



EQUATORIAL PALM OIL PLC

ANNUAL REPORT AND ACCOUNTS

For the period ended 30 September 2014

Registered Number 555087

EQUATORIAL PALM OIL PLC

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CHAIRMAN'S STATEMENT

Introduction

As a result of the change in the Company's accounting year end, the results the subject of this Chairman's Statement are for the 9 months ended 30 September 2014 ("the Period").

The year 2014, sadly, will be remembered for the Ebola virus. Ebola is the focus of not only EPO but also increasingly of the international community. At the time of publishing these results, we do not have any Ebola on our estates; everything we do in Liberia is geared towards the health and safety of our employees. As such a great deal of this report is setting out in detail our approach to this human crisis.

Ebola Update and EPO's Response

As has been well documented the Ebola outbreak in West Africa is unquestionably the most severe acute public health emergency in modern times.

The first cases of the epidemic were reported in March 2014, with infections in Guinea closely followed by outbreaks in Sierra Leone and Liberia.

It was clear at the outset that those companies which had a presence in the Ebola affected countries needed to act fast and play a lead role in the co-ordination and communication with the outside world.

EPO joined, together with a group which has now expanded to over 40 other private sector companies, to form the Ebola Private Sector Coordination Group ("EPSCG"). The EPSCG's purpose is to be the focus point for the coordination and understanding of the disease across the West African private sector and be an efficient point of access for government, the UN and NGOs to share information and collaborate with the private sector. Furthermore the EPSCG has been instrumental in focusing the attention of the plight of the affected countries to the world community at large which was initially slow to act. The EPSCG does not seek to replace or compete with any government, UN, NGO's or the like, but exists to ensure that these entities have a simple access point into the private sector.

Containment and treatment of the Ebola virus, be it individuals, communities or the whole region requires a significant deployment of resources and coordination between local, national and international governments, the UN and various NGOs.

Since the announcement of the US government's decision, on 16 September 2014, to get involved in combatting Ebola in Liberia, international donors have provided hundreds of millions of dollars to support Ebola response activities in West Africa.

So far, we have not had any instances of Ebola on or around our Palm Bay and Butaw estates where our operations are based in Liberia. We currently have over 1,500 persons employed of whom 12 are expatriate staff. No expatriate employees have left the country because of Ebola nor have any of them indicated that they wish to do so.

We have introduced a number of preventative and precautionary measures at all of our sites in accordance with government guidelines. We have provided hand sterilisation points at multiple sites and have provided "Thermo Flash" thermometers for checking on the temperature of both our workers and visitors to our locations. We have also provided isolation gowns, gloves and face masks to our clinics on the estates for use, if found to be necessary, in screening patients for the virus. Our health clinic staff provide outreach services to neighbouring villages to ensure that everyone in the vicinity of our concession areas fully understand the necessary procedures that must be followed to

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prevent both the introduction of the disease and the prevention of infection. Recently, we have increased our alert level to include restrictions on non-essential domestic travel for our employees.

We have donated necessary medical equipment and supplies to the County Task Force in Grand Bassa, and Sinoe counties, where our concessions lie and also to the County Task Force of River Cess County. Furthermore our joint venture partner, Kuala Lumpur Kepong Berhad (“KLK”), from Malaysia has donated \$110,000 together with other Malaysian oil palm corporates for the purchase of rubber gloves, which is an essential item in the fight against the Ebola disease.

United Nations

The UN Global Compact (“UNGC”) is supporting the UN Mission for Ebola Emergency Response (“UNMEER”) private sector mobilisation efforts by spearheading a Chief Executive Officer action pledge on Ebola. The UNGC has asked the EPSCG to drive this pledge and appeal to companies to support Ebola eradication, take leadership within their own companies to stop Ebola’s spread, and help communities and the economy recover.

EPO has signed up to the pledge, which emphasises the following key points:

- Our company is committed to sustainable economic development in Western Africa.
- We will continue to operate our business in Ebola-affected areas, pay our staff, and honour financial commitments for as long as we possibly can in the context of this emergency.
- We will train and tell our own staff about Ebola, asking them to pass that knowledge to their families, neighbours and communities to prevent infection and fight stigma.
- We will prepare procedures and assets to respond to an outbreak within our own company. We will ask the same of our suppliers, and pay particular attention to the preparedness of SMEs in our supply chain.
- We will identify assets, resources and financial support we can provide to help the UN, governments and NGOs leading on Ebola response. We will make these offers and contributions known through the appropriate coordinating actors: EPSMG, UNMEER, and the UN Global Compact.
- We will contribute to post-outbreak recovery efforts, and will collaborate to help rebuild stronger healthcare systems in affected countries.
- We will participate in collective efforts with civil society, intergovernmental organisations, affected communities and other businesses with a view to forge long term partnerships in support of regional economic and sustainable development.
- We will share our learning with other companies and support collective private sector efforts to combat Ebola and prevent its spread.

Liberian Palm Developments Limited (LPD) – Funding and Operational Review

Joint Venture Agreement

In April 2014, EPO signed a joint venture agreement (“JVA”) with KLK Agro Plantations Pte Ltd (“KLK Agro”), for the funding and operation of LPD.

Funding

Under the terms of the JVA, LPD will receive up to US\$35.5m in cash and funding commitments, of which US\$15m was received in April 2014 as a result of the issue of new equity in LPD to KLK Agro

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and EPO (through its wholly owned subsidiary Equatorial Biofuels (Guernsey) Limited), which have each subscribed for US\$7.5m of such new equity in LPD (the “Initial Funding”).

In addition to the Initial Funding, KLK Agro has agreed to provide any further funding required by LPD up to a maximum of US\$20.5m (the “KLK Funding Commitment”) which may, at the discretion of KLK Agro, be provided by way of debt or preferential equity finance which will incur interest or preferential dividends (as appropriate) at USD LIBOR plus a maximum of 500 basis points. LPD also has the option to obtain financing from parties other than KLK irrespective of whether or not the KLK Funding Commitment has been fully invested in LPD and provided that the terms of such external financing are better than that of KLK’s Funding Commitment.

The Initial Funding and the KLK Funding Commitment were also achieved with no further dilution for EPO shareholders.

In April 2014, LPD also entered into an agreement with Taiko Plantations Sdn. Bhd. (“Taiko”), a wholly owned subsidiary of Kuala Lumpur Kepong Berhad (“KLK”), (the “Management Agreement”), under the terms of which Taiko has been appointed to manage and conduct LPD’s operations. The Management Agreement can be terminated by either party giving three months’ written notice to the other party.

Under the terms of the Management Agreement, Taiko shall be paid a management fee by LPD as follows:

- i. US\$1m per annum for the first four years from the date of signing of the Management Agreement; and
- ii. thereafter, a fee equivalent to 2.0 per cent. of the gross sale proceeds of palm products achieved by LPD.

Palm Bay and Butaw Estates

Our estates have been operating on as near to a normal basis as possible, despite the challenges that it is facing from Ebola. One of the significant impediments is travelling in the country, as the government is encouraging its citizens to only travel if absolutely essential and a night-time curfew has further restricted movement of people and vehicles. This means that it is often very difficult to get heavy machinery to site, especially to Butaw which is in the south-east of the country in Sinoe County.

Despite the challenges, LPD planted 2,000 hectares combined at Palm Bay and Butaw estates during the Period. Therefore, in total, LPD has planted over 5,500 hectares of new plantings since 2011.

The first production, from the oil palms planted by LPD in 2011, is due to come on-stream at the end of 2015, when those palms will yield sufficient fruit to begin harvest and the palm oil mill will be operational. This will mark a significant milestone for LPD.

Our employees on our estates continue to thrive and learn new skills as our operations grow. LPD employ a small number of Indonesian staff on short term contracts to teach the local workforce the key skills in the management of an oil palm estate, including nursery work, field work, harvesting and mill operations.

Palm Oil Mill

Our oil mill at Palm Bay is due to be brought back into operation once the new production comes on stream at the end 2015. This mill is the only commercial scale mill in Liberia. The capacity of the mill is currently 5MT of fresh fruit bunches (“FFB”) per hour, which can be increased to 10MT of FFB per hour to accommodate new production as yield increases.

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In time, the Company intends to install larger mills at both Palm Bay and Butaw which will enable 60MT of FFB to be processed per hour. In essence, a new 60MT mill will be installed for every 10,000 ha of oil palms planted.

