EQUATORIAL PALM OIL

EQUATORIAL PALM OIL PLC

ANNUAL REPORT AND ACCOUNTS

For the year ended 31 December 2012

Registered Number 5555087

CONTENTS

CHAIRMAN'S STATEMENT

During 2012, Equatorial Palm Oil ("EPO") focussed on further progress of its oil palm assets in Liberia, West Africa, and setting the foundations for its large scale development. EPO has a 50:50 joint venture ("JV") share with Biopalm Energy Limited ("Biopalm") in all the oil palm assets held by Liberian Palm Developments Limited ("LPD"), the JV company that EPO manages on behalf of the JV partners.

Liberian Palm Developments Limited – Operational Review

Palm Bay

Land preparation remained a key focus throughout 2012 at Palm Bay. LPD appointed Ore Search Civil Liberia, a South African-based international earthmoving contractor, to assist in the land preparation at Palm Bay. Ore Search Civil is an experienced earthmoving contractor with many years of experience in West Africa. In addition to building an accommodation camp for its workers, the contractor set up a workshop to ensure that all its machinery is both serviced and repaired in an expeditious manner so as to ensure minimum downtime.

LPD planted 1,000 ha at Palm Bay in 2012 and is looking to significantly increase this rate of planting given the progress made by Ore Search Civil. LPD believes that it can comfortably plant 3,000 ha per annum from 2014 onwards.

The production from the oil palms planted by LPD in 2011 is due to come on-stream in Q4 of 2014, when those palms will yield sufficient fruit to begin harvest. This will mark a significant milestone for LPD. The workforce at Palm Bay Estate is already trained to manage the entire end-to-end process of harvesting, production and dispatch for sale, given that small volumes of crude palm oil ("CPO") have already been sold from oil palms that were existing on the estate when the concession was renewed in 2008. However given that these older palms were planted in the 1970s, their yield has reduced over their lifespan as would be expected in the oil palm lifecycle. It is the intention of LPD to replant all these older palms in 2013 and 2014.

Palm Oil Mill

LPD's oil mill at Palm Bay is the only commercial scale mill in Liberia. The current capacity of the mill is 5 metric tonnes ("MT") of fresh fruit bunches ("FFB") per hour, which will be increased to 10MT of FFB per hour in 2014 to accommodate the new production from 2011 plantings coming on-stream.

As production continues to increase and the palm oil from the new harvest is produced, larger mills are planned to be installed at both Palm Bay and Butaw which will enable 60MT of FFB to be processed per hour. In essence, a new 60MT mill is planned to be installed for every 10,000 ha of oil palms planted.

CPO will be sold in both the domestic and international market. The current market provides favourable conditions due to an increasing demand for CPO from both India and China. LPD is also well placed to deliver CPO to key European and US markets through achieving reduced transport costs in comparison to producers in Indonesia and Malaysia.

Harvesting of FFB continued from our 30 year or more old oil palms on Palm Bay, which produced small volumes of CPO that was then sold into both international markets and locally in Liberia.

The importance of having a working mill for the purpose training of staff cannot be under-estimated. As our new production comes on-stream and volumes ramp 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 has identified suitable land at the Port of Buchanan in order to set up a tank farm facility. Accordingly, LPD is in discussions with the National Port Authority of Liberia (“NPA”) regarding a lease for this land at the Port of Buchanan. Once the planned tank farm facility has been built, LPD will use CPO tankers to transport its products by road from Palm Bay Estate to the Port of Buchanan. The products will be stored in tanks of suitable size where they will then be transferred onto parcel tanker ships that can berth at the port.

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

LPD will also enter into discussions with the NPA about securing land in the Port of Greenville, which is close to the Butaw Estate, for the establishment of a tank farm and storage facility.

During the period LPD moved its head office from Monrovia to Buchanan in order to be closer to its operations, and the office at Buchanan has suitable land to operate as a logistics hub whilst also being conveniently located near the Port of Buchanan.

Butaw Estate

The Butaw Estate achieved a major milestone whereby the first plantings of oil palms were made in 2012. In addition to the 250 ha planted in the last few months of 2012, LPD continued to clear land to enable further plantings to continue into 2013. Butaw remains a very attractive place to grow oil palm and work is on-going so as to ramp up the planting rate in 2013.

The Butaw Estate is conveniently located 42km from the deep water port of Greenville from which LPD intends to export its products. The Port of Greenville is in the process of being upgraded by the NPA and will allow ships to berth of a size suitable for LPD’s needs.

River Cess Expansion Area

With an expansion potential of up to 80,000 ha and an optimum location between our two existingestates, River Cess Expansion Area remains a key development for LPD. Detailed business plans have been submitted to the National Investment Commission of Liberia whereby a Joint Ministerial Committee will be formed by the Liberian Government in order to draw up a concession agreement.

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.

Funding of LPD

In December 2010, the Company entered into and announced a joint venture with Biopalm. As agreed under the terms of the joint venture agreement dated 10 December 2010 entered into between Biopalm and EPO (the "Investment Agreement"), EPO, in February 2011, transferred its oil palm assets in Liberia together with US$7.5m to LPD and Biopalm transferred US$22.5 million to LPD. Under the Investment Agreement, Biopalm committed to provide a guarantee against external funding raised by LPD up to US$30m (the "External Funding"). It was stipulated that in the event that the External Funding is not arranged within agreed timelines, Biopalm shall contribute any amounts required by LPD up to US$30m.

On 8 July 2013, the Company announced that it issued a written notice to Biopalm setting out that Biopalm is in material breach of its obligations under the Investment Agreement.

As a result, EPO has advanced $6.0m to LPD to date (excluding the Loan referred to below), in anticipation of the provision of the External Funding by Biopalm

On 23 July 2013, Biopalm loaned US$400,000 to LPD as part of its obligations under the Investment Agreement ("Biopalm Loan"). Under the Investment Agreement the Biopalm Loan will be provided to LPD at a fixed rate of 8 per cent per annum.

