PRESIDENT ENERGY

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2016

President Energy is an independent, international oil and gas exploration and production company focused on South America

The Company is committed to substantial growth through a twin track strategy of acquisition of new oil and gas assets and the organic development of the Group's existing assets.

Chairman's Statement

Summary

2016 was a rollercoaster of a year. It began with solid progress in production, progressed to a disappointing mechanical result of what otherwise would have been a successful horizontal well in Argentina and ended with a positive financial reorganisation and debt conversion leaving the Group well set up for progress with cash at the year-end of US$17.6 million, net US$8.5 million, (2015: cash US$0.2 million, net debt US$8.1 million). In 2017, Group production was increased to a level of approximately 1,100 boepd, at that figure a 117% increase on the 2016 full year average.

Taking this topsy turvey year into account, and mixing in the challenging macro environment, highlights of the now historic results for 2016 show the following:

- Average production in Argentina increased 26% to 342 bopd (2015: 271 bopd),
- Group production increased 3% to 506 boepd (2015: 490 boepd), since increased in 2017 by 117% having reached approximately 1,100 boepd in April
- Independently audited 2P (proven and probable) reserves in Puesto Guardian Concession increased by 10% to 19.9 mmboe
- Cash at year end of US$17.6 million, net US$8.5 million (2015: cash US$0.2 million, net debt US$8.1 million)
- Group-wide administrative costs reduced by 30% to US$4.5 million (2015: US$6.4 million) reflecting the on-going commitment to costs
- Whilst group turnover was marginally down 2% to US$9.9 million (2015: US$10.1 million) reflecting lower oil prices, turnover in the first five months of 2017 is ahead of the comparative period in 2016
- Operating losses before impairment charges, non-operating gains and adjusted for workover expenses narrowed by 15% to US$5.5 million (2015: loss US$6.5 million)
- Positive operating margins achieved in spring 2017, boosted by the additional interest acquired in Louisiana, and Argentina workover results
- In December 2016 a refinancing of the Group was effected by a placing supported by all major shareholders raising US$20.0 million of new money and a conversion of US$12.0 million of debt to equity with a reduction of the interest burden and extension of term in relation to debt to December 2021

Argentina

The first part of the year was spent conducting workovers of certain wells in our Puesto Guardian Concession with solid progress in production rates, albeit not spectacular. However, the workovers did reaffirm and confirm certain productive zones which helped underpin a 10% increase in independently audited 2P reserves at the Puesto Guardian Concession to 19.9 mmboe

The decision was then taken in the second part of the year to drill new horizontal wells, the first of these being at the DP-1002 S/T at the Dos Puntitas field in the Concession. As previously announced this well, whilst eventually horizontally drilled to the reservoir ready for the production leg, suffered throughout from various mechanical and service quality issues, which ultimately rendered the well incapable of completion for production and drew the specific drilling programme to its current halt. As a result, the Board has determined that the costs of the DP-1002 well as at the balance sheet date should be impaired giving rise to a one-off charge of US$10.9 million. President announced last month that it is pursuing claims against certain service providers in connection with that well.

Since the period end, the Company successfully worked-over the DP-1001 well which initially returned to production at approximately 300 bopd from a vertical section. Additionally, on-going subsurface and geochemical studies at the Puesto Guardian Concession have yielded encouraging results indicative of the potential for structures and reservoir targets on the Concession that have not to date been targeted and in certain cases ignored totally. This, combined with the workovers performed in 2016 and during 2017 to date, reinforces our view that there exist multiple development and appraisal drilling opportunities as well as workover opportunities in the Puesto Guardian Concession that could yield material upside, particularly should oil prices recover from their present levels. The current workover programme is continuing.

On a macro basis we are noticing a significant increase in interest from outside parties in doing business in Argentina and we certainly feel that President is well placed to expand by way of suitable acquisition opportunities as and when they arise.

Paraguay

Geological and geophysical work behind the scenes continued through 2016 and is on-going. President remains in the Exploration Phase in the Pirity Concession and this currently continues until at least March 2018.

With the improvement in oil prices since the lows of early 2016, the positive results of President's further technical work combined with appetite returning for exploration projects, President has determined that it is now appropriate to move forward to identify serious farm-out partners for its Paraguay interests.

President's interests in Paraguay include several undrilled Cretaceous prospects of over 340 mmboe in Prospective Resources supported by extensive 3D and 2D seismic data, of which two are drill ready, as well as multi-TCF gas potential.

Accordingly Paraguay remains very much on President's radar and it retains its optimism as to its assets in that country.

Louisiana

Whilst the year saw declines in revenue due to oil prices, operational issues and natural declines, Louisiana contributed profitably to the Group. Steps were taken to reduce overheads and improve margins.

In April 2017, the Group announced the acquisition of an additional 50% WI (37.5% NRI) and the assumption of operatorship in the Triche Well, East Lake Verret, Louisiana, for an initial cash consideration of US$2.25 million and an additional production related earn-out of up to US$0.4 million. The Group already held a 12% WI (9% NRI and 3% ORRI) in the Triche well and the acquisition represents an incremental production stream of approximately 150 boepd at the time of completion. The Triche Well is performing in line with expectations since the acquisition of the additional WI and this transaction reflects the Group's focus on increasing production and in its operating assets on-shore USA.

Australia

The Group's interest in Australia, already completely written off in the Group's accounts, has now been relinquished without penalty.

Corporate

Following delays arising from the Dos Puntitas horizontal drilling , it was determined that a refinancing of the Group was required to make the progress currently being achieved in 2017. In December 2016 this was effected by a placing supported by all major shareholders raising US$20.0 million of new money and a conversion of US$12.0 million of debt to equity with a reduction of the interest burden and extension of term in relation to debt to December 2021. This left the Group at the year end with cash of US$17.6 million (US$8.5 million net cash).

During the year continued steps to reduce Group-wide administrative costs were taken with a material 30% reduction compared to the prior period. Work on further efficiencies continues.

Financial Review

In 2016, the Group recognised a gross loss of US$2.7 million (2015: loss US$0.2 million) due principally to the on-going depressed oil price environment during the year and to expensed workovers in Argentina of US$1.7 million (2015: US$0.05 million). After administrative expenses of US$4.5 million (2015: US$6.4 million) are taken in to account, this led to operating loss before impairment and non-operating gains of US$7.2 million (2015: loss US$6.6 million). The loss for the year from continuing operations of US$14.0 million (2015: loss US$18.5 million loss) was after impairment charges of US$11.0 million (2015: US$ 11.4 million) relating primarily to the full impairment of the DP-1002 S/T well in Argentina at 31 December 2016.

Revenue was marginally reduced against the prior year by 2% to US$9.9 million (2015: US$10.1 million), reflecting lower average oil prices for the year of US$53.51/boe (2015: US$56.48/boe). Overall Group production increased by 3% to 506 boepd (2015: 490 boepd), which was driven by a 26% increase in production at Argentine operations to 342 boepd (2015: 271 boepd).

Financial Review (continued)

The Company's main operational focus in 2016 has been on Argentina whilst is has also continued to evaluate the Hernandarias Concession and assess farm-out options for Paraguay. Investment in Property, Plant and Equipment in the year amounted to US$15.6 million (2015: US$4.0 million) and included the development well DP-1002 drilled in the Puesto Guardian Concession which successfully entered and confirmed the target reservoir horizontally, albeit with a disappointing mechanical result in casing, capitalised workovers and tangible equipment purchases in Argentina, development drilling on the East White Lake field in the USA and an increase in the asset abandonment recognition. As a result of service quality issues encountered with drilling and casing the DP-1002 S/T well, the Board subsequently determined that it was not capable of completion for production and has taken the decision to impair the well fully at the balance sheet date resulting in a one-off charge of US$10.9 million.