The importance of having a working mill for the purpose training of staff cannot be underestimated. As our new production ramps up, we have the comfort of knowing that our Liberian staff will have been sufficiently trained to run larger milling operations where the technology and know-how is the same as that of our existing mill.

Port Access

LPD is in final negotiations with the National Port Authority of Liberia (“NPA”) regarding a lease for land at the Port of Buchanan. This land has been identified as suitable to build a tank farm and storage facility for oil palm products. Once the tank farm facility has been built, LPD will use road tankers to transport its products from Palm Bay estate to the Port of Buchanan. The products will be stored in tanks of suitable size from where they will then be transferred onto parcel tankers that can berth at the port.

The Port of Buchanan has been operating well for the last three years and is also a place of export for iron ore, logs, and rubber.

LPD has also entered into discussions with the NPA with regard to securing land in the Port of Greenville, which is close to Butaw estate, for the establishment of a tank farm and storage facility.

River Cess Expansion Area

With an expansion potential of up to 80,000 ha and an optimum location between our two existing concessions, River Cess Expansion Area remains a key development for LPD. Detailed business plans have been submitted to the National Investment Commission of Liberia. The next step is for a Joint Ministerial Committee to be formed by the Liberian Government in order to draw up a concession agreement, however we believe that this is unlikely to take place until the cessation of the Ebola outbreak given the restriction on the movement of people and vehicles around River Cess County.

LPD has strong support from the local communities in River Cess County for a concession to be granted to LPD. There is no industry of any magnitude in River Cess County such that the development of an oil palm industry will bring great benefits to the local population whilst helping to reinvigorate the Liberian agricultural industry.

EPO Board Changes

During the Period the following appointments were made to the EPO Board: Mr Lee Oi Hian, aged 63 who is the current Chief Executive Officer of KLK; Mr Teh Sar Moh Nee who is the current Regional Director (Peninsular Malaysia) of KLK and Ms Yap Miow Kien who is the current Company Secretary and Senior General Manager (Legal and Secretarial) of KLK. In addition, Mr Joseph Jaoudi and Mr Anthony Samaha resigned from the Board during the Period. Mr Michael Frayne became the Non-executive Chairman with Mr Geoffrey Brown continuing as Executive Director.

Financial Review

The loss of the Group for the 9 months ended 30 September 2014 of \$1,143,000 (12 months ended 31 December 2013: \$8,201,000) was in line with expectations but significantly lower than in the prior period, partly due to the shorter accounting period, but mostly due to the absence of costs and a one-off loan write-down related to the successful completion of the KLK transaction in 2013.

Cash held by the Group as at 30 September 2014 was \$2,061,000 (31 December 2013: \$10,364,000).

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Community Development

LPD has increased its workforce to 1,500 people and currently provides training by a number of oil palm experts, recruited from Indonesia and Malaysia. Over 50% of our workforce is women.

Our health workers at our clinics on both Palm Bay and Butaw have been providing the necessary support to raise awareness on Ebola within the estate as well as in surrounding communities. It is important the Ebola prevention measures are disseminated far and wide including communities that live outside of our concession areas.

During the Ebola outbreak our schools on the estates have been closed on the recommendation of the Liberian government. We do however provide rice for all employees, housing accommodation, potable water and infrastructure including roads and bridges to support the communities in which we operate.

Sustainability is a long term objective for all our operations in Liberia. Having become a member of the Roundtable on Sustainable Palm Oil ("RSPO") in 2007, we have consistently adopted best practices and procedures to ensure that the CPO produced from our new plantings will meet with international sustainability standards, thereby enabling our CPO to be labelled "sustainable" palm oil.

Personnel

Our staff members are working in a very challenging environment as they look to not only drive the business forward but also fight Ebola. Our team in Liberia is ably led by Mr Sashi Nambiar as Country Manager who leads a very experienced and capable senior management team.

I would like to take this opportunity to thank all our staff for their continued dedication in supporting the Company's efforts to fight Ebola and continue with the growth of the business.

Outlook

Ebola is certainly playing out as a horrific virus. However our team in Liberia are working very hard to ensure that, with the right precautions in place, it is something that is avoidable and containable. LPD now has the foundations in place on the estates to ramp up operations once we get through the Ebola outbreak.

Much has happened on our estates since our first plantings in 2011. In particular we now have a workforce of over 1,500 people that is being well trained in order to meet the demands of the business in the medium term. Having a well trained workforce in Liberia cannot be underestimated and is a key objective for the business which we believe will deliver value and growth to shareholders.

Through its concession, we have made long term commitments to Liberia and their people and we intend to honour these commitments. We have strong ties to the local communities that depend on our operations. Despite the challenging environment, we are continuing where possible with normal operations, with the health and safety of our employees being the absolute priority at all times.

I would like to thank KLK and all our shareholders for their continued support through what has been a difficult time with Ebola, and I look forward to updating you on our progress in the year ahead and the creation of value for all stakeholders.

Michael Frayne

Chairman

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STRATEGIC REPORT

Performance and Outlook

The development, performance, financial position and outlook of the Company are discussed in detail in the Chairman's Statement on pages 3 to 7.

Key Performance Indicators and Milestones

The key performance indicators and milestones for Equatorial Palm Oil plc and its subsidiaries (the "Group") for the reported period include:

- Introduction of preventative and precautionary measures to fight the Ebola virus
- Stringent processes and procedures to ensure the health and safety of our employees being the absolute priority at all times
- 1,800 hectares planted at Palm Bay Estate and 200 hectares planted at Butaw Estate
- Signed Joint Venture Agreement with KLK Agro
- US\$35.5mil in cash and funding commitments for LPD from KLK Agro and EPO
- Management Agreement signed with Taiko Plantations to manage and conduct LPD's operations
- Final stages of negotiating the lease for land at the port of Buchanan for storage and tank farm facility

Business Risks and Uncertainties

Going concern and financial risks are discussed in Note 1 and Note 8 respectively. Going concern is also set out in the Directors' Report on page 10.

The Company has identified certain other risks pertinent to its business including:

Ebola Virus Disease

Ebola is without doubt a horrific virus. But it is a virus that with the right understanding, precautions and processes in place should be avoidable and containable. We have introduced a number of preventative and precautionary measures at all our sites in accordance with Government guidelines. We have established numerous hand sterilisation points and provided "Thermo Flash" thermometers to check the temperature of both our workers and visitors to our locations. Our clinics are all equipped with isolation gowns, gloves and face masks for use, if necessary, in screening patients. Furthermore, our health clinic staff provide outreach services to neighbouring villages to ensure that everyone in the vicinity of our concession areas fully understand the necessary procedures that must be followed to prevent both the introduction of the disease and the prevention of infection.

Equatorial Palm Oil plc has joined the Ebola Private Sector Mobilisation Group ("EPSMG") which comprises over 70 companies and 40 public bodies/NGOs with operations in or near Ebola countries. Like Equatorial Palm Oil plc, these companies have made long term commitments to these countries and their people and intend to honour these commitments. Equatorial Palm Oil plc has regular meetings with the EPSMG as many of these companies have experiences that we can learn from to prevent this disease spreading.

Agricultural risk

As with any agricultural operation, there are risks that crops may be affected by pests, diseases and weather conditions. Agricultural best practice, if achieved, can to some extent mitigate the risk of outbreaks of pests and diseases but such risks cannot be entirely removed. The only significant disease in West Africa for oil palms is fusarium wilt. All seeds sourced by the Company have resistance to fusarium wilt. Unusually high levels of rainfall for the relevant plantation area can disrupt estate operations and access to the estates. There is the possibility of adverse climatic conditions including lightning strikes, lack of rainfall, excessive rainfall and insufficient sunshine. Unusually low levels of rainfall that lead to water availability falling below the minimum required for

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the normal development of the oil palms may lead to a reduction in subsequent crop levels. Such reduction is likely to be broadly proportional to the size of the cumulative water deficit.

Whilst rainfall on certain Estates are estimated at above 3,000 millimetres per annum, which is well above the level of 2,000 millimetres per annum that is considered to be the minimum for growth of a palm oil plantation, there can be material variations from the norm in any individual year.