EPO continues to negotiate and work with Biopalm regarding Biopalm's commitment to provide the External Funding, with a view to an amicable solution being reached.

Towards the provision of the long term funding of LPD, African Export-Import Bank (“AfrExim Bank”) was appointed in February 2013 as a corporate advisory partner for the purpose of securing funding of up to $140 million, which is expected to be sufficient to fund the Palm Bay oil palm project.

AfrExim Bank was established in October 1993 by African governments, African private and institutional investors, as well as non-African financial institutions and private investors, for the purpose of financing, promoting and expanding intra-African and extra-African trade. The objectives of AfrExim Bank are to stimulate consistent expansion, diversification and development of African trade while operating as a profit-orientated, socially responsible financial institution and as a centre of excellence in African trade. AfrExim Bank has successfully led the financing for another oil palm operation in West Africa.

Until the External Funding or long term funding of LPD is secured, the operations of LPD will continue predominantly on a care and maintenance basis. LPD has the foundations, infrastructure and team in place to ramp up planting again upon this funding being in place.

Financial review and EPO Fund Raising

The loss of the Group for the 12 months ended 31 December 2012 of $3,814,000 (2011: $2,167,000) was in line with expectations. Cash held by the Group as at 31 December 2012 was $551,000 (2011: $1,329,000).

On 28 March 2013, the Company announced the placement to new institutional investors of 23,900,000 new ordinary shares to raise gross proceeds of £2.39 million. These funds were applied to working capital and to support LPD for the ongoing development of its palm oil projects.

On 16 July 2013, the Company announced it had entered into short term loan agreements with Adelise Services Limited ("Adelise"), a company associated with Michael Frayne, Executive Chairman of EPO, for the advance of £29,745 and US$425,000 to the Company (the "Adelise Loans").

On 24 July 2013, the Company announced the placement to existing and new shareholders of 37,637,000 ordinary shares for an aggregate consideration of £2,258,220 (US$3,465,239) (“the Placing”).

On 29 July 2013 the Company will announce an increase in the size of the placing announced on 24 July 2013 by a further 3,728,762 ordinary shares for an additional aggregate consideration of £223,726. As part of the placing to be announced on 29 July 2013, Adelise will convert £108,900 of the Adelise Loans into ordinary shares.

The proceeds received by EPO from the placings announced on 24 July 2013 and to be announced 29 July 2013, will be used to advance a loan of up to US$2.7m (the "Loan") to LPD. The Loan will be provided on a short-term basis and the interest accrued on the Loan will be payable at a fixed rate of 8 per cent per annum. The Loan is repayable on demand and will be secured against the assets of LPD. The Loan will provide short-term financing to support LPD's ongoing development of its oil palm projects in Liberia, West Africa, in advance of the resolution of Biopalm's External Funding obligation and the anticipated long term debt funding being sourced for LPD by AfrExim Bank.

The Company will also announce on 29 July 2013 that Adelise has granted a US$500,000 revolving loan facility to the Company for the purpose of the Company's general working capital ("the Adelise Facility").

The placings announced on 24 July 2013 and to be announced 29 July 2013, the Biopalm Loan, the Adelise Facility and other loan facilities provide funds, in aggregate, of US$4,828,546 (the "July Raise").

The July Raise will clear current creditors and fund JV operations on a care and maintenance basis for a period in excess of 3 months. In addition to this a number of short term facilities are at an advanced stage of negotiations but not yet finalised. The Company is progressing discussions with additional providers of funding, including Afriexim Bank, and is confident that additional funding will be secured in the near term.

The Company will also announce on 29 July 2013 that Adelise has granted a US$500,000 revolving loan facility to the Company for the purpose of the Company's general working capital.

Community Development

Community development remains a key commitment for LPD and during 2012 we continued to develop and invest in the social, health and economic development of the local communities in which we operate.

Coastal & Environmental Services ("CES"), the internationally accredited environmental consultants based in South Africa, were appointed in 2012 to conduct Environmental and Social Impact Assessment ("ESIA") studies.

CES, established in 1990, is an independent specialist environmental consultancy whose principal area of expertise lies in assessing the various impacts of development on the natural, social and economic environments through, among other instruments, the environmental impact assessment process, and in so doing contribute towards sustainable development.

The studies that are being undertaken by CES will contribute to the social and environmental assessments that LPD has already undertaken in order to ensure the development of its large-scale, sustainable palm oil estates in line with international guidelines.

Final ESIA reports for Palm Bay Estate have been submitted to LPD by CES in June 2013. This is a key milestone for the Company, being the culmination of over 2 years of work.

The environmental studies concluded, *inter alia*, that the oil palm development at the Palm Bay Estate is acceptable from an environmental and social perspective, and will result in sustainable benefits to the area.

LPD provides training through a number of oil palm experts, recruited from Indonesia and Malaysia, in order to enhance the technical, operational and engineering skills of the workforce. Circa 40% of our workforce is women. The workforce is learning skills in nursery, field work, GIS, harvesting and mill operations.

In working towards reinvigorating the agricultural industry in Liberia, LPD, together with the Liberian Government, will introduce an Out Growers Programme designed to facilitate small land holders ability to grow oil palm and thereby support increased self sufficiency within local communities.

In addition, LPD continues to provide health clinics, schools, housing, roads, infrastructure and clean drinking water to the communities in the areas where we operate.

Sustainability is a long term objective for EPO. Having become a member of the Roundtable on Sustainable Palm Oil (“RSPO”) in 2007, EPO has 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

LPD have strengthened the team in Liberia by appointing Mr Jasvinder Singh as Environmental and RSPO Compliance Officer. Jasvinder previously worked with a major palm oil producer in Malaysia where he helped them obtain RSPO certification in 2008 and lead the team through surveillance and audit of an RSPO process.

We have a very strong management team in Liberia. They have the oil palm experience necessary to facilitate large-scale developments. In addition we have a small number of Indonesian estate staff that we have employed on short term contracts to train our Liberian workforce. This has proved to be very effective.