Intangible fixed asset additions of US$0.6 million (2015: US$11.3 million) arose in Paraguay and primarily comprise expenditure on evaluation of the Hernandarias Concession.

Further information is contained in the Financial Review on pages 05 to 07.

Production and reserves

	Oil (bbls)		Natural Gas (mmcf)		Total (mboe)	
Producing Field	2016	2015	2016	2015	2016	2015
Puesto Guardian	**125,135**	98,781	**–**	–	**125.1**	98.8
East Lake Verret	**13,545**	14,846	**28.3**	45.6	**18.3**	22.4
East White Lake	**31,550**	44,652	**60.0**	77.2	**41.6**	57.5
	170,230	158,279	**88.3**	122.8	**185.0**	178.7

Net Reserves (mboe)	**Proved**	**Probable**	**Total**
As at 31 December 2015	11,192.8	7,123.0	18,315.8
USA reserve movement	178.2	–	178.2
Argentine reserve movement	1,180.1	776.0	1,956.1
Production 2016 USA	(59.9)	–	(59.9)
Production 2016 Argentina	(125.1)	–	(125.1)
As at 31 December 2016	**12,366.1**	**7,899.0**	**20,265.1**

Reserve movements in Argentina reflect the results of workovers in the year and the subsequent independent auditor's reserve report by VYP Consultants.

Outlook

President entered 2017 in a healthy state and production, after a slow start, in the spring broke through the 1,000 boepd barrier. A workover programme continues and whilst it is too early to say anything concrete, the Group continues to target 1,200 bopd from Argentina by end September. The new acquisition in Louisiana is performing as expected and steps are being taken to market Paraguay for farm-out.

In Argentina in particular, the macro business environment continues to strengthen and stabilise under the pro-business Government of President Macri. As an established operator in Argentina with a healthy balance sheet and track record, President is well positioned to take advantage of opportunities to grow by way of acquisition of existing production and development assets and we are actively considering several alternatives in this regard.

Peter Levine

Chairman and Chief Executive

1st June 2017

Strategic Report

The Directors present their strategic report and the audited financial statements of President Energy PLC for the year ended 31 December 2016.

Principal Activities

The Group conducts an international business whose principal activities are the exploration for and the evaluation and production of oil and gas. A comprehensive review of the development of the business of the Group is contained in the Chairman's Statement on pages 02 to 04.

Financial Review

In 2016, the Group recognised a gross loss of US$2.7 million (2015: loss US$0.2 million) due principally to the on-going depressed oil price environment during the year and to expensed workovers in Argentina of US$1.7 million (2015: US$0.05 million). After administrative expenses of US$4.5 million (2015: US$6.4 million) are taken in to account, this led to an operating loss before impairment and non-operating gains of US$7.2 million (2015: loss US$6.6 million). The loss for the year from continuing operations of US$14.0 million (2015: loss US$18.5 million loss) was after impairment charges of US$11.0 million (2015: US$ 11.4 million) relating primarily to the full impairment of the DP-1002 S/T well in Argentina at 31 December 2016.

Revenue was marginally reduced against the prior year by 2% to US$9.9 million (2015: US$10.1 million), reflecting lower average oil prices for the year of US$53.51/boe (2015: US$56.48/boe). Overall Group production increased by 3% to 506 boepd (2015: 490 boepd), which was driven by a 26% increase in production at Argentine operations to 342 boepd (2015: 271 boepd). Cost of sales of US$12.6 million (2015: US$10.3 million) increased on a per boe basis, most of the increase representing well workovers designed to offset production declines in Argentina.

Production in Argentina increased by 26% to 125,135 bbls (2015: 98,781 bbls) or 342 bopd (2015: 271 bopd) due to successful workovers of wells at the Puesto Guardian Concession. As well as increasing production, the workovers also informed independently assessed additions to 2P reserves at the Puesto Guardian Concession of nearly 2.0 mmboe representing a reserves replacement ratio of nearly 16 times production volumes in 2016. Oil sales in Argentina averaged US$57.83 per bbl (2015: US$67.16 per bbl) as the regulated price moved more in line with prevailing global oil prices. Well operating costs before workover expenses were managed down during the year to US$55.69/boe (2015: US$63.02/boe) whilst depreciation also fell during the year to US$13.68/boe (2015: US$16.67/boe) as a result of reserves upgrades. There has been a continued focus in 2017 on efficiency gains in field operating costs and we anticipate that this, combined with successful workovers, should lead to a further reduction of unit well operating costs in 2017.

Production from US operations fell by 25% to 164 boepd (2015: 219 boepd) due to gas pipeline outages at the Triche well and natural decline at East Lake Verret and East White Lake. Realised prices in the US edged up 3% on the prior year to US$44.51/boe (2015: US$43.27/boe). Cost of Sales decreased by 4% to US$2.2 million (2015: US$2.3 million) as higher one off operating cost adjustments were more than offset by lower depreciation following the impairment last year and lower production. On a per boe basis, cost of sales increased to US$37.48/boe (2015: US$29.14/boe) primarily due to the fall in production. Despite this, the EBITDA contribution from the US operations was positive at US$0.8 million (2015: US$2.1 million). During the second half of 2016 steps were taken to manage down further operational and administrative costs in the Group's US operations, the benefits of which should be seen in 2017.

In line with the broader E&P sector, the Board managed Group-wide administrative expenses aggressively during the year resulting in a 30% reduction to US$4.5 million (2015: US$6.4 million).

Financial Review (continued)

Other gains in the year of US$0.6 million (2015: US$0.2 million) arise from insurance proceeds received arising from the DP-1002 well in Argentina.

Total impairment charges during the year of US$11.0 million (2015: US$11.4 million) relate in the most part to the DP-1002 S/T well, US$10.9 million, which was impaired fully by the Board at the balance sheet date due to service quality issues encountered in drilling and casing which were subsequently determined to have rendered the well incapable of completion for production. The balance of the impairment charge relates to the US operation's East White Lake field within tangible assets which has been made as higher estimated abandonment costs recognised during the year on that particular field impacted its estimated carrying value.

Many of the headwinds facing the global E&P sector in 2015 carried over into 2016. In the early months of 2016, the West Texas Intermediate oil price traded below US$27/bbl before recovering to trade above US$53/bbl at the end of the year. This stiffened the Group's resolve to focus on further central cost reductions, as outlined above, and to focus in particular on increasing production in Argentina through well sidetracks and also through numerous workover opportunities, whilst also looking for bolt-on opportunities for the Group's low cost US operations.

With support from existing and new shareholders, the Company raised US$20.0 million of equity (before expenses) in December 2016 to fund the Group's workover programme of shut in wells in Argentina designed to increase production and also the strengthen the Group's balance sheet, provide critical mass and enable the pursuit of additional internal and inorganic growth opportunities. Concurrent with the equity fundraising, the Group's loan facility with IYA Limited was restructured such that US$12.0 million of the outstanding principal was capitalised into equity and the remaining balances under the facility were replaced by a new, fully drawn US$10.8 million loan at an interest rate of 9%, a maturity date of 31 December 2021 and with no equity conversation rights. At the year end, total borrowings under this facility amounted to US$9.1 million (2015: US$8.4 million). Together, the new equity raise and loan capitalisation represent the US$31.0 million net placing proceeds set out in the Consolidated Statement of Changes in Equity.