Commodity and Crude Palm Oil (“CPO”) prices

The Group’s earnings will be largely dependent on the prices of the commodities which it will sell. These fluctuate due to factors beyond the Group’s control, including world supply and demand. The price of vegetable oils depends on the production levels of all edible oils as many oils, including palm oil, are substitutable by users to various degrees. In particular, the price of CPO is volatile and is influenced by factors beyond the Group’s control. These factors include global supply and demand of CPO, petroleum oil prices, exchange rates, interest rates, inflation rates and political events. A significant prolonged decline in CPO prices could impact the viability of some or all of the Group’s activities. Additionally, production from geographically isolated countries may be sold at a discount to current market prices. To offset price risk, the Company may, from time to time, enter into hedging contracts in respect of its future CPO production.

Management attempts to mitigate the risk by modelling the sensitivity of the Group’s earnings to fluctuations in the CPO price and ensuring the business model remains viable.

Economic and political risks

All of the Group’s operational activities are located in Liberia and the Group is therefore dependent on the political and economic situation in Liberia. Whilst the Company intends to make every effort to ensure the Group has and continues to have robust commercial agreements covering its activities, there is a risk that the Group’s activities and financial performance are adversely impacted by economic and political factors such as exchange rates, interest rates, inflation rates, the imposition of additional taxes and charges, cancellation or suspension of licences or agreements, expropriation, war, terrorism, insurrection, strikes and lock outs, and changes to laws governing the Group’s operations. There is also the possibility that the terms of any agreement or permit in which the Group holds an interest may be changed.

Management attempts to mitigate the risk by maintaining good relations with the Liberian government.

Relationship with KLK

The Group has a joint venture agreement with KLK Agro which provides for KLK to manage LPD. There is a risk of a dispute under the joint venture agreement.

Management attempts to mitigate the risk by maintaining good relations with KLK through regular monthly meetings and quarterly visits to Liberia to meet management and review progress.

Michael Frayne

Chairman

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DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of Equatorial Palm Oil plc and its subsidiaries (the "Group") for the period ended 30 September 2014.

Principal Activities

The principal activity of the Group is the cultivation of oil palms for the production of crude palm oil and associated products in Liberia.

Change of Reporting Period

The Group's reporting period has changed so that it is coterminous with the reporting period of the parent company, Kuala Lumpur Kepong Berhad.

Results and Dividends

The loss of the Group after taxation for the 9 months ended 30 September 2014 amounted to \$1,143,000 (12 months ended 31 December 2013: Loss of \$8,201,000).

The Directors do not propose the payment of a dividend.

Insurance

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

Financial Instruments

Financial instrument risks are discussed in Note 8.

Events after the Reporting Period

Significant events after the reporting period but before the approval of these financial statements, being 8 December 2014, are set out in Note 18.

Going Concern

The financial statements have been prepared on a going concern basis.

Based upon the Company's current cash balance, the Directors consider that the Company will have sufficient cash to fund the Company's ongoing commitments for a period of at least a year after the approval of these financial statements.

Regarding the funding of LPD, on 11 April 2014, the Company announced that it had entered into a joint venture agreement ("JVA") with KLK Agro Plantations Pte Ltd ("KLK Agro"), a wholly owned subsidiary of KLK, in relation to the operations and funding for its 50 per cent. owned joint venture company LPD.

Under the terms of the JVA, KLK Agro and EPO (through its wholly owned subsidiary Equatorial Biofuels (Guernsey) Limited) each subscribed for US\$7,500,000 of new equity in LPD. In addition, KLK Agro has agreed to provide any further funding required by LPD up to a maximum of US\$20,500,000 (the "KLK Funding Commitment") which may, at the discretion of KLK Agro, be provided by way of debt or preferential equity finance which will incur interest or preferential dividend (as appropriate) at USD LIBOR plus a maximum of 500 basis points. LPD also has the option to obtain financing from parties other than KLK irrespective of whether or not the KLK Funding Commitment has been fully invested in LPD and provided that the terms of such external financing are better than that of KLK's Funding Commitment.

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Based upon the current financial position of LPD, and the signing of the aforementioned JVA, the Directors are satisfied that LPD is able to fund its activities for a period of at least 12 months from the date of the approval of these financial statements.

Employment Policies and Remuneration

The Group is committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure 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.

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 Note 4 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

During the year BDO LLP was reappointed as auditor. In accordance with section 384 of the Companies Act 2006, a resolution to reappoint BDO LLP and to authorise the Directors to determine its remuneration will be proposed at the annual general meeting.

Corporate Governance

The Directors are committed to maintaining high standards of corporate governance. Although the Company does not comply with the UK Corporate Governance Code, the Directors have established procedures, so far as is practicable, given the Company's size, to comply with the UK Corporate Governance Code. 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 four non-executive Directors. The Board has delegated specific responsibilities to the committees described below.

The Audit Committee

The Company has an Audit Committee, which comprises three directors, Lee Oi Hian, Yap Miow Kien, and is chaired by Michael Frayne. The Audit Committee meets at least twice each year and at any other time when it is appropriate to consider and discuss audit and accounting related issues. The Audit Committee is responsible for monitoring the quality of internal controls and for ensuring that the financial performance of the Company is properly monitored, controlled and reported on. It reviews a wide range of matters, including half-year and annual results before their submission to the Board. It also meets the Company's auditors without executive Board members being present and reviews reports from the auditors relating to accounts and internal control systems.

The Remuneration Committee

The Company has a Remuneration Committee, which comprises three directors, Yap Miow Kien, Michael Frayne, and is chaired by Lee Oi Hian. The Remuneration Committee reviews the performance of the executive Directors and sets the scale and structure of their remuneration and

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the basis of their service agreements with due regard to the interests of Shareholders. In determining the remuneration of executive Directors, the Remuneration Committee seeks to enable the Company to attract and retain executives of the highest calibre. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options, bonus schemes, pension rights and compensation payments. No Director is permitted to participate in discussions or decisions concerning their own remuneration.

The Nominations Committee

The Company has a Nominations Committee, which comprises three Directors, Yap Miow Kien, Michael Frayne and is chaired by Lee Oi Hian. The Nominations Committee meets at such times during the year as required. This committee reviews the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and makes recommendations to the Board with regard to any changes. In addition, it gives full consideration to succession planning for Directors and other senior executives, and is responsible for identifying, evaluating and nominating Board candidates. It also reviews annually the time required from non-executive Directors.

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.

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 an Annual General Meeting ('AGM'). The Notice of the AGM will be distributed to shareholders together with the Annual Report.

By order of the Board

Michael Frayne

Chairman

8 December 2014

Registered Number 5555087

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

The Directors are responsible for preparing the annual report and 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 have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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 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 requirements of 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.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUATORIAL PALM OIL PLC

We have audited the financial statements of Equatorial Palm Oil plc for the 9 month period ended 30 September 2014 which comprise the Group statement of comprehensive income, the Group and Company statements of financial position, the Group and Company cash flow statements, the Group and Company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

Respective responsibilities of Directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 30 September 2014 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

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- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Scott Knight (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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GROUP STATEMENT OF COMPREHENSIVE INCOME

| | Note | Period ended 30 September 2014 \$'000 | Year ended 31 December 2013 \$'000 |
|---|------|--|---|
| Revenue | | - | 36 |
| Administrative expenses | | (858) | (3,282) |
| Share options expense | | - | (98) |
| Operating loss | 2 | (858) | (3,344) |
| Interest income | 12 | 313 | 366 |
| Write down of loan to joint venture | 12 | - | (3,828) |
| Share of operating loss of associate (2013 – joint venture) | 9 | (598) | (1,395) |
| Loss for the year before and after taxation attributable to owners of the parent | 3 | (1,143) | (8,201) |
| Other comprehensive income | | | |
| Exchange gains arising on translation of foreign operations | | 88 | 541 |
| Total comprehensive income for the year attributable to owners of the parent | | (1,055) | (7,660) |
| Loss per share expressed in cents per share | | | |
| - Basic & diluted | 7 | (0.3) cents | (4.4) cents |

The notes on pages 22 to 37 form part of these financial statements.