I would like take this opportunity to thank all our staff for their hard work and dedication over the last year. There is much to do in the future, but we are confident in our ability to achieve our objectives given the quality of our employees.

Outlook

The palm oil market fundamentals continue to look positive, with significant shortfalls in production at a time when demand is expected to continue increasing. There is also strong interest in oil palm development in West Africa given the lack of available and suitable land in South-East Asia.

Liberia remains politically stable under democratic rule and is a fast growing investment destination for multi nationals with growth in the oil palm and resources market being underpinned by the compelling demographic and macro-economic trends.

The key objective for LPD in 2013 is to secure funding to reactivate planting and ramp up the planting rate year on year with a forward combined target of planting over 100,000 hectares by 2021. LPD is positioned to produce its first commercial production in 2014 from the oil palms planted in 2011. With the experienced management team, robust economics and a strong investment case, EPO can continue to deliver value and growth to shareholders.

I would like to thank our shareholders for their continued support, and I look forward to updating you on our progress in the year ahead and the creation of value for all stakeholders.

Michael Frayne

Executive Chairman

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 year ended 31 December 2012.

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.

Results and Dividends

The loss for the year of the Group after taxation amounted to $3,814,000 (2011: Loss $2,167,000). A more detailed financial review and outlook is given in the Chairman's report.

The Directors do not propose the payment of a dividend.

Key Performance Indicators and Milestones

The key performance indicators and milestones for the Group for the reported period include:

- First oil palms planted at Butaw Estate
- Appointment of OSC – the internationally accredited land clearing contractors
- Appointment of AfriExim Bank for long term funding of the project
- Suitable land identified at Buchannan Port for storage facility and tank farm
- ESHIA studies being completed by Coastal and Environmental Services
- Head office moved from Monrovia to Buchanan to be closer to operations

Charitable and Political Donations

During the period the Group made no donations (2011: nil) to charities or political parties.

Liberian Palm Developments Limited ("LPD") made donations of $111,505 (2011: $82,100) to charities and community projects in Liberia, over and above community development obligations under the investment agreements.

Payment of Suppliers

It is Group policy to settle all debts with creditors on a timely basis and in accordance with the terms of credit agreed with each supplier. As at 31 December 2012, the Company had 37 days (2011: 28 days) purchases outstanding in creditors.

Insurance

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

Events after the Reporting Period

Significant events after the reporting period but before the approval of these financial statements, being 26 July 2013, are set out in Note 18.

Going Concern

In December 2010, the Company entered into and announced a joint venture with Biopalm Energy Limited ("Biopalm"), a subsidiary of the SIVA Group, an Indian conglomerate. As agreed under the terms of the joint venture agreement dated 10 December 2010 entered into between Biopalm and EPO (the "JV Agreement"), EPO, in February 2011, transferred its oil palm assets in Liberia together with US$7.5m to LPD and Biopalm transferred US$22.5 million to LPD. Under the JV Agreement, Biopalm committed to provide a guarantee (the "Guarantee") against external funding raised by LPD up to US$30m (the "External Funding"). It was stipulated that in the event that the External Funding is not arranged Biopalm shall contribute any amounts required by LPD up to US$30m as debt on commercial terms. To date this External Funding has not been provided.

As a result, EPO has advanced $6.0m to LPD to date, excluding the Loan of up to US$2.7m to be announced 29 July 2013, in anticipation of the provision of the External Funding by Biopalm.

On 8 July 2013, the Company announced that it issued a written notice to Biopalm setting out that Biopalm is in material breach of its obligations under the Investment Agreement. EPO continues to negotiate and work with Biopalm regarding Biopalm's commitment to provide the External Funding, with a view to an amicable solution being reached.

On 24 July 2013, the Company announced that a loan of US$400,000 was made by the Company's joint venture partner Biopalm to LPD ("the Biopalm Loan").

On 24 July 2013, the Company announced the placement to existing and new shareholders of 37,637,000 ordinary shares for an aggregate consideration of £2,258,220 (US$3,465,239) ("the Placing").

On 29 July 2013 the Company will announce an increase in the size of the placing announced on 24 July 2013 by a further 3,728,762 ordinary shares for an additional aggregate consideration of £223,726. As part of the placing to be announced on 29 July 2013, Adelise will convert £108,900 of the Adelise Loans into ordinary shares.

The proceeds received by EPO from the placings announced on 24 July 2013 and to be announced 29 July 2013 will be used to advance a loan of up to US$2.7m (the "Loan") to LPD. The Loan will be provided on a short-term basis and the interest accrued on the Loan will be payable at a fixed rate of 8 per cent per annum. The Loan is repayable on demand and will be secured against the assets of LPD. The Loan will provide short-term financing to support LPD's ongoing development of its oil palm projects in Liberia, West Africa, in advance of the resolution of Biopalm's External Funding obligation and the anticipated long term debt funding being sourced for LPD by AfrExim Bank.

The Company will also announce on 29 July 2013 that Adelise has granted a US$500,000 revolving loan facility to the Company for the purpose of the Company's general working capital ("the Adelise Facility").

The placings announced on 24 July 2013 and to be announced 29 July 2013, the Biopalm Loan, the Adelise Facility and other loan facilities provide funds, in aggregate, of US$4,828,546 (the "July Raise").

The July Raise will clear current creditors and fund JV operations on a care and maintenance basis for a period in excess of 3 months. In addition to this a number of short term facilities are at an advanced stage of negotiations but not yet finalised. Whilst there can be no certainty that these debt and equity facilities will formally complete, the Directors remain confident that these facilities combined with the July Raise will provide sufficient funds to cover costs on a care and maintenance basis for 12 months if required.

Once the short term funding position is secured the Directors plan to work with its JV partner Biopalm to find a longer term funding solution such that returns planting levels of oil palms to those originally planned. It is too early at this stage to indicate what form this longer term funding solution may take.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern, which would principally relate to the impairment of the investment in the JV.