The Group's primary investment focus during 2016 was on increasing production in Argentina whilst also continuing to evaluate the Hernandarias Concession and farm-out options in Paraguay. Investment in Property, Plant and Equipment in the year amounted to US$15.6 million (2015: US$ 4.0 million) and included the DP-1002 well drilled in the Puesto Guardian concession, capitalised workovers and tangible equipment purchases in Argentina, development drilling on the East White Lake field in the USA and an increase in the asset abandonment recognition. For the reasons explained above, the Board subsequently determined that the DP-1002 S/T well should be impaired fully at 31 December 2016. As in the prior year, the Argentine Peso fell again in value relative to the US dollar, resulting in a reduction in the carrying value of the assets as presented in the Group financial statements.

Intangible fixed asset additions amounted to US$0.6 million (2015: US$11.3 million) relating to Paraguay. The technical evaluation of the Matorras/Occultar block in Argentina continued and the Group has applied to extend this licence for a further 18 months which we are confident will be granted.

Trade and other payables increased to US$10.8 million (2015: US$3.1 million). This includes a prudent provision for all accrued costs in relation to the DP-1002 well. Notwithstanding this, President having taken expert legal advice, considers that its claims against service providers relating to that well on a full liability basis extinguish and exceed the amounts so provided. No benefit from President's potential claims has been taken into account given that legal action is in process. On 12 May 2017, President updated the market about such actions.

Year-end cash balances were US$17.6 million (2015: US$0.2 million).

Key Performance Indicators

Key Performance Indicators are used to measure the extent to which Directors and management are reaching key objectives. The principal methods by which the Directors monitor the Group's performance are volumes of net production, well operating costs and the extent of exploration success. The Directors also carry out a regular review of cash available for exploration and development and review actual capital expenditure and operating expenses against forecasts and budgets.

	2016	2015	Increase/ (Decrease)
Production			
Net oil and natural gas liquid production mbbls	**170.2**	158.3	7.6%
Net gas production mmcf	**88.3**	122.8	–28.1%
Production mboe			
USA	**59.9**	79.9	–25.0%
Argentina	**125.1**	98.8	26.6%
Total net hydrocarbons	**185.0**	178.7	3.5%
Well operating costs US$000			
USA	**1,619**	1,233	31.3%
Argentina	**8,637**	6,279	37.6%
Total operating costs	**10,256**	7,512	36.5%
Well operating costs per boe US$			
USA	**27.0**	15.4	75.1%
Argentina	**69.0**	63.6	8.6%
Total well operating costs per boe US$	**55.4**	42.0	31.9%
Cash balances US$000	**17,586**	217	8004.1%

Production in Argentina increased by 26% to 125,135 bbls (2015: 98,781 bbls) or 342 bopd (2015: 271 bopd) due to successful workovers of wells at the Puesto Guardian Concession.

Production from US operations fell by 25% to 164 boepd (2015: 219 boepd) due to gas pipeline outages at the Triche well and natural decline at East Lake Verret and East White Lake.

In Argentina, well operating costs before workover expenses were managed down during the year to US$55.69/boe (2015: US$63.02/boe) whilst depreciation also fell during the year to US$13.68/boe (2015: US$16.67/boe) as a result of reserves upgrades. Expensed workover costs amounted to US$1.7 million (2015: US$0.1 million) or US$13.35/boe and were the principal driver behind the 27% increase in production during the year and the 2.0 mmboe increase in 2P reserves at the Puesto Guardian Concession.

In USA, well operating costs increased by 31% to US$1.6 million (2015: US$ 1.2 million) due to higher one off operating cost adjustments. On a per boe basis, this increase was accentuated by lower production to US$27.03/boe (2015: US$15.43/boe).

ON BEHALF OF THE BOARD

Peter Levine

Chairman and Chief Executive

1st June 2017

Directors' Report

The Directors present their report and the audited financial statements of President Energy PLC for the year ended 31 December 2016.

Directors
The Directors of the Company and those who served during the year, except as noted, were as follows:

Principal
Peter Levine
Miles Biggins
Robert Shepherd
Jorge Bongiovanni (appointed 29 March 2016)

Other office holders
Benjamin Wilkinson (stepped down 7 March 2016)

None of the Directors has a service agreement of more than one year's duration. Save as disclosed in the Directors' Remuneration Report starting on page 11 no Director has had a material interest in any contract of significance with the Company or its subsidiaries during the year. Details of the Directors' interests in the shares of the Company are also set out in the Directors' Remuneration Report.

Results and Dividends
The loss for the year after taxation amounted to US$14.0 million (2015: loss US$18.5 million). The Directors do not recommend a dividend. (2015: nil).

Capital Structure
Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 23. Each ordinary share carries the right to one vote at general meetings of the Company.

Subsequent Events
On 31 January 2017, President Petroleum Pty Limited, a group subsidiary, received confirmation that its Petroleum Exploration Licence PEL 82 in Australia had been varied and surrendered at its request with effect from 4 January 2017 and without penalty.

The Company announced on 19 April 2017 that it had agreed to acquire an additional 50% working interest (37.5% net revenue interest) in the Triche Well, East Lake Verret, Louisiana, for an initial cash consideration of US$2.25 million paid on closing plus a further US$400,000 earn-out based on future production. The effective date for the acquisition was 1 April 2017.

Substantial Shareholders
As at 1 May 2017, the latest practicable date prior to the publication of this report, the following interests interests appeared in the register.

Lynchwood Nominees Limited	390,475,199	40.95%
Vidacos Nominees Limited	128,232,984	13.45%
Chase Nominees Limited	136,706,613	14.34%
Mineworkers Pension Scheme/Chase GIS/Nominees Limited	34,364,290	3.60%

Included in the above, the Company has been advised of the following beneficial holdings.

PLLG Investments Limited	31.90%
International Finance Corporation	11.70%
Schroders plc	11.20%
Michinoko Limited	8.90%
JP Morgan Asset Management Holdings Inc	8.80%

Percentages are based on the issued share capital at the date of notification.

Substantial Shareholders (continued)

The PLLG Investments Limited (PLLGI) shareholding shown above is inclusive of the following beneficial interests:

Peter Levine*	304,404,547

* As announced by the Company on 15 November 2016, PLLGI has undertaken to gift to an independent charitable trust and/or charities 20,000,000 Ordinary Shares (representing 2.1% of the issued share capital) with Peter Levine and PLLG then ceasing to hold any control over or interest in the voting rights attaching to those ordinary shares.

Directors' interests in the share capital of the Company are disclosed in the Directors' Remuneration Report. Further details of PLLGI are set out in note 32.

Going Concern

The Group is impacted by the uncertainties in the sector and the lower oil price environment as it is reliant on production revenues from existing producing wells. The Directors continue to monitor cash forecasts closely and apply sensitivity analyses to manage liquidity risk effectively. The cash position at the year-end was US$17.6 million (2015: US$0.2 million). To support its operations the Group is dependent on ongoing finance through a loan facility of US$10.8 million made available by IYA Global Limited, a subsidiary of PLLG Investments Limited the private investment fund of Peter Levine, the Chairman & Chief Executive and largest shareholder, which was extended to December 2021 during the year (note 32). At the year-end there was US$9.1 million drawn under the loan facility. The balance of the IYA loan as at 30 April 2017 was US$10.6 million.

The principal uncertainty in the Group's forecasts and projections relates to the level of future production and consequent revenues and the estimates of future drilling costs. The Group consults with industry specialists to ensure operational projections are accurate.

Based on this review and consideration of the continuing loan facility and support available from IYA Global Limited noted above, the Directors believe that the Group will have available to it the financial resources to meet all commitments as they fall due. Further details of the Group's commitments are set out in note 28. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Environment

President Energy ensures that it understands and effectively manages the actual and potential environmental impact of its current and future activities. All local and national environmental regulations are observed in the countries in which the Group operates and the Company has agreed to follow the International Finance Corporation's performance standards.