EQUATORIAL PALM OIL PLC

GROUP STATEMENT OF FINANCIAL POSITION
Registered Number 5555087

| | Note | As at 30 September 2014 \$'000 | As at 31 December 2013 \$'000 |
|---|------|---|--|
| ASSETS | | | |
| Non-current assets | | | |
| Investment in associate (2013 – joint venture) | 9 | 24,611 | 17,708 |
| Receivables from associate (2013 – joint venture) | 12 | 5,537 | 5,150 |
| | | 30,148 | 22,858 |
| Current assets | | | |
| Trade and other receivables | | 67 | 128 |
| Cash & cash equivalents | | 2,061 | 10,364 |
| | | 2,128 | 10,492 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 113 | 394 |
| | | 113 | 394 |
| Net current assets | | 2,015 | 10,098 |
| NET ASSETS | | 32,163 | 32,956 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 14 | 5,598 | 5,565 |
| Share premium | | 46,791 | 46,562 |
| Warrant and option reserve | 15 | 729 | 1,810 |
| Foreign exchange reserve | | 709 | 621 |
| Retained loss | | (21,664) | (21,602) |
| Total equity | | 32,163 | 32,956 |

The financial statements were approved by the Board of Directors on 8 December 2014 and were signed on its behalf by:

Michael Frayne
Chairman

The notes on pages 22 to 37 form part of these financial statements.

EQUATORIAL PALM OIL PLC

COMPANY STATEMENT OF FINANCIAL POSITION

| | Note | As at 30 September 2014 \$'000 | As at 31 December 2013 \$'000 |
|---|------|---|--|
| ASSETS | | | |
| Non-current assets | | | |
| Investment in subsidiaries | 10 | 25,363 | 18,460 |
| Loans to subsidiaries | 11 | 116 | 108 |
| Receivables from associate (2013 – joint venture) | 12 | 5,537 | 5,150 |
| | | 31,016 | 23,718 |
| Current assets | | | |
| Trade and other receivables | | 68 | 128 |
| Cash & cash equivalents | | 2,061 | 10,364 |
| | | 2,129 | 10,492 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 113 | 394 |
| | | 113 | 394 |
| Net current assets | | 2,016 | 10,098 |
| NET ASSETS | | 33,032 | 33,816 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 14 | 5,598 | 5,565 |
| Share premium | | 46,791 | 46,562 |
| Warrant and option reserve | | 729 | 1,810 |
| Foreign exchange reserve | | 709 | 621 |
| Retained loss | | (20,795) | (20,742) |
| Total equity | | 33,032 | 33,816 |

The financial statements were approved by the Board of Directors on 8 December 2014 and were signed on its behalf by:

Michael Frayne
Chairman

The notes on pages 22 to 37 form part of these financial statements.

EQUATORIAL PALM OIL PLC

STATEMENT OF CASH FLOWS

| | Group | Group | Company | Company |
|---|--|---|--|---|
| | Period ended 30 September 2014 \$'000 | Year ended 31 December 2013 \$'000 | Period ended 30 September 2014 \$'000 | Year ended 31 December 2013 \$'000 |
| Cash flows from operating activities | | | | |
| Loss for the year before and after taxation | (1,143) | (8,201) | (1,134) | (8,181) |
| Decrease / (increase) in receivables | 61 | (31) | 61 | (31) |
| (Decrease) / increase in payables | (282) | 211 | (282) | 211 |
| Write down of loan to joint venture | - | 3,828 | - | 3,828 |
| Share options expensed | - | 98 | - | 98 |
| Interest income | (313) | (366) | (313) | (366) |
| Operating expenses settled in shares | - | 375 | - | 375 |
| Share of operating loss of associate / joint venture | 598 | 1,395 | 598 | 1,395 |
| Net cash outflow from operating activities | (1,079) | (2,691) | (1,070) | (2,671) |
| Cash flows from investing activities | | | | |
| Funds invested in and loaned to associate / joint venture | (7,574) | (9,045) | (7,574) | (9,045) |
| Proceeds from assignment of loan | - | 2,000 | - | 2,000 |
| Net cash outflow from investing activities | (7,574) | (7,045) | (7,574) | (7,045) |
| Cash flows from financing activities | | | | |
| Issue of ordinary share capital | 262 | 19,701 | 262 | 19,701 |
| Share issue costs | - | (693) | - | (693) |
| Net cash inflow from financing activities | 262 | 19,008 | 262 | 19,008 |
| Net (decrease) / increase in cash and cash equivalents | | | | |
| Cash and cash equivalents at beginning of period | 10,364 | 551 | 10,364 | 551 |
| Exchange gains on cash and cash equivalents | 88 | 541 | 79 | 521 |
| Cash and cash equivalents at end of period | 2,061 | 10,364 | 2,061 | 10,364 |

The notes on pages 22 to 37 form part of these financial statements.

EQUATORIAL PALM OIL PLC

GROUP STATEMENT OF CHANGES IN EQUITY

| | Called up share capital | Share premium reserve | Foreign exchange reserve | Warrant and option reserve | Retained earnings | Total equity |
|--|-------------------------|-----------------------|--------------------------|----------------------------|-------------------|---------------|
| GROUP | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 January 2013 | 1,969 | 30,402 | 80 | 1,466 | (13,881) | 20,036 |
| Share capital issued (Note 14) | 3,596 | 17,579 | - | - | - | 21,175 |
| Cost of share issue including warrants issued | - | (1,419) | - | 726 | - | (693) |
| Expiry of warrants | - | - | - | (480) | 480 | - |
| Share based payments | - | - | - | 98 | - | 98 |
| Loss for the period | - | - | - | - | (8,201) | (8,201) |
| Other comprehensive income for the period | - | - | 541 | - | - | 541 |
| As at 31 December 2013 and 1 January 2014 | 5,565 | 46,562 | 621 | 1,810 | (21,602) | 32,956 |
| Share capital issued (Note 14) | 33 | 229 | - | - | - | 262 |
| Exercise and expiry of warrants and options | - | - | - | (1,081) | 1,081 | - |
| Loss for the period | - | - | - | - | (1,143) | (1,143) |
| Other comprehensive income for the period | - | - | 88 | - | - | 88 |
| As at 30 September 2014 | 5,598 | 46,791 | 709 | 729 | (21,664) | 32,163 |

The following describes the nature and purpose of each reserve within owners' equity.

| | |
|--------------------|--|
| Share capital | Amount subscribed for share capital at nominal value. |
| Share premium | Amount subscribed for share capital in excess of nominal value. |
| Foreign exchange | Foreign exchange differences arising on translating into the reporting currency. |
| Warrant and option | Amount representing the cumulative charge recognised under IFRS2 in respect of warrants and share options, including the valuation of warrants issued with shares. |
| Retained earnings | Cumulative net gains and losses recognised in the financial statements. |

The notes on pages 22 to 37 form part of these financial statements.

EQUATORIAL PALM OIL PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

| | Called up share capital | Share premium reserve | Foreign exchange reserve | Warrant and option reserve | Retained earnings | Total equity |
|--|-------------------------|-----------------------|--------------------------|----------------------------|-------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| COMPANY | | | | | | |
| As at 1 January 2013 | 1,969 | 30,402 | 80 | 1,466 | (13,041) | 20,876 |
| Share capital issued (Note 14) | 3,596 | 17,579 | - | - | - | 21,175 |
| Cost of share issue including warrants issued | - | (1,419) | - | 726 | - | (693) |
| Expiry of warrants | - | - | - | (480) | 480 | - |
| Share based payments | - | - | - | 98 | - | 98 |
| Loss for the period | - | - | - | - | (8,181) | (8,181) |
| Other comprehensive income for the period | - | - | 541 | - | - | 541 |
| As at 31 December 2013 and 1 January 2014 | 5,565 | 46,562 | 621 | 1,810 | (20,742) | 33,816 |
| Share capital issued (Note 14) | 33 | 229 | - | - | - | 262 |
| Exercise and expiry of warrants and options | - | - | - | (1,081) | 1,081 | - |
| Loss for the period | - | - | - | - | (1,134) | (1,134) |
| Other comprehensive income for the period | - | - | 88 | - | - | 88 |
| As at 31 December 2014 | 5,598 | 46,791 | 709 | 729 | (20,795) | 33,032 |

The notes on pages 22 to 37 form part of these financial statements.

EQUATORIAL PALM OIL PLC

NOTES TO FINANCIAL STATEMENTS

For the period 1 January 2014 to 30 September 2014

1. Summary of Significant 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 period ended 30 September 2014 were authorised for issue by the Board of Directors on 8 December 2014 and the statements of financial position signed on the Board's behalf by Michael Frayne.