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 were 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 fix their remuneration will be proposed at the annual general meeting.

Corporate Governance

The Directors are committed to maintaining high standards of corporate governance. The Directors have established procedures, so far as is practicable, given the Company's size, to comply with the 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 three 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, Joseph Jaoudi, Geoffrey Brown, and is chaired by Anthony Samaha. 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, Geoffrey Brown, Anthony Samaha, and is chaired by Joseph Jaoudi. The Remuneration Committee reviews the performance of the executive Directors and sets the scale and structure of their remuneration and 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, Anthony Samaha, Joseph Jaoudi and is chaired by Geoffrey Brown. The Nominations Committee meets at least two times a year, and may meet at other times during the year as required. This committee regularly 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.

Business Risks and Uncertainties

The Group’s business is subject to risks inherent in the oil palm sector. In addition, there are risks associated with the jurisdictions where the Group operates.

Going concern and financial risks are discussed in Note 1 and Note 8 respectively.

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

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 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 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 Biopalm Energy Limited

The Group has a Joint Venture Agreement with Biopalm which provides for the Group to manage LPD, the JV Company. There is a risk of a dispute under the Joint Venture Agreement.

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

On 8 July 2013, the Company announced that it issued a written notice to Biopalm setting out that Biopalm is in material breach of its obligations under the Investment Agreement. EPO continues to negotiate and work with Biopalm regarding Biopalm's commitment to provide the External Funding, with a view to an amicable solution being reached.

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

By order of the Board

John Bottomley
Company Secretary

26 July 2013

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.

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

We have audited the financial statements of Equatorial Pam Oil plc for the year ended 31 December 2012 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 Auditing Practices Board'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 APB'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 31 December 2012 and of the Group's loss for the year then ended;

- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the Group's ability to continue as a going concern. Further funds will be required to finance the Group's planned work programme and administrative costs. While the Directors are confident of being able to secure the finance necessary to meet Group's obligations and liabilities as they fall due, a significant uncertainty exists given that sufficient facilities are not currently in place.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Scott Knight (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
26 July 2013

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

GROUP STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2012

	Note	2012 $'000	2011 $'000
Revenue		420	385
Administrative expenses		(2,316)	(2,279)
Share options expense		(38)	(15)
Operating loss	2	(1,934)	(1,909)
Share of operating loss of joint venture	9	(1,880)	(1,010)
Profit on disposal of assets to joint venture		-	752
Loss for the year before and after taxation	3	(3,814)	(2,167)
Other comprehensive income			
Exchange gains arising on translation of foreign operations		106	60
Total comprehensive income for the year		**(3,708)**	**(2,107)**
Loss per share expressed in cents per share			
- Basic & diluted	7	(3.0) cents	(1.7) cents

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

GROUP STATEMENT OF FINANCIAL POSITION
As at 31 December 2012
Registered Number 5555087

	Note	2012 $'000	2011 $'000
ASSETS			
Non-current assets			
Investment in joint venture	9	19,103	20,982
		19,103	20,982
Current assets			
Receivables	12	565	602
Cash & cash equivalents		551	1,329
		1,116	1,931
LIABILITIES			
Current liabilities			
Trade and other payables	13	183	175
		183	175
Net current assets		933	1,756
NET ASSETS		20,036	22,738
SHAREHOLDERS' EQUITY			
Share capital	14	1,969	1,914
Share premium		30,402	29,489
Warrant and option reserve		1,466	2,092
Foreign exchange reserve		80	(26)
Retained loss		(13,881)	(10,731)
Total equity		20,036	22,738

The financial statements were approved by the Board of Directors on 26 July 2013 and were signed on its behalf by:

Anthony Samaha
Director

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

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

	Note	2012 $'000	2011 $'000
ASSETS			
Non-current assets			
Investment in subsidiaries	10	19,855	21,735
Loans to subsidiaries	11	88	80
		19,943	21,815
Current assets			
Receivables	12	565	601
Cash & cash equivalents		551	1,329
		1,116	1,930
LIABILITIES			
Current liabilities			
Trade and other payables	13	183	175
		183	175
Net current assets		933	1,755
NET ASSETS		20,876	23,570
SHAREHOLDERS' EQUITY			
Share capital	14	1,969	1,914
Share premium		30,402	29,489
Warrant and option reserve		1,466	2,092
Foreign exchange reserve		80	(26)
Retained loss		(13,041)	(9,899)
Total equity		20,876	23,570

The financial statements were approved by the Board of Directors on 26 July 2013 and were signed on its behalf by:

Anthony Samaha
Director

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

STATEMENT OF CASH FLOWS
For the year to 31 December 2012

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Cash flows from operating activities				
Loss for the year before and after taxation	(3,814)	(2,167)	(3,806)	(2,154)
Decrease/(increase) in receivables	37	(111)	36	(408)
Increase/(decrease) in payables	8	(370)	8	(221)
Depreciation	-	2	-	2
Share options expensed	38	15	38	15
Share of operating loss of joint venture	1,880	1,010	1,880	1,010
Profit on disposal of assets to joint venture	-	(752)	-	-
Net cash outflow from operating activities	(1,851)	(2,373)	(1,844)	(1,756)
Cash flows from investing activities				
Investment in joint venture	-	(4,658)	-	(4,658)
Net cash outflow from investing activities	-	(4,658)	-	(4,658)
Cash flows from financing activities				
Issue of ordinary share capital	968	2,063	968	2,063
Net cash inflow from financing activities	968	2,063	968	2,063
Net (decrease)/increase in cash and cash equivalents	(883)	(4,968)	(876)	(4,351)
Cash and cash equivalents at beginning of period	1,329	6,760	1,329	6,443
Exchange gains/(losses) on cash and cash equivalents	105	(463)	98	(763)
Cash and cash equivalents at end of period	551	1,329	551	1,329