Principal Risks and Uncertainties Facing the Company

The principal risks and uncertainties arise first from unsuccessful drilling. The risks fall into three main areas:

- Although seismic data may indicate the possibility of a resource, a test drilling may reveal that there is no significant oil or gas.
- Detailed evaluation after the test drilling may demonstrate that, after production costs, the well is not commercially viable.
- Before production commences unforeseen technical problems may result in cost overruns that make the well uneconomic.

These risks are potentially mitigated by geological analysis prior to significant expenditure being incurred. Once a well is in production the principal risks and uncertainties from operating the well are:

- Environmental objections causing the well to be shut in.

Principal Risks and Uncertainties Facing the Company (continued)

- Technical failure of the plant causing significant down time when the well is not producing.
- Production performance may not be in line with initial expectations.

These risks are mitigated by managing our responsibilities as operator, and working closely with our partners on the fields that we do not operate. The Group is also exposed to non-operational risks such as oil price and geopolitical risk.

A key focus of the Company's strategy is to pursue acquisition opportunities. There is a potential risk of executing an acquisition which subsequently fails to meet the Company's value criteria. To mitigate this risk, the Company has assembled a management team with appropriate skills and experience in identifying and executing value enhancing transactions. Financial risks and their mitigation are summarised below.

Financial Risk Management Objectives and Policies

Exchange rate risk

The Group has principally financed its operations from equity issues raised in pounds sterling. Pounds sterling have been converted to US Dollars, Paraguayan Guarani and Argentine Pesos to match expected expenditure plans. These principally consist of exploration expenditure on the Pirity and Henandarias concessions in Paraguay and ongoing capital investment in the Puesto Guardian concession in Argentina.

The Group has oil and gas production in both Argentina and the US and receives revenue in Argentine Pesos and US Dollars. Currently planned Group expenditure is across the three main currencies of US Dollars, Paraguayan Guarani and Argentine Pesos. The Group mitigates currency risk by holding cash reserves in the currencies it requires for expenditure and also takes out currency options from time to time to hedge significant currency exposure. Sterling is retained for central corporate costs. Further details are provided in note 29.

Price risk

The Group's financial performance is related to oil and gas prices. The Group reviews its financing requirements and its hedging policies when required. At present the Directors believe there is no requirement to enter into hedging contracts for current production.

Payment Policy and Practice

It is Company and Group policy to settle all debts with creditors on a timely basis and in accordance with the terms of credit agreed with each supplier. Normal payment terms are 30 days or less. The Group had no trade creditors overdue at 31 December 2016.

The average creditor days were 30 (2015: 32). Average creditor days are calculated on year-end creditors against purchases in the year.

Third Party Indemnities

The Group has taken out Directors and Officers liability insurance and Third Party liability insurance.

Related Parties

Details of the Group's related party transactions are outlined in note 32.

Auditor

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

Attention is drawn to the Notice of Meeting enclosed with this Annual Report which sets out the resolutions to be proposed at the forthcoming Annual General Meeting.

The Annual General Meeting will be held on 28 June 2017 at 11:00 a.m at Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT.

ON BEHALF OF THE BOARD
Peter Levine
Chairman and Chief Executive
1st June 2017

Directors' Remuneration Report (unaudited)

Whilst the Company is not required to present a Directors' Remuneration Report, as it is not subject to the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, AIM notice 36 states that the annual accounts must provide disclosure of Directors' remuneration for the year by each Director. The Company has chosen to present this information in this separate Directors' Remuneration Report.

The current Directors are:

Peter Levine – Chairman and Chief Executive Officer
(Executive Chairman and appointed Chief Executive on 15 January 2015)
Mr. Levine is a graduate and Honorary Fellow of Trinity College, Oxford. He founded the former FTSE 250 company Imperial Energy Corporation PLC, where he was Executive Chairman until its sale in 2009. Previously he was also Chairman of Severfield-Rowan PLC.

Miles Biggins – Chief Operating Officer
(appointed Chief Operating Officer 15 January 2015)
Miles, a petroleum engineer, worked for Shell International for 15 years in a variety of technical and commercial roles, focusing latterly on business development. Following Shell, Miles joined Northern Petroleum PLC as Business Development Manager, where he worked until 2011.

Robert Shepherd – Senior Independent Non-Executive Director
(appointed 29 October 2015)
Rob is a former Vice President for Emerging Markets Oil & Gas at ABN-Amro, a former Non-Executive Director of Imperial Energy Plc and a former CFO of Dominion Petroleum and former CEO of Azonto Petroleum. Rob is a qualified Facilities Engineer, having trained with Shell.

Jorge Dario Bongiovanni – Independent Non-Executive Director
(appointed 29 March 2016)
Jorge, an Argentine citizen, has some 39 years' experience in the oil and gas industry. After University in both Argentina and the United States of America, Jorge commenced work as a Production Engineer in Argentina, rising up the ranks to lead the initial upstream exploration and production operations for Repsol in South America, before going on to work for Petrobras in senior positions. Jorge joined IFC in 2007, part of the World Bank Group, and was Principal Petroleum Engineer from 2010-14 based out of IFC's headquarters in Washington DC. After retirement from full-time employment in 2014, Jorge continued to provide consultancy services to IFC for a further two years until recently.

Remuneration Committee

The Remuneration Committee's primary objective is to provide recommendations to the Board on the Group's remuneration policies and to determine the remuneration of the Executive Directors and other key employees. The Remuneration Committee comprised Robert Shepherd (Chairman) and Jorge Bongiovanni in 2016. Other Directors may be invited to attend meetings of the Remuneration Committee but no director participates in any decision affecting his own remuneration. The Remuneration Committee meets as necessary, and during the year met formally seven times.

Remuneration Policy

The Group's policy is to maintain levels of remuneration so as to attract, motivate and retain Directors and other key employees of the highest calibre who can contribute their experience and views to the Group's strategy and operations. Individual remuneration packages are structured to align rewards with the performance of the Group and the interests of shareholders.

Directors' Terms, Conditions and Remuneration

The Directors have been engaged under the terms of executive service agreements and letters of appointment. Their engagements can be terminated upon six months' notice in the case of Executive Directors, and upon three months' notice in the case of Non-Executive Directors, by either party. Re-appointment is subject to the Company's Articles of Association, which provide for retirement by rotation of one third of the board at each Annual General Meeting. For the year ended 31 December 2016, the Directors' remuneration comprised a basic salary, discretionary annual bonus and the granting of share options. There were no taxable benefits or payments to pension schemes.

Salary

The remuneration of Directors, which includes salary and bonus, for the year ended 31 December 2016 is set out below.

	Note	2016 US$000	2015 US$000
Peter Levine	a	**599**	667
John Hamilton (stepped down 15 January 2015)		**0**	130
Benjamin Wilkinson (stepped down 7 March 2016)		**132**	418
Miles Biggins	b	**371**	493
Dr. David Jenkins	c	**0**	69
Jorge Bongiovanni (appointed 29 March 2016)		**41**	0
David Wake-Walker	d	**0**	131
Rt Hon. Alistair Burt MP (stepped down 14 May 2015)		0	**8**
Robert Shepherd (appointed 29 October 2015)	e	**96**	11
		1,239	1,927

Note:
Further details on share options can be found in note 25. Other than amounts paid directly to the individual, amounts were also paid to related parties as follows.

a) Further details are set out in note 32 Transactions with Directors and other related parties. Under an agreement, US$ 598,886 (2015: US$222,830) included above has been deferred and remains outstanding at the year-end. Settlement of the outstanding deferred salary commenced in January 2017.

b) Under an agreement, US$55,576 (2015: US$16,487) included above has been deferred and remains outstanding at the year-end.

c) In 2015, US$34,335 was paid to Chartwood Resources Limited, a company of which David Jenkins is a shareholder and director. There were no outstanding balances as at the year-end

d) In 2015, US$122,756 was paid to David Wake-Walker Limited, a company of which David Wake-Walker is a shareholder and director. There were no outstanding balances as at the year-end.

e) Under an agreement, US$24,093 (2015: US$4,673) included above has been deferred and remains outstanding at the year-end.