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and IFRIC interpretations and with those parts of the Companies Act, 2006 applicable to companies reporting under IFRS.

These financial statements have been prepared on a going concern basis.

Basis of consolidation

Where the company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements comprise the financial statements of Equatorial Palm Oil plc and its subsidiaries (the "Group"). The financial statements of the subsidiaries are prepared for the same reporting period 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.

Foreign currency translation

(i) Functional and presentation currency

Items included in the individual financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US Dollars, which is Equatorial Palm Oil's presentation currency and differs from its functional currency, Sterling. The Company's strategy is focused on developing its investment in Liberian oil palm funded by shareholder equity and other financial assets which are principally denominated in Sterling.

(ii) Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at balance date. Gains or losses arising from settlement of transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the period.

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(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at the average exchange rate; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Investment

The Group has adopted an accounting policy for its interest in Liberian Palm Developments Limited ("LPD"), as disclosed in Note 9. This investment in which the Group has significant influence is included in the financial statements and accounted for using the equity method. The Group accounts for its share of the net assets of LPD as an investment within the statement of financial position. The Group's share of the gains or losses of LPD are included within the income statement. LPD prepares accounts in accordance with the Group's accounting policies.

Upon initial transfer of assets and subsidiaries to LPD, the Group derecognises the assets at their carrying amounts at the date when control is lost. Initial recognition of the investment in LPD is at its fair value. Any resulting difference is recognised as a gain or loss in the statement of comprehensive income.

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

Impairment of non-financial assets

Non-financial assets and identifiable intangibles are reviewed for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment review is based on discounted future cash flows. If the expected discounted future cash flow from the use of the assets and their eventual disposal 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

Property, plant and equipment are 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 | 20% - 33% |
| Vehicles | 20% - 33% |
| Palm Oil Mill | 4% |

Assets under construction are carried within a separate category of property, plant and equipment at cost and are not depreciated until they are commissioned.

Liberian leasehold (concession) land is depreciated on a straight-line basis over the term of the agreement being 50 years.

Plantation development comprises all rehabilitated plantation development costs such as direct materials, labour and an appropriate proportion of fixed overheads.

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Biological Assets

Biological assets comprise oil palm trees from initial preparation of land and planting of seedlings through to maturity and the entire productive life of the trees.

Oil palms which are not yet mature at the accounting date, and hence are not producing fresh fruit bunches ("FFB"), are valued at cost as an approximation of fair value.

Mature oil palms which are producing FFB are carried at fair value.

Plantation development costs comprise all rehabilitated plantation development costs such as direct materials, labour and an appropriate proportion of fixed overheads.

Loans Receivable

Loans and advances made to third parties and companies which are not consolidated are recognised when cash is advanced to a borrower. They are derecognised when either the borrower repays its obligations, or the loans are sold or written off, or substantially all the risks and rewards of ownership are transferred. They are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less any reduction for impairment or uncollectibility.

Revenue Recognition

Revenue represents management fees charged to LPD for consultancy and administrative services. Revenue is recognised when services are provided.

Revenue within LPD comprises the fair value of consideration received upon the sale of crude palm oil and palm kernel oil. Revenue is recognised when the risks and rewards are transferred which is when crude palm oil is received by the customer.

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 Reporting Date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable 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

In accordance with IFRS 2 'Share-based payments', the Group reflects the economic cost of awarding shares and share options to employees and Directors by recording an expense in the statement of comprehensive income equal to the fair value of the benefit awarded. The expense is recognised in the statement of comprehensive income over the vesting period of the award.

Fair value is measured by use of a Black-Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is either charged against the statement of financial position or charged to the consolidated statement of comprehensive income and amortised over the remaining vesting period, the relevant treatment will depend on the nature of the service rendered.

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Where an option or a warrant is issued to a third party the Directors value the service received at fair value, where this is not ascertainable the Directors will value the service based on the fair value of the instruments issued as described above.

Financial Instruments

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

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any provision is recognised in the income statement.

Cash and cash equivalents consist of cash on hand and cash held on current account or on short-term deposits with initial maturity of three months or less at variable interest rates. Any interest earned is accrued monthly and classified as interest.

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans are recorded at fair value less any directly attributable costs, with subsequent measurement at amortised cost. Finance costs are accounted for on an accruals basis in the income statement using the effective interest method.

Segment information

The Group complies with IFRS 8 Operating Segments, which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance.

In the opinion of the Directors, the operations of the Group comprise one class of business, being the cultivation of oil palms for the production of crude palm oil and associated products in Liberia.

Critical accounting estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and related disclosures. The estimates and underlying assumptions are based on practical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary, if there are changes in the circumstances on which the estimate was based or as a result of new information. Such changes are amortised in the period in which the estimate is revised.

The key area where management have made estimates and assumptions is:

Investment in associate – if there are indicators of impairment, management undertake an impairment review of the carrying value of the investment in the associate. The impairment review may contain critical estimates such as the future yield of the palm plantation, the future price of palm oil and the discount rate applied.

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Critical judgements in applying the Group's accounting policies

The application of the Group's accounting policies may require management to make judgements, apart from those involving estimates, which can have a significant effect on the amounts amortised in the financial statements. Management judgement is particularly required when assessing the substance of transactions that have a complicated structure or legal form.

The key areas where management judgement will need to be applied are:

- (a) Biological assets – the immature plantation and other biological assets which have not yet begun harvesting have been recognised at cost as an approximation to fair value.
- (b) Share-based payments – management assesses the fair value of each option using an appropriate pricing model based on option and share prices, volatility and the life of the option (see Note 15). If the vesting date is dependent on a non-market performance condition, the timing of the future performance condition is estimated at each balance sheet date and the cumulative share option charge is adjusted accordingly, the movement being reflected in the income statement.

Adoption of new and amended Accounting Standards

- (i) Accounting developments during 2014

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 30 September 2014 but did not result in any material changes to the financial statements of the Group or Company.

- (ii) Accounting developments not yet adopted

Various new standards and amendments have been issued by the IASB up to the date of this report which are not applicable until future periods and some have not yet been endorsed by the European Union. The Directors do not expect these will have a material impact on the financial statements of the Group or Company.

2. Operating Loss

The operating loss is stated after charging:

| | | Group | Group |
|--------------------------------|------------------|---------------------|--------------------|
| | | Period ended | Year ended |
| | | 30 September | 31 December |
| | | 2014 | 2013 |
| | | \$'000 | \$'000 |
| Auditors' remuneration | – audit services | 47 | 36 |
| | – other services | - | 19 |
| Directors' emoluments (Note 4) | | 305 | 549 |
| Share based payments | | - | 98 |

In addition to the above, the Auditors charged \$55,000 (2013 – \$52,000) in relation to the associate. The costs were borne by the associate.

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3. Taxation

| | Group | Group |
|--|--|---|
| | Period ended 30 September 2014 \$'000 | Year ended 31 December 2013 \$'000 |
| Factors affecting the tax charge for the period | | |
| Loss on ordinary activities before tax | (1,143) | (8,201) |
| Loss on ordinary activities at the UK standard rate of 21% (2013: 23%) | (240) | (1,886) |
| Effects: | | |
| Expenses not deductible for tax purposes | 38 | 1,179 |
| Tax losses carried forward | 202 | 707 |
| Total taxation | - | - |

No deferred tax assets have been recognised (2013: nil). The Group has total carried forward losses of \$9,330,270 (2013: \$8,368,365). The taxed value of the unrecognised deferred tax asset is \$1,866,054 (2013: \$1,673,673).

4. Directors' emoluments

| | Salary | Salary |
|----------------------|--|---|
| | Period ended 30 September 2014 \$'000 | Year ended 31 December 2013 \$'000 |
| Michael Frayne | 119 | 219 ¹ |
| Anthony Samaha | 21 | 68 |
| Geoff Brown | 148 | 203 |
| Shankar Varadharajan | - | 12 |
| Joseph Jaoudi | 17 | 47 |
| Lee Oi Hian | - | - |
| Teh Sar Moh Nee | - | - |
| Yap Miow Kien | - | - |
| Total | 305 | 549 |

1) Included in this figure are payments of £40,000 from Liberian Palm Developments Limited to Adelise, a company held by a trust of which Michael Frayne is a beneficiary, for services provided during the period.