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

GROUP STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2012

GROUP	Called up share capital $'000	Share premium reserve $'000	Foreign exchange reserve $'000	Warrant and option reserve $'000	Retained earnings $'000	Total equity $'000
As at 1 January 2011	**1,796**	**27,544**	**(86)**	**2,237**	**(8,724)**	**22,767**
Share capital issued (Note 14)	118	1,945	-	-	-	**2,063**
Exercise of warrants and options	-	-	-	(160)	160	**-**
Share based payments	-	-	-	15	-	**15**
Total comprehensive income for the period	-	-	60	-	(2,167)	**(2,107)**
As at 31 December 2011 and 1 January 2012	**1,914**	**29,489**	**(26)**	**2,092**	**(10,731)**	**22,738**
Share capital issued (Note 14)	55	913	-	-	-	**968**
Exercise and expiry of warrants and options	-	-	-	(664)	664	**-**
Share based payments	-	-	-	38	-	**38**
Total comprehensive income for the period	-	-	106	-	(3,814)	**(3,708)**
As at 31 December 2012	**1,969**	**30,402**	**80**	**1,466**	**(13,881)**	**20,036**

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.

COMPANY STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2012

	Called up share capital	Share premium reserve	Foreign exchange reserve	Warrant and option reserve	Retained earnings	Total equity
COMPANY	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at 1 January 2011	**1,796**	**27,544**	**215**	**2,237**	**(7,905)**	**23,887**
Share capital issued (Note 14)	118	1,945	-	-	-	**2,063**
Exercise of warrants and options	-	-	-	(160)	160	**-**
Share based payments	-	-	-	15	-	**15**
Total comprehensive income for the period	-	-	(241)	-	(2,154)	**(2,395)**
As at 31 December 2011 and 1 January 2012	**1,914**	**29,489**	**(26)**	**2,092**	**(9,899)**	**23,570**
Share capital issued (Note 14)	55	913	-	-	-	**968**
Exercise and expiry of warrants and options	-	-	-	(664)	664	**-**
Share based payments	-	-	-	38	-	**38**
Total comprehensive income for the period	-	-	106	-	(3,806)	**(3,700)**
As at 31 December 2012	**1,969**	**30,402**	**80**	**1,466**	**(13,041)**	**20,876**

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

NOTES TO FINANCIAL STATEMENTS
For the period 1 January 2011 to 31 December 2012

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 year ended 31 December 2012 were authorised for issue by the Board on 26 July 2013 and the statements of financial position signed on the Board's behalf by Michael Frayne and Anthony Samaha.

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.

Going concern

In December 2010, the Company entered into and announced a joint venture with Biopalm Energy Limited ("Biopalm"), a subsidiary of the SIVA Group, an Indian conglomerate. As agreed under the terms of the joint venture agreement dated 10 December 2010 entered into between Biopalm and EPO (the "JV Agreement"), EPO, in February 2011, transferred its oil palm assets in Liberia together with US$7.5m to LPD and Biopalm transferred US$22.5 million to LPD. Under the JV Agreement, Biopalm committed to provide a guarantee (the "Guarantee") against external funding raised by LPD up to US$30m (the "External Funding"). It was stipulated that in the event that the External Funding is not arranged Biopalm shall contribute any amounts required by LPD up to US$30m as debt on commercial terms. To date this External Funding has not been provided.

As a result, EPO has advanced $6.0m to LPD to date, excluding the Loan of up to US$2.7m to be announced 29 July 2013, in anticipation of the provision of the External Funding by Biopalm.

On 8 July 2013, the Company announced that it issued a written notice to Biopalm setting out that Biopalm is in material breach of its obligations under the Investment Agreement. EPO continues to negotiate and work with Biopalm regarding Biopalm's commitment to provide the External Funding, with a view to an amicable solution being reached.

On 24 July 2013, the Company announced that a loan of US$400,000 was made by the Company's joint venture partner Biopalm to LPD ("the Biopalm Loan").
On 24 July 2013, the Company announced the placement to existing and new shareholders of 37,637,000 ordinary shares for an aggregate consideration of £2,258,220 (US$3,465,239) ("the Placing").

On 29 July 2013 the Company will announce an increase in the size of the placing announced on 24 July 2013 by a further 3,728,762 ordinary shares for an additional aggregate consideration of £223,726. As part of the placing to be announced on 29 July 2013, Adelise will convert £108,900 of the Adelise Loans into ordinary shares.

The proceeds received by EPO from the placings announced on 24 July 2013 and to be announced 29 July 2013 will be used to advance a loan of up to US$2.7m (the "Loan") to LPD. The Loan will be provided on a short-term basis and the interest accrued on the Loan will be payable at a fixed rate of 8 per cent per annum. The Loan is repayable on demand and will be secured against the assets of LPD. The Loan will provide short-term financing to support LPD's ongoing development of its oil palm projects in Liberia, West Africa, in advance of the resolution of Biopalm's External Funding obligation and the anticipated long term debt funding being sourced for LPD by AfrExim Bank.

The Company will also announce on 29 July 2013 that Adelise has granted a US$500,000 revolving loan facility to the Company for the purpose of the Company's general working capital ("the Adelise Facility").

The placings announced on 24 July 2013 and to be announced 29 July 2013, the Biopalm Loan, the Adelise Facility and other loan facilities provide funds, in aggregate, of US$4,828,546 (the "July Raise").

The July Raise will clear current creditors and fund JV operations on a care and maintenance basis for a period in excess of 3 months. In addition to this a number of short term facilities are at an advanced stage of negotiations but not yet finalised. Whilst there can be no certainty that these debt and equity facilities will formally complete, the Directors remain confident that these facilities combined with the July Raise will provide sufficient funds to cover costs on a care and maintenance basis for 12 months if required.

Once the short term funding position is secured the Directors plan to work with its JV partner Biopalm to find a longer term funding solution such that returns planting levels of oil palms to those originally planned. It is too early at this stage to indicate what form this longer term funding solution may take.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern, which would principally relate to the impairment of the investment in the JV.

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') as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

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

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

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 Palm Oil 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.