Directors' Interests in the Share Capital of the Company

The beneficial interests of the current Directors in the Ordinary Shares of the Company are:

	01 May 2017 1p shares	01 May 2017 % interest	01 May 2016 1p shares	01 May 2016 % interest
Peter Levine	**304,404,547**	**31.922%**	**121,834,586**	**23.192%**
Miles Biggins	**361,059**	**0.038%**	**361,059**	**0.069%**
Rob Shepherd	**9,144**	**0.001%**	**9,144**	**0**
Jorge Bongiovanni	**–**	**–**	**–**	**–**

Peter Levine holds his shares through PLLG Investments Limited ("PLLGI"). Further details of that company are set out in note 32.

As announced by the Company on 15 November 2016, PLLGI has undertaken to gift to an independent charitable trust and/or charities 20,000,000 Ordinary Shares (representing 2.1% of the issued share capital) with Peter Levine and PLLG then ceasing to hold any control over or interest in the voting rights attaching to those ordinary shares.

Executive Bonus Scheme

The Remuneration Committee sets targets for Directors and staff which contain both operational and strategic targets.

Share Options Granted to Directors

With the assistance of independent remuneration consultants, a Global Incentive Plan was adopted during 2010 to provide the framework to provide a long-term incentive plan for existing and new members of staff. Details of options granted and held during the year are set out in note 25.

This report was approved by the Board on 1st June 2017 and was signed on its behalf by:

Peter Levine
Company Secretary
1st June 2017

Corporate Governance Statement

It is the objective of the Board to maintain a high standard of Corporate Governance. As an AIM listed company, full compliance with the UK Corporate Governance Code is not a formal obligation.

The Group has, however, sought to adopt the provisions of the code that are appropriate to its size and organisation and to establish frameworks for the achievement of this objective.

The Board

President Energy's business is international in scope and carries political, commercial and technical risks. Accordingly, particular attention is paid to the composition and balance of the Board to ensure that it has wide experience of the sector and regulatory environment in which President Energy operates and appropriate financial and risk management skills. In each Board appointment, whether executive or non-executive, the Board considers that objectivity and integrity, as well as skills, experience and ability which will assist the Board in its key functions, are pre-requisites for appointment. The Board currently comprises the Chairman/Chief Executive Officer, an executive Director and two non-executive Directors.

Board Committees

The audit committee and remuneration committee comprise non-executive Directors, Rob Shepherd and Jorge Bongiovanni.

The role of the Audit Committee includes:

- monitoring the integrity of the financial statements of the Group and formal announcements relating to the Group's financial performance and reviewing any significant financial reporting judgements contained in them – reviewing accounting policies, accounting treatments and disclosures in financial reports;
- reviewing the Group's internal financial controls and internal control and risk management systems;
- overseeing the Group's relationship with the external auditor, including making recommendations to the Board as to the appointment or reappointment of the external auditor, reviewing their terms of engagement and monitoring the external auditor's independence, objectivity and effectiveness; and
- reviewing the Group's whistle blowing procedures and ensuring that arrangements are in place for the proportionate and independent investigation of possible improprieties in respect of financial reporting and other matters and for appropriate follow up action.

The role of the Remuneration Committee includes:

- determining and recommending to the Board the remuneration policy for the executive Directors and other senior employees, the non-executive Directors' remuneration being set by the Board upon the recommendation of the Remuneration Committee;
- within the terms of the agreed policy, determining the total individual remuneration package for each executive Director;
- determining the level of awards made under the Company's share option plans and any long-term incentive plan and the performance conditions which are to apply;
- determining bonuses payable under any cash or share bonus scheme adopted by the Group;
- determining the vesting awards under any long-term incentive plan put in place by the Group and the exercise of share options; and
- determining the policy for pension arrangements, service agreements and termination payments for executive Directors.

Relations with Shareholders

Communications with shareholders are given high priority by the Board. President Energy sends its annual report and accounts to all shareholders. The Company also makes its June interim statement available to shareholders on the website. The Group endeavours to maintain a regular dialogue with institutions and analysts particularly in relation to interim and full year results. The Board welcomes as many investors as possible to the Annual General Meeting and invites discussion on issues facing the Group. The Company maintains an up-to-date website, which complies with AIM Rule 26.

Internal Controls

The Board acknowledges its responsibility for the Group's system of internal control and for reviewing its effectiveness. The Group's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

As an oil and gas exploration and production company with current operations concentrated in Paraguay, Argentina and the US, President Energy is, by virtue of the nature of its business and the countries in which it operates, subject to a variety of business risks.

The Group's system of internal control plays a critical role in managing the risks towards the achievement of President Energy's corporate vision and objectives and is also central to safeguarding President Energy's shareholders' interests and the Group's assets. An ongoing process has been established for identifying, evaluating and managing the significant risks faced by the Group. The board has not identified nor been advised of any failings or weaknesses of the risk management or internal control systems which it has determined to be significant.

Health, Safety and Environmental (HSE)

President has an HSE policy through which the Company is committed to maintaining high standards of health, safety and environmental performance across all its oil and gas exploration operations. President is committed to the goals of:

- avoiding harm to all personnel involved in, or affected by, its operations;
- minimising the impact of its operations on the environment;
- complying with all the applicable legal and other requirements where it operates; and
- having a positive impact on people or communities directly affected by its activities and achieving continual improvement in its HSE performance

Bribery Act

The Board is committed to compliance with the provisions of the Bribery Act 2010, and has adopted a formal policy statement which is reviewed annually.

Market Abuse Regulation

The Board is committed to compliance with the Market Abuse Regulation which came in to being during 2016, and has adopted formal policies and procedures during the year which will be reviewed annually.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101"Reduced Disclosure Framework" FRS 102"The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

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

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Peter Levine
Chairman and Chief Executive
1st June 2017

Independent Auditor's Report to the members of President Energy PLC

We have audited the financial statements of President Energy PLC for the year ended 31 December 2016 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Balance Sheet and the related notes 1 to 32 of the Consolidated Accounts and 1 to 9 of the Company Accounts.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101"Reduced Disclosure Framework".

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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and in the directors' Report.

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;

Anthony Matthews FCA
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, UK
1st June 2017

Consolidated Statement of Comprehensive Income
Year ended 31 December 2016

	Note	2016 US$000	2015 US$000
Continuing Operations			
Revenue	4	**9,900**	10,092
Cost of sales	5	**(12,593)**	(10,254)
Gross profit/(loss)		**(2,693)**	(162)
Administrative expenses	6	**(4,524)**	(6,398)
Operating loss before impairment and non-operating gains/(losses)		**(7,217)**	(6,560)
Non-operating gains	7	**583**	150
Impairment charge	8	**(11,039)**	(11,394)
Profit/(loss) after impairment and non-operating gains/(losses)		**(17,673)**	(17,804)
Interest income		**1**	2
Realised gains/(losses) on translation of foreign currencies		**(388)**	1,346
Finance costs	9	**(2,431)**	(2,241)
Profit/(loss) before tax	10	**(20,491)**	(18,697)
Income tax credit	12	**6,470**	155
Profit/(loss) for the year from continuing operations		**(14,021)**	(18,542)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(7,534)**	(22,896)
Total comprehensive profit/(loss) for the year attributable to the equity holders of the parent		**(21,555)**	(41,438)
Earnings/loss per share	13	**US cents**	**US cents**
Basic profit/(loss) per share from continuing operations		**(2.5)**	(3.9)
Diluted profit(loss) per share from continuing operations		**(2.5)**	(3.9)