All Directors' remuneration is paid in cash.

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5. Compensation of Key Management Personnel

| | Group | Group |
|------------------------------|--|---|
| | Period ended 30 September 2014 \$'000 | Year ended 31 December 2013 \$'000 |
| Short-term employee benefits | 515 | 812 |
| Social security costs | 56 | 86 |
| Share-based payments | - | 82 |
| Total | 571 | 980 |

Key Management Personnel includes the Directors of the Company and senior management.

6. Staff Costs (including Directors)

| | Group | Group |
|--------------------------|--|---|
| | Period ended 30 September 2014 \$'000 | Year ended 31 December 2013 \$'000 |
| Staff Costs | | |
| Salaries & Wages | 515 | 827 |
| Social Security Costs | 56 | 88 |
| Share-based payments | - | 82 |
| Total Staff Costs | 571 | 997 |
| Staff Costs Capitalised | - | - |
| Total Staff Cost Expense | 571 | 997 |

The Group and Company averaged 7 employees during the period ended 30 September 2014 (31 December 2013: 7). The Group had an average of 7 employees involved in administration and an average of zero employees involved in field and operational support activities for the period ended 30 September 2014 (31 December 2013: 7 and zero respectively).

7. 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.

| | Group | Group |
|---|--|---|
| | Period ended 30 September 2014 \$'000 | Year ended 31 December 2013 \$'000 |
| Loss for the period | (1,143) | (8,201) |
| Weighted average number of Ordinary shares of 1p in issue | 355.4 million | 184.8 million |
| Loss per share – basic | (0.3) cents | (4.4) cents |

Details of any potentially dilutive shares are included in the share based payment note, Note 15.

8. Financial Instruments

The Group (including the Company, its subsidiary and its interest in Liberian Palm Developments Limited) is exposed through its operations to the following risks:

- Credit risk
- Liquidity risk
- Market risk
- Foreign exchange risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

- Trade and other receivables;
- Cash and cash equivalents;
- Trade and other payables;
- Short term loans receivable; and
- Short term loans payable.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The overall objective of the Board is to set policies that seek to reduce risk exposure as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

The Group is exposed to credit risk from its cash deposits. The Group reviews the banks and financial institutions it deals with to ensure that standards of credit worthiness are maintained.

The Group is also exposed to credit risk from its loans to LPD. The ability of LPD to repay its debts is supported by a joint venture agreement between the Company and KLK (refer Note 9).

The Group does not enter into derivatives to manage credit risk.

At the Reporting Date the Group does not envisage any losses from non-performance of counterparties.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The Directors receive information regarding cash balances on a monthly basis. As soon as funding shortfalls are identified, the Directors take action to identify and subsequently secure the necessary

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funds from existing or new investors or in the form of short and long term borrowings. Further disclosure of going concern is given in Note 1.

Market risk

The most significant component of market risk affecting the Group is the market price of CPO, which will be determined by local market prices and demand for CPO and also the Group's access and route to export sales.

Foreign exchange risk

Foreign exchange risk arises because the Group has operations located in the UK and Liberia, which enter into transactions in currencies which are not the same as the functional currency of the Company. Only in exceptional circumstances will the Group consider hedging its net investments in overseas operations, as generally it does not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques. Wherever possible in order to monitor the continuing effectiveness of this policy, the Board, through their approval of capital expenditure budgets and review of the monthly management accounts, considers the effectiveness of the policy on an ongoing basis.

Foreign currency sensitivity analysis

The Group is mainly exposed to currency rate fluctuations of the UK Pound versus the US\$, and measures its foreign currency risk through a sensitivity analysis considering 10% favourable and adverse changes in market rates on exposed monetary assets and liabilities denominated in UK Pounds. At 30 September 2014 a 10% revaluation of the Pound against the Dollar would have resulted in a US\$188,902 increase or decrease in the net assets of the Group (31 December 2013: US\$844,447).

Capital management policies

The Group considers its capital to be its ordinary share capital, share premium, other reserves, retained deficit and external borrowings. The Board of Directors has established principles for the management of the Group's capital resources based on a long-term strategy that continually evaluates and monitors the achievement of corporate objectives. Specific capital management policies set forth include the following:

- Sufficient resources to maintain and develop its concessions and to maximise discretionary spending on further accelerating its plantation development;
- The reinvestment of profits into new and existing assets that fit the corporate objectives;
- To identify the appropriate mix of debt, equity and partner sharing opportunities in order to maintain and comply with its growth and development plans alongside those commitments of its concession agreements with a view of generating the highest returns to shareholders overall with the most advantageous timing of investment flows;
- Retain maximum flexibility to allocate capital resources between new planting and production of CPO enhancing projects based on available funds and the quality of opportunities.

On a regular basis, management receives financial and operational performance reports that enable continuous management of assets, liabilities and liquidity.

The above policies and practices are consistent with strategies and objectives employed in prior years and are expected to remain consistent in the extension of future resource allocation objectives.

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9. Investment in associate (2013 – joint venture)

The Company, through its investment in Equatorial Biofuels (Guernsey) Limited, owns a 50% interest in Liberian Palm Developments Limited (“LPD”).

During the period, a new Joint Venture Agreement (“JVA”) was signed pursuant to which cash and funding commitments of up to \$35.5m is being made available to be provided to LPD. Under the JVA, the Company retained a 50% economic and voting interest in LPD. Also under the JVA, KLK has the power to appoint the Chairman to the Board of LPD and in the case of a tied vote the Chairman has the casting vote. For this reason, the Company accounts for its investment in LPD as an equity investment in which it has significant influence. There is no change to the recognition and measurement of the Company’s investment in LPD when compared to the prior periods. However, the investment is now described within the statement of comprehensive income and the statement of financial position as “Investment in associate” rather than “Investment in joint venture”.

The Company’s interest in LPD is as follows:

| | 30 September 2014 | 31 December 2013 |
|--|------------------------------|-----------------------------|
| | \$’000 | \$’000 |
| Interest in associate (2013 – joint venture) at beginning of period | 17,708 | 19,103 |
| Investment in associate | 7,500 | - |
| Share of losses of associate (2013 – joint venture) | (598) | (1,395) |
| Interest in associate (2013 – joint venture) at end of period | 24,611 | 17,708 |

The results of Liberian Palm Developments Limited for the period ended 30 September 2014 were as follows:

| | 30 September 2014 | 31 December 2013 |
|-------------------------|------------------------------|-----------------------------|
| | \$’000 | \$’000 |
| Non-current assets | 54,093 | 40,155 |
| Current assets | 11,989 | 10,574 |
| Non-current liabilities | (14,884) | (13,874) |
| Current liabilities | (1,976) | (1,439) |
| TOTAL NET ASSETS | 49,222 | 35,416 |
| Group’s share (50%) | 24,611 | 17,708 |
| Income | 105 | 160 |
| Expenses | (1,300) | (2,949) |
| Loss after tax | (1,195) | (2,789) |
| Group’s share (50%) | (598) | (1,395) |

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10. Investments

Subsidiaries and associates (2013 – joint ventures) of Equatorial Palm Oil plc

| Company | Country of Registration | Holding 30 September 2014 | Holding 31 December 2013 | Nature of business |
|--|--------------------------------|--|---|----------------------------------|
| Direct (subsidiaries) | | | | |
| Equatorial Biofuels (Guernsey) Limited | Guernsey | 100% | 100% | Holding Company |
| Indirect (associates) | | | | |
| Liberian Palm Developments Limited | Mauritius | 50% | 50% | Holding Company |
| EBF (Mauritius) Limited | Mauritius | 50% | 50% | Holding Company |
| EPO (Mauritius) Limited | Mauritius | 50% | 50% | Holding Company |
| EPO Liberia | Liberia | 50% | 50% | Operating company in Liberia |
| Liberia Forest Products Incorporated | Liberia | 50% | 50% | Operating company in Liberia |
| Liberia Agricultural Development Corporation | Liberia | 50% | 50% | Non-operating company in Liberia |
| LIBINC Oil Palm Inc. | Liberia | 50% | 50% | Operating company in Liberia |

The Company's investment in Equatorial Biofuels (Guernsey) Limited is as follows:

| | 30 September 2014 \$'000 | 31 December 2013 \$'000 |
|--|---|--|
| Investment at beginning of period | 18,460 | 19,855 |
| Investment in associate (2013 – joint venture) | 7,500 | - |
| Impairment | (598) | (1,395) |
| Investment at end of period | 25,363 | 18,460 |

The impairment of the Company's investment reflects the share of losses incurred during the period.

