £'000	Company £'000
Cost		
Opening cost at 1 January 2007	114	80
Additions	30	10
Closing cost at 31 December 2007	144	90
Additions	5	5
Currency translation adjustment	15	-
Closing cost at 31 December 2008	164	95
Depreciation		
Opening balance at 1 January 2007	(2)	(2)
Charge for the year to 31 December 2007	(39)	(26)
Closing balance at 31 December 2007	(41)	(28)
Charge for year to 31 December 2008	(48)	(23)
Closing balance at 31 December 2008	(89)	(51)
Net Book Value		
At 1 January 2008	103	62
At 31 December 2008	75	44

16. Other Receivables

	Group 2008 £'000	Group 2007 £'000	Company 2008 £'000	Company 2007 £'000
Other receivables (i)	8	76	8	75
Prepayments	6	5	6	5
Amounts owed by subsidiary undertakings as per note 14 (ii)	-	-	6,406	2,463
	14	81	6,420	2,543

(i) Other receivables are non-interest bearing and generally repayable between 30 and 60 days.

(ii) The loans to subsidiaries are are interest free and have no fixed repayment date. They are denominated in US Dollars and are repayable on demand.

17. Trade and Other Payables

	Group 2008 £'000	Group 2007 £'000	Company 2008 £'000	Company 2007 £'000
Accruals	568	268	568	268
Trade payables	399	16	399	16
Other payables	124	-	124	-
	1,091	284	1,091	284

The Accruals balance at 31 December 2008 includes an amount of £483,000 payable in respect of the acquisition of LIBINC Oil Palm Inc and the Company completing its readmission on AIM.

The Accruals balance at 31 December 2007 includes an amount of £250,000 payable in respect of the acquisition of LFPI.

18. Short term borrowings

The short term borrowings of the Group comprise:

(i) Interest bearing loans comprise an AUD200,000 (£95,920) convertible loan note repayable on 30 June 2009 with a 20% coupon at repayment and accrued interest at 31 December 2008 of £2,207; and

(ii) Loan due to Adelise Services Ltd of £675,334 comprising principal of £652,000 and interest charged of £22,334 calculated at 2% above LIBOR.

19. Called Up Share Capital

Authorised	2008 £'000	2007 £'000
100,000,000 Ordinary shares of 1p each (2007 : 1,000,000,000 ordinary shares of 0.1p each)	1,000	1,000

Authorised, called up and fully paid	2008 £'000	2007 £'000
32,020,000 Ordinary shares of 1p each (2007 : 206,000,000 ordinary shares of 0.1p each)	320	206

Equity Reserve	2008 £'000	2007 £'000
(2007 : 30,000,000 ordinary shares of 0,1p at 3p each)	-	900

The Equity Reserve balance at 31 December 2007 was in respect of the share consideration for the acquisition of LFPI which was allotted and issued on 28 January 2008.

Shares allotted during the year

On 25 January 2008 the number of shares issued and fully paid was increased from 206,000,000 old ordinary shares of 0.1p each to 236,000,000 old ordinary shares by the issue of 30,000,000 old ordinary shares as consideration for the acquisition by the Company's subsidiary of the entire beneficial interest held in Liberia Forest Products Incorporated ("LFPI").

On 19 February 2008 the number of shares issued and fully paid was increased from 236,000,000 old ordinary shares of 0.1p each to 320,200,000 old ordinary shares by the issue of 84,200,000 old ordinary shares as consideration for the acquisition by the Company's subsidiary of the entire beneficial interest held in LIBINC Oil Palm Inc ("LIBINCO").

On 14 April 2008 the Company effected a 1 for 10 consolidation of the old ordinary shares into existing ordinary shares of 1p each giving an authorised share capital of 100,000,000 ordinary shares of which 32,020,000 existing ordinary shares of 1p each have been issued.

Share Options

No options were issued during the current period.

As at 31 December 2008 the options in issue, which have been restated for the April 2008 1 for 10 share consolidation, were:

Exercise Price	Expiry Date	Options in Issue 31 December 2008
30p	14 February 2011	300,000

No options lapsed or were cancelled and no options were exercised during the period.

20. Analysis of changes in net funds

	Group 2008 £'000	Group 2007 £'000	Company 2008 £'000	Company 2007 £'000
Balance at beginning of period	1,142	2,188	1,137	2,184
Change during the period	(1,124)	(1,046)	(1,119)	(1,047)
Balance at the end of the period	18	1,142	18	1,137

21. Commitments

Operating lease commitments

Operating leases relate to office facilities. The Company entered into a 5 year lease with a break clause after 3 years.

	Group 2008 £'000	Group 2007 £'000	Company 2008 £'000	Company 2007 £'000
Non-cancellable operating lease payments:				
Not longer than one year	100	100	100	100
Longer than one year and not longer than five years	-	91	-	91
	100	191	100	191

Liberia commitments

Under the investment agreements entered into by LFPI and LIBINC, the Group is obliged to spend USD14.245m during the four years from 31 December 2007. The majority of this expenditure is likely to be incurred in the later part of this four year period.

22. Related Party Transactions

There is no ultimate controlling party.