(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 joint venture interest in Liberian Palm Developments Limited, as disclosed in Note 9. This jointly controlled entity is included in the financial statements and accounted for using the equity method. The Group accounts for its share of the net assets of the joint venture company as an investment within the statement of financial position. The Group's share of the gains or losses of the joint venture company are included within the income statement. The joint venture prepares accounts in accordance with the Group's accounting policies.

Upon initial transfer of assets and subsidiaries to the joint venture, the group derecognises the assets at their carrying amounts at the date when control is lost. Initial recognition of the investment in the joint venture 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 is stated at cost less accumulated depreciation and any accumulated impairment losses. All assets are subject to annual impairment reviews.

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%

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.

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 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 the Joint Venture Company for consultancy and administrative services. Revenue is recognised when services are provided.

Revenue within the Joint Venture 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.

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.

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 area where management judgement will need to be applied will be in the areas of:

(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 2012

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 year ended 31 December 2012 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 2012 $'000	Group 2011 $'000
Auditors' remuneration	– audit services	40	40
	– other services	16	9
Depreciation		-	2
Directors' emoluments (Note 4)		576	575
Share based payments		38	15

3. Taxation

	Group 2012 $'000	Group 2011 $'000
Factors affecting the tax charge for the period		
Loss on ordinary activities before tax	(3,814)	(2,167)
Loss on ordinary activities at the UK standard rate of 24% (2011: 26%)	(915)	(563)
Effects:		
Expenses not deductible for tax purposes	145	89
Tax losses carried forward	770	474
Total taxation	-	-

No deferred tax assets have been recognised (2011 – nil). The Group has total carried forward losses of $9,274,000 (2011 - $8,504,000). The taxed value of the unrecognised deferred tax asset is $2,225,760 (2011 - $2,211,040).

4. Directors' emoluments

	Salary 2012 $'000	Salary 2011 $'000
Michael Frayne[1]	222	249
Anthony Samaha	52	48
Geoff Brown	206	182
Shankar Varadharajan	48	48
Joseph Jaoudi	48	48
Total	576	575

1) Included in these figures are payments of £40,000 (2011 - £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.

5. Compensation of Key Management Personnel

	Group 2012 $'000	Group 2011 $'000
Short-term employee benefits	842	746
Social security costs	86	61
Share-based payments	38	(31)
Total	966	776

Key Management Personnel includes the Directors of the Company.

6. Staff Costs (including Directors)

	Group 2012 $'000	Group 2011 $'000
Staff Costs		
Salaries & Wages	880	845
Social Security Costs	90	64
Total Staff Costs	970	909
Staff Costs Capitalised	-	-
Total Staff Cost Expense	970	909

The Group and Company averaged 8 employees during the year ended 31 December 2012 (2011: 8). The Group had an average of 8 employees involved in administration and an average of zero employees involved in field and operational support activities for the year ended 31 December 2012 (2011: 8 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 2012 $'000	Group 2011 $'000
Loss for the period	(3,814)	(2,167)
Weighted average number of Ordinary shares of 1p in issue	127.8 million	124.1 million
Loss per share – basic	(3.0) cents	(1.7) cents

Details of any potentially dilutive shares are included in the share based payment note, Note 15, and also post year end share issues as detailed in Note 18.

8. Financial Instruments

The Group, including its joint venture investment, 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; and
- Short term loans receivable.

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 mainly 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 does not enter into derivatives to manage credit risk, although in certain isolated cases may take steps to mitigate such risks if it is sufficiently concentrated.

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. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

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 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 Pound. At 31 December 2012 a 10% revaluation of the Pound against the Dollar would have resulted in a US$10,065 increase or decrease in the net assets of the Group (2011: US$11,076).

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.

9. Investment in joint venture

The Company, through its investment in Equatorial Biofuels (Guernsey) Limited, owns a 50% interest in Liberian Palm Developments Limited. The Group's interest in Liberian Palm Developments Limited is as follows:

	31 December 2012 $'000	31 December 2011 $'000
Interest in joint venture at beginning of year	**20,982**	**-**
Transfer of assets to joint venture	-	21,992
Share of losses of joint venture	(1,879)	(1,010)
Dividend received from Liberian Palm Developments Limited	-	-
Interest in joint venture at end of year	**19,103**	**20,982**

On 3 February 2011 the Group completed a joint venture agreement with BioPalm Energy Limited. The joint venture agreement provides for equity investment in the Joint Venture Company (Liberian Palm Developments Limited) of US$30.0 million (US$7.5 million from Equatorial Biofuels (Guernsey) Limited, a subsidiary of EPO, on behalf of the Company and US$22.5 million from BioPalm Energy). These assets were transferred into the joint venture in 2011.

Upon acquiring a 50% interest in Liberian Palm Developments Limited in exchange for the transfer of assets, the following gain arose:

	2011 $'000	2011 $'000
50% share of the net assets of Liberian Palm Developments Limited		21,992
Less net assets transferred to Liberian Palm Developments Limited:		
Cash	(4,658)	
Assets under construction	(3,222)	
Leasehold concession	(7,644)	
Plant and equipment	(527)	
Plantation development	(4,679)	
Other	(510)	
		(21,240)
Profit on disposal of assets to JV		**752**

The Directors have decided to adopt the equity method for the Group's interest in Liberian Palm Developments Limited. The results of the joint venture for the year to 31 December 2012 were as follows:

	31 December 2012	**31 December 2011**
	$'000	**$'000**
Non-current assets	31,693	22,083
Current assets	8,089	20,989
Non-current liabilities	-	-
Current liabilities	(1,576)	(1,106)
TOTAL NET ASSETS	**38,206**	**41,966**
Income	1,693	229
Expenses	(5,453)	(2,249)
Loss after tax	**(3,760)**	**(2,020)**

10. Investments

Subsidiaries and joint ventures of Equatorial Palm Oil plc

Company	**Country of Registration**	**Holding 2012**	**Holding 2011**	**Nature of business**
Direct (subsidiaries)				
Equatorial Biofuels (Guernsey) Limited	Guernsey	100%	100%	Holding Company
Indirect (joint venture investments)				
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:

	31 December 2012	**31 December 2011**
	$'000	**$'000**
Investment at beginning of year	**21,735**	**-**
Investment in the joint venture	-	22,745
Impairment	(1,880)	(1,010)
Investment at end of year	**19,855**	**21,735**

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

11. Loans to Subsidiaries

	Company 2012 $'000	Company 2011 $'000
Equatorial Biofuels (Guernsey) Limited	88	80
Total	88	80

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.