11. Loans to Subsidiaries

| | Company 30 September 2014 \$'000 | Company 31 December 2013 \$'000 |
|--|---|--|
| Equatorial Biofuels (Guernsey) Limited | 116 | 108 |
| Total | 116 | 108 |

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

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12. Non-current receivables

| | Group | Group | Company | Company |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | 30 September 2014 \$'000 | 31 December 2013 \$'000 | 30 September 2014 \$'000 | 31 December 2013 \$'000 |
| Receivable due from associate (2013 – joint venture) | 5,537 | 5,150 | 5,537 | 5,150 |
| | 5,537 | 5,150 | 5,537 | 5,150 |

The receivable due from the associate relates to a loan, with a five year term, that will accrue interest at a rate of LIBOR + 4% or 8% per annum, whichever is higher. Interest will accrue on the principal amount of the loan (including any accrued interest) and is repayable in full at the end of the five year term or earlier, at the discretion of LPD. Interest accrued for the period amounted to \$313,000 (2013: \$366,000).

On 7 November 2013, the Company announced that, for a consideration of \$2 million payable to the Company, \$6 million of the value of the loan to LPD was assigned to Kuala Lumpur Kepong Berhad (“KLK”). As such, a one-off \$3,828,000 write down of the value of the loan to LPD was recognised.

| | 30 September 2014 \$'000 | 31 December 2013 \$'000 |
|--|--------------------------------|-------------------------------|
| Receivable due from associate (2013 – joint venture) at beginning of period | 5,150 | 468 |
| Funds loaned to associate (2013 – joint venture) | 74 | 8,144 |
| Interest income | 313 | 366 |
| Write down of loan to joint venture | - | (3,828) |
| Receivable due from associate (2013 – joint venture) at end of period | 5,537 | 5,150 |

13. Trade and other payables

| | Group | Group | Company | Company |
|----------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | 30 September 2014 \$'000 | 31 December 2013 \$'000 | 30 September 2014 \$'000 | 31 December 2013 \$'000 |
| Trade payables | 51 | 250 | 51 | 250 |
| Other payables | 62 | 144 | 62 | 144 |
| | 113 | 394 | 113 | 394 |

14. Called Up Share Capital

| | 30 September 2014 \$'000 | 31 December 2013 \$'000 |
|--|--------------------------------|-------------------------------|
| <i>Allotted, called up and fully paid</i> | | |
| 356,277,502 (2013: 354,327,502) Ordinary shares of 1p each | 5,598 | 5,565 |

During the period the Group issued 1,950,000 (2013: 226,011,068) shares at an average price of 8 pence (2013: 5.9 pence) per share, which equates to 13.4 cents (2013: 9.3 cents).

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15. Share based payments

During the period ended 30 September 2014, no warrants or options were issued and there was no share based payment charge.

During the year ended 31 December 2013, the Group incurred a share based payment charge of \$98,000 relating to the grant of 28,716,590 warrants in the period. No options were issued during 2013.

Under IFRS 2 'Share Based Payments', the Company determines the fair value of options and warrants issued to Directors and employees as remuneration and recognises the amount as an expense in the income statement with a corresponding increase in equity, with a similar treatment being applied to consultants.

The assessed fair value of the warrants granted during the year ended 31 December 2013 was determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following inputs to the model were used for the warrants issued in the year ended 31 December 2013:

| | |
|---------------------------|---------------|
| Expected volatility | 51% |
| Risk-free interest rate | 0.24% – 0.58% |
| Share price at grant date | 6.00p – 6.75p |
| Fair value per option | 0.4p – 1.5p |

The expected volatility is based upon the historical volatility of the Company and a basket of comparable companies, and reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Warrants

Details of the warrants outstanding during the period are as follows:

| | Number of warrants | Weighted average exercise price |
|--|---------------------------|--|
| Outstanding at 1 January 2013 | 8,188,928 | 17.5p |
| Issued during the year | 28,716,590 | 8.3p |
| Expired during the year | (5,990,171) | 17.5p |
| Outstanding and exercisable at 1 January 2014 | 30,915,347 | 9.0p |
| Exercised during the period | (1,950,000) | 8.0p |
| Expired during the period | (10,000,000) | 8.0p |
| Outstanding and exercisable at 30 September 2014 | 18,965,347 | 9.6p |

Of the 28,716,590 warrants issued during 2013, 23,900,000 were issued to subscribers of Ordinary shares. These warrants, which represent a direct cost of issuing the shares, have been valued and recognised in the warrant and option reserve, with the corresponding amount offset against the share premium reserve.

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As at 30 September 2014, the following warrants to subscribe for Ordinary shares were outstanding:

| Category | Over Number of Shares | Expiry Date |
|---------------------------------------|-----------------------|------------------|
| Apr-15 Warrants, exercisable at 8.0p | 11,950,000 | 6 April 2015 |
| Jul-16 Warrants, exercisable at 10.0p | 4,816,590 | 16 July 2016 |
| 5yr Warrants, exercisable at 17.5p | <u>2,198,757</u> | 26 February 2015 |
| Total | 18,965,347 | |

The “Apr-15 Warrants, exercisable at 8.0p” were initially exercisable at 15.0p. These warrants were re-priced to 8.0p on 29 July 2013.

As at 30 September 2014, the Directors had warrants to subscribe for Ordinary shares at 10.0p as set out in the table below:

| Directors | Number of Jul-16 Warrants | Total number |
|----------------|---------------------------|------------------|
| Michael Frayne | 4,816,590 | <u>4,816,590</u> |
| | | 4,816,590 |

Share Options

Details of the options outstanding during the period are as follows:

| | Number of share options | Weighted average exercise price |
|--|-----------------------------|---------------------------------|
| Outstanding at 1 January 2013 | 9,770,200 | 17.5p |
| Outstanding at 1 January 2014 | 9,770,200 | 17.5p |
| Expired during the period | (9,770,200) | 17.5p |
| | <u> </u> | <u> </u> |
| Outstanding and exercisable at 30 September 2014 | - | n/a |
| | <u> </u> | <u> </u> |

Details of options can be summarised as follows:

| | At 1 January 2013 and 1 January 2014 | Expired | At 30 September 2014 |
|------------------|--|---------------------------|-------------------------|
| Directors | | | |
| Michael Frayne | 1,750,000 | (1,750,000) | - |
| Joe Jaoudi | 1,450,000 | (1,450,000) | - |
| Geoff Brown | 1,500,000 | (1,500,000) | - |
| Anthony Samaha | 1,200,000 | (1,200,000) | - |
| Employees | 1,870,200 | (1,870,200) | - |
| Others | 2,000,000 | (2,000,000) | - |
| Total | <u>9,770,200</u> | <u>(9,770,200)</u> | = |

All of the options had an exercise price of 17.5pence, an expiry date of 29 May 2014 and vested in four equal tranches as follows:

Tranche 1 – vested on issue

Tranche 2 – vested at Performance Milestone 1 which was the commissioning of a 5 tonne per hour mill at Palm Bay

Tranche 3 – were to have vested at Performance Milestone 2 which was the production of 4,000 tonnes of CPO from mills owned by the Group

Tranche 4 – vested at Performance Milestone 3 which was the planting of first 2,500 hectares of new palm oil plantation

All of the options had an original expiry date of 26 February 2015. The KLK transaction on 29 November 2013 was deemed to be a “change of control” event which resulted in a new expiry date of six months from 29 November 2013.

16. Related Party Transactions

KLK and Biopalm

On 11 April 2014, the Company announced that it had entered into a joint venture agreement (“JVA”) with KLK Agro Plantations Pte Ltd (“KLK Agro”), a wholly owned subsidiary of KLK, in relation to the operations and funding for Liberian Palm Developments Limited (“LPD”). Under the terms of the JVA, KLK Agro and EPO (through its wholly owned subsidiary Equatorial Biofuels (Guernsey) Limited) each subscribed for US\$7,500,000 of new equity in LPD. In addition, KLK Agro agreed to provide any further funding required by LPD up to a maximum of US\$20,500,000 (the “KLK Funding Commitment”) which may, at the discretion of KLK Agro, be provided by way of debt or preferential equity finance which will incur interest or preferential dividend (as appropriate) at USD LIBOR plus a maximum of 500 basis points. LPD also has the option to obtain financing from parties other than KLK irrespective of whether or not the KLK Funding Commitment has been fully invested in LPD and provided that the terms of such external financing are better than that of KLK’s Funding Commitment.