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Financial Position
31 December 2016

	Note	2016 US$000	2015 US$000
ASSETS			
Non-current assets			
Intangible assets	14	**103,372**	103,151
Property, plant and equipment	15	**51,492**	59,534
		154,864	162,685
Deferred tax	22	**848**	260
Other non-current assets	16	**318**	319
		156,030	163,264
Current assets			
Trade and other receivables	17	**4,510**	3,554
Stock		**84**	86
Cash and cash equivalents	18	**17,586**	217
		22,180	3,857
TOTAL ASSETS		**178,210**	167,121
LIABILITIES			
Current liabilities			
Trade and other payables	19	**10,793**	3,127
Borrowings	20	**9,076**	8,358
		19,869	11,485
Non-current liabilities			
Long-term provisions	21	**4,717**	3,292
Deferred tax	22	**5,663**	14,023
		10,380	17,315
TOTAL LIABILITIES		**30,249**	28,800
EQUITY			
Share capital	23	**22,086**	16,754
Share premium		**227,325**	201,646
Translation reserve		**(41,745)**	(34,211)
Profit and loss account		**(66,391)**	(52,462)
Other reserves	24	**6,686**	6,594
TOTAL EQUITY		**147,961**	138,321
TOTAL EQUITY AND LIABILITIES		**178,210**	167,121

These financial statements for President Energy PLC (company number 5104249) were approved by the Board of Directors and authorised for issue on 1st June 2017.

They were signed on their behalf by:

Peter Levine
Chairman and Chief Executive

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity Year ended 31 December 2016

	Share capital US$000	Share premium US$000	Translation reserve US$000	Profit and loss account US$000	Other reserves US$000	Total US$000
Balance at 1 January 2015	14,928	186,566	(11,315)	(33,932)	4,142	160,389
Share-based payments	–	–	–	–	1,176	1,176
Placing of ordinary shares	1,826	17,163	–	–	–	18,989
Costs of issue	–	(957)	–	–	–	(957)
Warrants issued on placing	–	(1,126)	–	–	1,126	–
Transfer to P&L account	–	–	–	12	(12)	–
Convertible loan equity	–	–	–	–	162	162
Transactions with the owners	1,826	15,080	–	12	2,452	19,370
Loss for the year	–	–	–	(18,542)	–	(18,542)
Other comprehensive income						
Exchange differences on translation	–	–	(22,896)	–	–	(22,896)
Total comprehensive income for the year	–	–	(22,896)	(18,542)	–	(41,438)
Balance at 1 January 2016	**16,754**	**201,646**	**(34,211)**	**(52,462)**	**6,594**	**138,321**
Share-based payments	**–**	**–**	**–**	**–**	**242**	**242**
Placing of ordinary shares	**5,332**	**26,660**	**–**	**–**	**–**	**31,992**
Costs of issue	**–**	**(981)**	**–**	**–**	**–**	**(981)**
Transfer to P&L account	**–**	**–**	**–**	**92**	**(92)**	**–**
Convertible loan equity	**–**	**–**	**–**	**–**	**(58)**	**(58)**
Transactions with the owners	**5,332**	**25,679**	**–**	**92**	**92**	**31,195**
Loss for the year	**–**	**–**	**–**	**(14,021)**	**–**	**(14,021)**
Other comprehensive income						
Exchange differences on translation	**–**	**–**	**(7,534)**	**–**	**–**	**(7,534)**
Total comprehensive income for the year	**–**	**–**	**(7,534)**	**(14,021)**	**–**	**(21,555)**
Balance at 31 December 2016	**22,086**	**227,325**	**(41,745)**	**(66,391)**	**6,686**	**147,961**

Attributable to the owners of the Company

Consolidated Statement of Cash Flows
Year ended 31 December 2016

	2016 US$000	2015 US$000
Cash flows from operating activities		
Cash generated by operating activities (note 26)	**2,196**	(1,002)
Interest received	**1**	2
Taxes paid	**(2)**	–
Taxes refunded	**–**	4
	2,195	(996)
Cash flows from investing activities		
Expenditure on exploration and evaluation assets	**(578)**	(11,206)
Expenditure on development and production assets	**(13,979)**	(3,196)
Proceeds from asset sales	**209**	199
Pirity acquisition	**–**	(756)
Proceeds from insurance	**585**	–
USA acquisition	**–**	(121)
Expenditure on abandonment	**(16)**	–
	(13,779)	(15,080)
Cash flows from financing activities		
Loan drawn	**14,661**	3,895
Proceeds from issue of shares (net of expenses)	**31,011**	18,032
Loan converted to equity	**(12,000)**	(4,470)
Repayment of borrowings	**(2,000)**	(555)
Payment of interest and loan fees	**(2,330)**	(1,722)
	29,342	15,180
Net decrease in cash and cash equivalents	**17,758**	(896)
Opening cash and cash equivalents at beginning of year	**217**	1,527
Exchange gains on cash and cash equivalents	**(389)**	(414)
Closing cash and cash equivalents	**17,586**	217

The accompanying accounting policies and notes form an integral part of these financial statements.

1. General information

Corporate status

President Energy PLC (formerly President Petroleum Company PLC until 28 September 2012) is a public company limited by shares and incorporated in England in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 54. The nature of the Group's operations and its principal activities are set out in note 4 and in the Strategic Report on pages 05 to 07. The Company is quoted on the AIM market of the London Stock Exchange (ticker: PPC), and is headquartered in Leeds, UK, with offices in Asunción, Paraguay, Buenos Aires, Argentina, and Lafayette, USA. Details on all subsidiaries of the group are provided in Note 3 in the Company accounts.

Presentation currency

The presentation currency of the Group is the United States (US) Dollar. The US Dollar has been adopted as the Group's presentation currency as the Group's trading and the majority of other transactions and assets are in US Dollars. The Group's accounting policy on foreign currencies is detailed in note 2 i).

2 Significant accounting policies

a) Basis of preparation

The Group financial statements have been prepared in accordance with European Union (EU) endorsed IFRSs, International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Group financial statements have been prepared under the historical cost convention except for any derivative financial instruments that have been measured at fair value.

The consolidated financial statements are presented in accordance with IAS 1: Presentation of financial statements (Revised 2007).

A summary of the significant Group accounting policies adopted in the preparation of the financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Group has adopted all applicable IFRSs and Interpretations which have been endorsed by the EU and which are relevant to its operations and mandatory for accounting periods beginning on 1 January 2016 and no restatement of prior year amounts has been required.

At the date of authorisation of the financial statements, the following significant Standards and Interpretations which have not been applied in the financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9	Financial instruments
IFRS15	Revenue from contracts with customers
IFRS 16	Leases

The Directors do not expect that the adoption of the standards listed above will currently have a material impact on the financial statements of the Group in future periods, except potentially as follows depending on the nature of the Groups operation at that time:

- IFRS 9 will impact both the measurement and disclosure of financial instruments.
- IFRS 15 establishes a new framework for revenue determination which, depending on the contracts in place at the time of adoption, could impact on the timing and value of revenue recognised
- IFRS 16 will impact on the measurement and disclosure of leases in the financial statements.

2 Significant accounting policies (continued)

b) Basis of accounting

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses as further described in note 3. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented.

c) Basis of consolidation

The Group financial statements include the results of the Company and all of its subsidiary undertakings. A subsidiary is an entity controlled, directly or indirectly, by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the Group financial statements from the date that control commences until the date that control ceases as further described in note 2 below. There are no unrealised gains and losses or income and expenses arising from intra Group transactions. Intra Group balances are eliminated in preparing the consolidated financial statements.