12. Receivables

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Receivable due from joint venture	468	499	468	499
Other receivables	97	103	97	103
	565	602	565	602

13. Trade and other payables

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Trade payables	114	104	114	104
Other payables	69	71	69	71
	183	175	183	175

14. Called Up Share Capital

Allotted, called up and fully paid	2012 $'000	2011 $'000
128,316,434 (2011 – 124,808,188) Ordinary shares of 1p each	1,969	1,914

3,508,246 warrants and options were exercised during the year. Other than for the purpose of settling warrants and options no other shares were issued.

15. Share based payments

Warrants

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

	Number of warrants	Weighted average exercise price
Outstanding at 1 January 2012	26,722,498	17.5p
Issued during the year	3,955,012	17.5p
Expired during the year	(18,980,336)	17.5p
Exercised during the year	(3,508,246)	17.5p
Outstanding and exercisable at 31 December 2012	8,188,928	17.5p

As at 31 December 2012 the number of warrants that were exercisable totalled 8,188,928 (2011: 26,722,498). These warrants had a weighted average exercise price of 17.5p (2011: 17.5p).

As at 31 December 2012 the following warrants to subscribe for Ordinary shares were outstanding:

Category	Over Number of Shares	Expiry Date
5yr Warrants, exercisable at 17.5p	2,198,757	26 February 2015
3yr Warrants, exercisable at 17.5p	5,990,171	26 February 2013
Total	8,188,928	

As at 31 December 2011 and 2012, the Directors had warrants to subscribe for Ordinary shares at the Placing Price of 17.5p as set out in the table below:

Directors	Number of 3yr Warrants	Total number
Michael Frayne	2,476,461	2,476,461
Joe Jaoudi	545,000	545,000
Anthony Samaha	64,220	64,220
Geoff Brown	245,893	245,893
Shankar Varadharajan	-	-
		3,331,574

Share Options

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 options granted during the period ended 31 December 2012 is 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 options and warrants issued in the period ended 31 December 2012:

	2012	**2011**
Expected volatility	51%	52%
Risk-free interest rate	0.78%	0.95%
Share price at grant date	11.25p	13.75p
Fair value per option	2.2p	4.1p

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.

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

	Number of share options	**Weighted average exercise price**
Outstanding at 1 January 2011	8,075,000	17.5p
Granted during the year	1,000,000	17.5p
Forfeited during the year	(1,500,000)	17.5p
Exercised during the year	(25,000)	30.0p
Outstanding at 1 January 2012	7,550,000	17.5p
Granted during the year	2,220,200	17.5p
Outstanding at 31 December 2012	9,770,200	17.5p
Exercisable at 31 December 2012	5,185,100	17.5p

Details of the options issued in the year can be summarised as follows:

	At 1 Jan 2011	Issued*	Forfeited	Exercised	At 1 Jan 2012	Issued*	Forfeited	Total
Directors								
Peter Bayliss	2,000,000	-	(1,500,000)	-	500,000	-	-	500,000
Michael Frayne	1,250,000	-	-	-	1,250,000	500,000	-	1,750,000
Joe Jaoudi	1,250,000	-	-	-	1,250,000	200,000	-	1,450,000
Geoff Brown	1,000,000	-	-	-	1,000,000	500,000	-	1,500,000
Anthony Samaha	1,000,000	-	-	-	1,000,000	200,000	-	1,200,000
Shankar Varadharajan	-	-	-	-	-	200,000	-	200,000
Employees	250,000	1,000,000	-	-	1,250,000	620,200	-	1,870,200
Others	1,325,000	-	-	(25,000)	1,300,000	-	-	1,300,000
Total	**8,075,000**	1,000,000	(1,500,000)	**(25,000)**	**7,550,000**	2,220,200	-	**9,770,200**

* All of the issued options have an exercise price of 17.5pence, an expiry date of 26 February 2015 and vest 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 – vests at Performance Milestone 2 which is the production of 4,000 tonnes of CPO from mills owned by the Group.
Tranche 4 – vests at Performance Milestone 3 which is the planting of first 2,500 hectares of new palm oil plantation.

16. Commitments

Operating lease commitments

Operating lease relates to London office premises of which some of the areas are sub-let. The Company entered into a lease for the term of 3 years from and including 31 March 2010.

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Non-cancellable operating lease payments:				
Not longer than one year	40	-	40	-
Longer than one year and not longer than five years	-	192	-	192
	40	192	40	192

17. Related Party Transactions

Details of related party transactions in relation to services provided by Adelise, a company held by a trust of which Michael Frayne is a beneficiary, are disclosed in Note 4.

Details of loans to subsidiaries are disclosed in Note 11.

During the year, the Company made no property lease payments (2011: £49,575) to Sanita Investments Limited, a company held by a trust of which Michael Frayne is a beneficiary. There were no amounts outstanding at year end (2011: nil).

In October 2011, LPD entered into a US$10 million term loan facility agreement for 6 months with two companies affiliated with JV partner BioPalm. This loan to BioPalm of cash that was surplus to the requirements of the JV for the period of the loan, provided the benefit of significantly greater rate of return than available from deposit with the major banks. The loan was repaid in full on 5 April 2012, together with accrued interest and an arrangement fee totalling US$350,000.