On 20 February 2013, the Company announced that Broadcourt Investments Ltd, a company associated with Biopalm Energy Limited (“BEL”) who at the time was the Company’s largest shareholder and joint venture partner had subscribed for 6,927,658 ordinary shares of 1 pence each in the Company at a price of 12 pence per share for an aggregate consideration of £831,319.

On 7 November 2013, the Company announced that KLK had entered into an agreement with BEL for the sale and purchase of the following for a total cash consideration of \$21,258,000.

- (i) BEL's 50.0 per cent. equity interest in LPD;
- (ii) BEL's 20.1 per cent. equity interest in EPO, equivalent to 40,260,991 ordinary shares of 1 pence each; and
- (iii) the assignment of BEL's loans to LPD totalling \$608,000.

In addition, the Company announced that it had entered into various agreements relating to a loan and liability assignment arrangement with KLK. For a consideration of \$2 million payable to the Company, EPO agreed to assign to KLK \$6 million of the outstanding liabilities due to EPO from LPD. As such, a one-off \$3,828,000 write-down of the value of the Company’s loan to LPD was recognised (refer Note 12).

On 26 November 2013, the Company announced that it had raised £7.69 million by way of a subscription for 153,817,648 new ordinary shares of 1p each in the capital of the Company by KL - Kepong International Ltd., a wholly owned subsidiary of KLK, at a price of 5p per share. Following completion of the subscription, KLK was interested in 194,078,639 Ordinary Shares in aggregate representing approximately 54.8 per cent. of the Company's enlarged issued share capital. As a result, KLK was required, under Rule 9.1 of the City Code on Takeovers and Mergers, to make a cash offer to acquire all of the Ordinary Shares in the Company not already owned by it, at a price of not less than 5p per Ordinary Share.

On 23 December 2013, the Company announced that KLK had received valid acceptances in all respects of 29,788,330 shares representing 8.40 per cent. of the issued share capital of the Company. Including valid acceptances in all respects, KLK therefore owned 223,866,969 shares representing 63.18 per cent. of the issued share capital of the Company as at 23 December 2013. KLK intends to maintain the Company’s admission to trading on AIM.

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Adelise Services Limited

On 16 July 2013, the Company announced that it had entered into loan agreements with Adelise Services Limited (“ASL”), a company associated with Michael Frayne, for the advance of £29,745 and US\$425,000 to the Company. Under the terms of the loan agreements the Company agreed that:

- an arrangement fee of 5 per cent. of the loans was payable;
- penalty interest was chargeable on the loans after 60 days at a rate of 2% per 30 day period thereafter if they are not repaid under the terms of the loan agreements;
- warrants over 4,816,590 ordinary shares in the Company were granted to ASL as consideration for providing the loans. The warrants are exercisable for a period of 3 years from the date of grant at an exercise price of 10p per ordinary share.
- ASL agreed to convert the arrangement fee, any interest payable and \$100,000 of the loans into a proposed fund raising.

The loans were fully repaid during 2013.

Details of related party transactions in relation to services provided by ASL during 2013 are disclosed in Note 4.

Loans to Subsidiaries

Details of loans to subsidiaries are disclosed in Note 11.

17. Controlling Entity

The parent company and ultimate controlling company is Kuala Lumpur Kepong Berhad (“KLK”), a company incorporated in Malaysia, the accounts of which are available from www.klk.com.my. KLK own and control 62.86% of the Company’s share capital as at 30 September 2014 and they are deemed to be the ultimate controlling entity.

18. Events After the Reporting Period

There have been no material events after the end of the reporting period.

19. Profit and Loss Account of the Parent Company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent Company has not been separately presented in these accounts. The parent Company loss for the period was \$1,134,000 (2013: \$8,181,000).

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BOARD OF DIRECTORS

Michael Frayne (Non-Executive Chairman)

Michael Frayne has a Bachelor of Commerce Degree majoring in accounting and finance, a Bachelor of Science Degree majoring in Geology and a Postgraduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He is a Chartered Accountant and a member of the Australian Institute of Mining and Metallurgy. Mr Frayne was previously employed at major international accounting firm, Ernst & Young, and consulted to a number of resource and commodity companies. He then worked directly in the resource industry including Great Central Mines Ltd (now part of Newmont Ltd). He then joined the corporate team of Minara Resources Ltd (formerly Anaconda Nickel Ltd), the majority owner of the Murrin Murrin Nickel Cobalt Project in Western Australia whose major investors were Anglo American Group and Glencore International. Since 2002, Michael has provided corporate management and advice to the resource, commodity and energy sectors, successfully listing several companies with projects in Australia, Southern Africa, Asia, North and South America, onto AIM and the Australian Stock Exchange. Most recently Michael founded and was the joint managing director of GCM Resources plc. Michael is one of the founders of the Company, overseeing the company strategy, performing day-to-day executive duties and building the senior management team.

Geoffrey Brown (Executive Director)

Geoffrey Brown has over 40 years experience in the plantation sector. He joined Harrisons & Crosfield plc in Malaysia in 1962 where he was employed on various plantations growing oil palm and rubber. He moved to Indonesia in 1976 and was made responsible for Harrisons & Crosfield's interests in that country. He was appointed executive Chairman of London Sumatra Indonesia in 1982 and remained Managing Director of this large Indonesian plantation company until 1998. In 1990, he was appointed an executive director of Harrisons & Crosfield Plc, responsible for the plantation division. Harrisons & Crosfield Plc owned and managed plantations of rubber, oil palms, cocoa, coffee and tea in Indonesia, and oil palm and coffee in Papua New Guinea. He remained an executive director of Harrisons & Crosfield Plc until the company divested itself of its plantation interest in 1994. In 1999 and 2000, he co-ordinated the expansion of oil palm plantations belonging to the Musim Mas Group in Indonesia and has since then been a consultant specialising in plantation management.

Mr Lee Oi Hian (Non-Executive Director)

Mr Lee Oi Hian has been the Chief Executive Officer of KLK since 2001. He joined KLK in 1974 as an executive and was appointed to the Board in 1985. In 1988, he was appointed as Managing Director and became Chairman of KLK Group in 1993. He subsequently held the post of joint Chairman and Chief Executive Officer until 2008, when he relinquished his role as Chairman, remaining as Chief Executive Officer of the Group. He has served in various positions in the plantations industry, including the Malaysian Palm Oil Council, the Malaysian Palm Oil Board and the Malaysian Cocoa Board. He is also currently the Chairman of Batu Kawan Berhad, and a trustee of several charitable organisations. Mr Lee Oi Hian is also an Honorary Fellow of the Malaysian Oil Scientists' and Technologies' Association (MOSTA) and Honorary Fellow of the Incorporated Society of Planters (FISP).

Mr Teh Sar Moh Nee (Non-Executive Director)

Mr Teh Sar Moh Nee started his planting career in 1976 in Sime Darby Plantation Berhad before joining the KLK Group in 1984. He serves as Regional Director (Peninsular Malaysia) of the KLK Group and has also held the position of Chief Executive Officer at Ladang Perbadanan-Fima Berhad since May 2008. He is a Council Member and 2nd Deputy President of the Malaysian Agricultural Producers Association ("MAPA") and also sits on MAPA's Finance/Executive Committee and Negotiating Committee. Mr Teh Sar Moh Nee attended the Senior Management Programme at Harvard Business School and Senior Executive Programme at Stanford University Business School.

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Ms Yap Miow Kien (Non-Executive Director)

Ms Yap Miow Kien joined KLK in 2002 and is currently its Company Secretary and Senior General Manager (Legal and Secretariat). Prior to joining KLK, Ms Yap was a partner in a law firm. She is an Associate of the Malaysian Institute of Chartered Secretaries and Administrators. She was called to the bar at Middle Temple and completed a bachelor of law (Hons) at the University of Leeds.

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