Under s479A of the Companies Act 2006 an audit exemption has been taken for President Energy UK Limited, President Energy Paraguay Limited and President Energy Pirity Limited.

The Group's exploration, development and production activities may be conducted as co-licensee, in jointly-controlled operations with other companies. Where the Group is party to a jointly-controlled operation, which is not an entity, the Group accounts directly for its part of the income and expenditure, assets, liabilities and cash flows.

d) Going concern

The accounts have been prepared under the going concern basis.

The Group is impacted by the uncertainties in the sector and the lower oil price environment as it is reliant on production revenues from existing producing wells. The Directors continue to monitor cash forecasts closely and apply sensitivity analyses to manage liquidity risk effectively. The cash position at the year-end was US$17.6 million (2015: US$0.2 million). To support its operations the Group is dependent on ongoing finance through a loan facility of $10.8 million made available by IYA Global Limited, a subsidiary of PLLG Investments Limited the private investment fund of Peter Levine the Chairman & Chief Executive and largest shareholder, which was extended to December 2021 during the year (note 32). At the year-end there was US$9.1 million drawn under the loan facility. The balance of the IYA loan as at 30 April 2017 was US$10.6 million.

The principal uncertainty in the Group's forecasts and projections relates to the level of future production and consequent revenues and the estimates of future drilling costs. The Group consults with industry specialists to ensure operational projections are accurate.

Based on this review and consideration of the continuing loan facility and support available from IYA Global Limited noted above, the Directors believe that the Group will have available to it the financial resources to meet all commitments as they fall due. Further details of the Group's commitments are set out in note 28. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2 Significant accounting policies (continued)

e) Revenue recognition

Revenue represents sales of oil and gas during the year and is recognised when title passes to the customer, being the date it leaves the well site. Royalty payments are recognised as a cost of sale when the related production revenue is recognised. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

f) Oil and natural gas exploration and development expenditure

The Group adopts the successful efforts method of accounting for exploration, evaluation and development costs.

Exploration and evaluation expenditure – intangible assets

All licence acquisition, exploration and evaluation costs are initially capitalised in cost centres by well, field or exploration area, as appropriate. Directly attributable expenditure is capitalised insofar as it relates to specific exploration and evaluation activities. Pre-licence costs are expensed in the year in which they are incurred. Exploration and evaluation costs are then written off unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. Exploration and evaluation expenditure is not amortised. If the criteria for recognition of an exploration and evaluation asset are met, it is classified as either a tangible or intangible asset, depending on the nature of the asset. When it is determined that such cost will be recouped through successful development and exploitation or alternatively by sale of the interest, expenditure will be transferred to Production Assets.

Development and production assets – property, plant and equipment

All field development costs and transferred exploration and evaluation costs are capitalised as property, plant and equipment. The Directors carry out regular reviews of development and production assets and assess the need for provisions for impairment.

Depreciation, depletion and amortisation

All capitalised expenditure carried within each field is depleted from the commencement of production on a unit of production basis, over the relevant proved and probable reserves. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimate of future development costs.

Impairment

Exploration and evaluation assets are reviewed at each reporting date for indications of impairment having regard to factors such as the outcome of exploration and evaluation to date, whether further activity is planned or budgeted and licence tenure. If such indications are present, costs are written off where circumstances indicate that the carrying value is not recoverable.

At each reporting date, the Group assesses whether there is any indication that its development and production assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

This present value is discounted using a pre-tax rate that reflects current market assessments of the time value of money and of the risks specific to the asset, for which future cash flow estimates have not been adjusted. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss in the statement of comprehensive income.

2 Significant accounting policies (continued)

f) Oil and natural gas exploration and development expenditure (continued)

An impairment loss relating to assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the statement of comprehensive income. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years.

The reversal of an impairment loss is recognised in the statement of comprehensive income.

g) Decommissioning

Where a material liability exists for the removal of production facilities and site restoration at the end of the productive life of a field, a provision for decommissioning is recognised.

The amount recognised is the present value of future expenditure determined in accordance with local conditions and requirements. Property, plant and equipment in an amount equivalent to the provision are created and depleted on a unit of production basis.

h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment in value. The Group recognises in the carrying amount of property, plant and equipment the subsequent costs of replacing part of such items when they are expected to generate future economic benefits and such costs can be reliably determined. The carrying value of a part is derecognised when it is replaced. All other costs are recognised in the statement of comprehensive income as an expense as they are incurred.

Depreciation is provided on a straight-line basis to write off the cost, less the estimated residual value, of property, plant and equipment (other than development and production assets) over their estimated useful lives. Where parts of an item of plant and equipment have separate lives, they are accounted for and depreciated as separate items.

Development and production assets are depreciated in accordance with the accounting policy detailed in note 2 f).

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as income or expense on sale.

i) Foreign currencies

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which an entity primarily generates and expends cash. The Parent Company's functional and presentation currency is US Dollars. The Group has chosen the US Dollar as its presentation currency based on the fact that the Group's primary transactions originate in US Dollars, these being amongst others gas and oil sales and the procurement of the majority of the Group's plant and drilling services. Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. All exchange differences on transactions in currencies other than the individual entity's functional currency are recognised as profit or loss in the year in which they are incurred. Monetary assets and liabilities that are denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date with any exchange differences arising on retranslation being recognised as profit or loss in the statement of comprehensive income. Non-monetary items that are initially measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2 Significant accounting policies (continued)

i) Foreign currencies (continued)

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's 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 that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); 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 as an item of other comprehensive income or expense. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

j) Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

Trade payables and other creditors

Trade payables and other creditors are non-interest bearing and are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost under the effective interest method.

Derivative financial instruments

The Group may use derivative financial instruments to manage its exposure to fluctuations in oil and gas prices. Derivative financial instruments are stated at fair value. The Group does not use hedge accounting. Gains or losses on derivatives are taken directly to the statement of comprehensive income in the period.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs, allocated between share capital and share premium.

Accounting for financial assets

Financial assets are divided into the following categories:

- loans and receivables; and
- financial assets at fair value through profit or loss.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expenditure are recognised in the statement of comprehensive income or directly in equity. See note 29 h) for a summary of the Group's financial assets by category. An assessment of whether indications of impairment exist for a financial asset is made at least at each reporting date. If there is indication of impairment, an impairment review is undertaken.

2 Significant accounting policies (continued)

j) Financial instruments (continued)

All income and expense relating to financial assets are recognised in the Statement of Comprehensive Income line item"finance costs"or"investment income", respectively.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At initial recognition these are measured at fair value plus transaction costs, less provision for impairment, and thereafter at amortised cost under the effective interest rate method. All finance costs under the effective interest rate method are recognised in the Statement of Comprehensive Income.

The Group's trade and other receivables are classified as loans and receivables. Discounting, however, is omitted where the effect of discounting is immaterial.

Significant receivables are considered for impairment on a case-by-case basis when they are past due at the balance sheet date or when objective evidence is received that a specific counterparty will default. All other receivables are reviewed for impairment in groups, which are determined by reference to the industry and region or counterparty and other available features of shared credit risk characteristics, if any.

k) Income taxes

Tax expense recognised in the statement of comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income.

Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided that they are enacted or substantively enacted at the balance sheet date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited directly to equity (such as the revaluation of land) in which case the related deferred tax is also charged or credited directly to equity.

l) Share-based payments

The Group has applied the requirements of IFRS 2 Share-based Payment. All share-based awards of the Group are equity settled as defined by IFRS 2. The fair value of these awards has been determined at the date of grant of the award. This fair value, adjusted annually by the Group's estimate of the number of awards that will eventually vest as a result of non-market conditions, is expensed uniformly over the vesting period.