18. Events After the Reporting Period

On 20 February 2013, the Company announced that Broadcourt Investments Ltd, a company associated with EPO's largest shareholder BioPalm, 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 ($1.3m). The Subscription proceeds received by EPO were used to provide a loan of $1.2m to EPO's joint venture company, Liberian Palm Developments Limited.

On 28 March 2013, the Company announced that it had agreed a conditional placing with new institutional investors of 23,900,000 new ordinary shares at a price of 10 pence per share (“the Placing Shares”) to raise gross proceeds of £2.39 million. The Placing Shares were issued with warrants to subscribe for new ordinary shares on the basis of one warrant for each Placing Share. A total of 23,900,000 Warrants were issued, of which 11,950,000 will be exercisable on or before 7 April 2014 at a price of 12.5 pence per share and 11,950,000 will be exercisable on or before 6 April 2015 at a price of 15.0 pence per share.

On 8 July 2013, the Company announced that it had issued a written notice to its joint venture partner, Biopalm Energy Limited, setting out that Biopalm was in material breach of its funding obligations under the investment agreement signed between the parties on 10 December 2010.

On 16 July 2013, the Company announced it had entered into loan agreements with Adelise Services Limited, a company associated with Michael Frayne, Executive Chairman of EPO, for the advance of £29,745 and US$425,000 to the Company.

On 24 July 2013, the Company announced that a loan of US$400,000 was made by the Company’s joint venture partner Biopalm to LPD (“the Biopalm Loan”).

On 24 July 2013, the Company also announced the placement to existing and new shareholders of 37,637,000 ordinary shares for an aggregate consideration of £2,258,220 (US$3,465,239) (“the Placing”).

On 29 July 2013 the Company will announce an increase in the size of the placing announced on 24 July 2013 by a further 3,728,762 ordinary shares for an additional aggregate consideration of £223,726. As part of the placing to be announced on 29 July 2013, Adelise will convert £108,900 of the Adelise Loans into ordinary shares.

The proceeds received by EPO from the placings announced on 24 July 2013 and to be announced 29 July 2013 will be used to advance a loan of up to US$2.7m (the "Loan") to LPD. The Loan will be provided on a short-term basis and the interest accrued on the Loan will be payable at a fixed rate of 8 per cent per annum. The Loan is repayable on demand and will be secured against the assets of LPD. The Loan will provide short-term financing to support LPD's ongoing development of its oil palm projects in Liberia, West Africa, in advance of the resolution of Biopalm’s External Funding obligation and the anticipated long term debt funding being sourced for LPD by AfrExim Bank.

The Company will also announce on 29 July 2013 that Adelise has granted a US$500,000 revolving loan facility to the Company for the purpose of the Company’s general working capital (“the Adelise Facility”).

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 year was $3,806,000 (2011: $2,154,000).

BOARD OF DIRECTORS

Michael Frayne (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 Asia Energy 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.

Joseph Jaoudi (Non-Executive Director)

Joseph Jaoudi holds two degrees, a Bachelor of Science in Aeronautics Major Electronics and a Masters Degree in System Engineering and Business Administration from the University of California. Joseph has over 47 years of experience in engineering and business ventures. He worked for seven years on the ground support system for the Apollo project and three years on the attitude control unit of the Intelstat 5 Communication Satellite. During the early 1980’s with the support of the California Energy Commission, he established a Biomass Alternate Energy Plant in the San Joaquin Valley. The project was sold and is presently operating as a Cogeneration Power Plant. He served 14 years as a Director of First National Bank of North County, two years of which were as Chairman. For the last four years (and ongoing) he has served as an Advisory Board Member of First Pacific Bank in San Diego County. Between 1970 and 1990, beside the Alternate Energy Project, he served as President and CEO of many family and personal trading companies in Liberia, West Africa that owned and operated wholesale facilities at the Freeport of Monrovia, a chain of supermarkets around Liberia, and a 35,000 acre oil palm concession in Grand Bassa County Liberia (in the area which is now the subject of the Palm Bay Investment Agreement).

Anthony Samaha (Non-Executive Director)

Anthony Samaha holds Bachelor of Commerce and Bachelor of Economics degrees. He is an Associate of the Institute of Chartered Accountants of Australia and an Associate of the Securities Institute of Australia. Anthony has over 15 years’ experience in providing accounting and corporate advice in a diverse range of industry sectors including resource development. He has previously held senior advisory positions in the corporate finance divisions of internationally affiliated accounting firms and has extensive experience in valuations, independent expert’s reports, due diligence, capital raisings and mergers and acquisitions. He is a non-executive director of AIM quoted Reabold Resources Plc.

Shankar Varadharajan (Non-Executive Director)

Shankar Varadharajan holds a Bachelor of Technology from Anna University Chennai, Masters in Business Administration specializing in Finance from Bharathidasan Institute of Management, Trichy and Master of Science specializing in Financial Information Systems from University of Illinois. Shankar has over 13 years of Global Management Experience in various Multinational Corporations including Motorola and the Tata Group. Started his career has an Investment Banker working extensively on financing long gestation infrastructure projects. He has previously held senior positions in these Corporations and has extensive experience in Business Strategy, Project Financing and Capital Raising, Mergers and Valuations, Program Management and Third Party Vendor Management. He also served on the Board of 21st Century Infra Tele Limited a Tata Group Company.

Brokers

Mirabaud Securities LLP
33 Grosvenor Place
London
SW1X 7HY

Financial PR Advisors

Pelham Bell Pottinger
5th Floor Holborn Gate
330 High Holborn
WC1V 7QD

Nominated Adviser

Strand Hanson Limited
26 Mount Row
London W1K 3SQ

Registrars and Crest Service Provider

Share Registrars Ltd
Suite E, First Floor
9 Loin and Lamb Yard
Surrey, GU9 7LL

Solicitors

Kerman & Co LLP
200 Strand
London
WC2R 1DJ

Equatorial Palm Oil plc
Registered Office:
One America Square
Crosswall
London EC3N 2SG

www.epoil.co.uk

Trading Office:
94 Jermyn Street
London SW1Y 6JE

Registered Number 05555087