Included within Interest bearing loans is an amount due to Adelise Services Ltd ("Adelise"), a company associated with Michael Frayne of £675,334 comprising principal of £652,000 and interest charged of £22,334 calculated at 2% above LIBOR. Adelise is a company held by a trust of which Michael Frayne is a beneficiary.

Details of related party transactions in relation to services provided by Adelise, a company associated with Michael Frayne, are disclosed in note 7.

Irvine Energy Plc ("Irvine") makes payments for serviced office facilities and administrative support to the Company, who shares common board members with Irvine. These payments are all on arms' length terms and amount to £69,359 for the financial period. There were no amounts outstanding to EPO at the year end in respect of these services.

Michael Frayne provided consulting services to Irvine which was charged through EPO. These payments were determined on arm's length terms and came to an amount of £35,531 for the financial period. There were no amounts outstanding to EPO at the year end in respect of these services.

Details of loans to subsidiaries are disclosed in note 14.

Included within other payables as at 31 December 2008, are unpaid directors' fees as follows:

	£'000
Michael Frayne	57
Ross Warner	16
Anthony Samaha	16
Joseph Jaoudi	20
Total	109

Also included within other payables as at 31 December 2008 are amounts owing to directors as follows:

	£'000
Ross Warner	10
Anthony Samaha	3
Total	13

On 1 August 2007, the Company was granted two residential leases (the **"**Residential Leases**"**) by David Parker, a Group employee, over two residential buildings – the first designed as House "2" and the second designated as House "3", both of which are located at the Mamba Point NPA, Hard Rock Compound in the City of Monrovia, County of Montserrado, Liberia. Each property the subject of the Residential Leases is used to house an employee of the Company of whom is David Parker. The Residential Leases are stated to run for 12 months from 1 August 2006 and, once expired, may be renewed annually. The annual rent under each Residential Lease is USD45,000 payable in advance by the Company to David Parker (which rent includes use and occupancy of the furnished properties and the provision of furniture, 24 hour security, 18 hours of power daily, clean water and maintenance of the compound's grounds). The Company may sub-lease the Residential Leases with the prior consent of David Parker. The residential leases were renewed for a further 6 months from 30 September2008 to 31 March 2009.

On 3 November 2006, Sanita Investments Limited (the "Landlord") granted to the Company a lease in respect of Floors 1 to 4, 94 Jermyn Street, London SW1 6JE (the "Lease"). The principal terms of the Lease provided that the term of the Lease was 5 years from the date of the Lease (the "Term"), the yearly rent payable by the Company to the Landlord for the first 3 years of the Term was £99,150, the yearly rent payable by the Company for the next 2 years of the Term was the higher of £99,150 and the market rent for the premises based on a rent review carried out by the Landlord 3 years after the date of the Lease and the Lease may be terminated on the third anniversary of the date of the Lease by the Company giving not less than 6 months' termination notice to the Landlord provided that there is no material breach by the Company of any terms or covenants of the Lease and the Company gives full vacant possession of the premises in accordance with the covenants contained in the Lease.

23. Post Balance Date Events

(a) On 30 June 2009 the AUD200,000 convertible loan note was due for repayment with the repayment figure being AUD240,000. This has not yet been repaid and is accruing interest until further funding options have been clarified.

(b) Adelise Services provided a further £5,000 under the existing loan facility. As at 12 October 2009 the outstanding loan amount was £703,701 with £680,334 in principal and £33,368 in interest for 2009. Adelise has not called on this loan and has indicated it is willing to convert some or all of the outstanding amount when further funding options have been clarified.

(c) On 27 March 2009, the Company received AUD100,000 provided by way of an unsecured 6 month promissory note to Adelise Services Limited with a repayment of AUD125,000 due on 26 September 2009. This is now due and payable and accrues at a rate of 35% per annum until repaid. The Company has been advised that Adelise will not seek repayment until future funding options have been clarified.

(d) On 16 April 2009, the Company received AUD300,000 provided by way of an unsecured 6 month promissory note to Adelise Services Limited with a repayment of AUD375,000 due on 15 October 2009. This is now due and payable and accrues at a rate of 35% per annum until repaid. The Company has been advised that Adelise will not seek repayment until future funding options have been clarified.

(e) On 30 April 2009, the Company received AUD100,000 provided by way of an unsecured 6 month promissory note to Adelise Services Limited with a repayment of AUD125,000 due on 29 October 2009. The Company has been advised that Adelise will not seek repayment until future funding options have been clarified.

(f) On 18 August 2009 Agriterra Limited announced it had signed a Memorandum of Understanding to acquire Equatorial Biofuels (Guernsey) Limited, a wholly owned subsidiary of the Company for USD2.5 million cash and USD12m in shares in Agriterra including a refundable deposit of USD350,000. On 22 September 2009 it was announced by Agriterra the MOU had been terminated. The USD350,000 deposit shall become repayable to Agriterra effectively no later than 120 business days after 18 August 2009 together with interest at a rate of 12% per annum accruing from that initial date.

24. Profit and Loss Account of the Parent Company

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in these accounts. The parent company loss for the year was £1,367,036 (2007: £354,000).