The fair values are calculated using a Black-Scholes option pricing model. Further details are in note 25.

2 Significant accounting policies (continued)

m) Operating leases

Rentals payable under operating leases are charged as an expense to the Statement of Comprehensive Income on a straight-line basis over the terms of the relevant lease.

n) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose results are regularly reviewed by the Chief Operating Decision Maker. The Group operates in one product segment which is the exploration and production of hydrocarbons. Segment information is presented in accordance with IFRS 8 for all periods presented.

o) Business combinations

Acquisitions of subsidiaries which are businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except that deferred tax assets or liabilities and liabilities are recognised and measured in accordance with IAS 12 Income Taxes. Any surplus of the consideration over the fair value of the net assets acquired is accounted for as goodwill, and any surplus of the fair value of the net assets acquired over the consideration represents a bargain purchase recorded in the income statement as a credit. Where a business combination is achieved in stages, the previously-held interest in the acquiree is remeasured to the acquisition-date fair value and the resulting gain is recognised in profit or loss.

3 Critical accounting judgements and key sources of estimation uncertainty

In order to prepare the consolidated financial statements in conformity with IFRS, management of the Group have to make estimates and judgements. The matters described below are considered to be the most important in understanding the judgements that are involved in preparing these statements and the uncertainties that could impact the amounts reported in the results of operations, financial condition and cash flows. Group accounting policies are described in note 2.

Estimation of oil and gas reserves

Oil and gas reserves are key elements in the Group's investment decision-making process. They are also an important element in testing for impairment and fair value estimation. Estimates of proved and probable oil and gas reserves also affect unit of production depreciation charges against income.

Proved and probable oil and gas reserves are the quantities of oil and natural gas estimated by management, and verified from time to time by industry experts, that demonstrate with probability the likelihood that they are recoverable in future years from known reservoirs under existing economic and operating conditions, i.e. expected prices and costs as of the date the estimate is made. Estimates of oil and gas reserves are inherently imprecise, require the application of judgement and are subject to future revision. Accordingly, financial and accounting measures (such as impairment charges, depreciation, depletion and amortisation charges and decommissioning provisions) that are based on proved and probable reserves are also subject to change. Also future gas and oil prices affect the point at which the well becomes uneconomic and the value of the future cash flows. Proved and probable reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs and, in some cases, subject to definitional limits, to similar data from other producing reservoirs.

All proved and probable reserves estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans. Because oil and gas assets are accounted for on an historical cost basis, the prospective value of the above assets is not fully carried in the Statement of Financial Position, but unaudited reserves quantities are detailed in the Chairman's statement on page 04.

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

Impairment review

When assessing the carrying value of oil and gas producing wells included in tangible assets the Company estimates future production levels and prices against predicted production costs to assess the continuing economic viability and value of the well or field or other relevant factors. For non-producing assets included in intangible exploration and evaluation assets the cost of bringing the resource into production needs to be assessed against the volumes, prices and operating costs anticipated from estimated future production, to the extent that the evaluation of these assets is sufficiently advanced for those to be determined. For other intangible exploration and evaluation assets an impairment is generally triggered by a licence expiry or when further exploration or evaluation is no longer planned.

Provisions for decommissioning

The Group provides for the costs that will be incurred when the well reaches the end of its economic life. In addition to the costs of physically removing plant and equipment there are costs associated with returning the area to an environmentally sound condition. This could include removal of roads, replacement of subsoil, planting of trees etc. to meet local and national requirements at that time. As these costs will be incurred at some considerable time in the future, the estimation of these costs is subjective.

4 Segment reporting

In the opinion of the Directors the operations of President Energy PLC comprise one class of business, oil and gas exploration, development and production and the sale of hydrocarbons and related activities. An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose results are regularly reviewed by the Board of Directors. The Board of Directors reviews operating results by reference to the core principle of geographic location. The Group currently has oil and gas production in two geographical markets: the USA and Argentina. It has a head office and associated corporate expenses in the UK. The Group has exploration assets in Paraguay, Argentina, the USA and, until January 2017, in Australia.

	Argentina 2016 US$000	Paraguay 2016 US$000	USA 2016 US$000	Australia 2016 US$000	UK 2016 US$000	Total 2016 US$000
Revenue	**7,234**	**–**	**2,666**	**–**	**–**	**9,900**
Cost of sales						
Depreciation	**1,711**	**–**	**626**	**–**	**–**	**2,337**
Well operating costs	**8,637**	**–**	**1,619**	**–**	**–**	**10,256**
Administrative expenses	**913**	**132**	**233**	**9**	**3,237**	**4,524**
Segment costs	**11,261**	**132**	**2,478**	**9**	**3,237**	**17,117**
Segment operating profit/(loss)	**(4,027)**	**(132)**	**188**	**(9)**	**(3,237)**	**(7,217)**

	Argentina 2015 US$000	Paraguay 2015 US$000	USA 2015 US$000	Australia 2015 US$000	UK 2015 US$000	Total 2015 US$000
Revenue	6,635	–	3,457	–	–	10,092
Cost of sales						
Depreciation	1,647	–	1,095	–	–	2,742
Well operating costs	6,279	–	1,233	–	–	7,512
Administrative expenses	788	461	158	7	4,984	6,398
Segment costs	8,714	461	2,486	7	4,984	16,652
Segment operating profit/(loss)	(2,079)	(461)	971	(7)	(4,984)	(6,560)

Oil sales in Argentina are made to Refineria Del Norte S.A. who comprise more than ten per cent of total revenue.

4 Segment reporting (continued)

Segment assets

	Argentina 2016 US$000	Paraguay 2016 US$000	USA 2016 US$000	Australia 2016 US$000	UK 2016 US$000	Total 2016 US$000
Intangible assets	**1,655**	**101,717**	**–**	**–**	**–**	**103,372**
Property, plant and equipment	**48,298**	**101**	**3,093**	**–**	**–**	**51,492**
	49,953	**101,818**	**3,093**	**–**	**–**	**154,864**
Other assets	**3,696**	**168**	**1,673**	**36**	**187**	**5,760**
	53,649	**101,986**	**4,766**	**36**	**187**	**160,624**

	Argentina 2015 US$000	Paraguay 2015 US$000	USA 2015 US$000	Australia 2015 US$000	UK 2015 US$000	Total 2015 US$000
Intangible assets	2,011	101,140	–	–	–	103,151
Property, plant and equipment	56,506	231	2,797	–	–	59,534
	58,517	101,371	2,797	–	–	162,685
Other assets	2,647	164	1,219	42	147	4,219
	61,164	101,535	4,016	42	147	166,904

Segment assets can be reconciled to the Group as follows:

	2016 US$000	2015 US$000
Segment assets	**160,624**	166,904
Group cash	**17,586**	217
Group assets	**178,210**	167,121

Segment liabilities

	Argentina 2016 US$000	Paraguay 2016 US$000	USA 2016 US$000	Australia 2016 US$000	UK 2016 US$000	Total 2016 US$000
Total liabilities	**17,205**	**294**	**1,901**	**–**	**10,849**	**30,249**

	Argentina 2015 US$000	Paraguay 2015 US$000	USA 2015 US$000	Australia 2015 US$000	UK 2015 US$000	Total 2015 US$000
Total liabilities	17,224	673	1,469	5	9,429	28,800

5 Cost of sales

	2016 US$000	2015 US$000
Depreciation	**2,337**	2,742
Well operating costs	**10,256**	7,512
	12,593	10,254

Well operating costs include US$1,670,465 (2015: US$52,771) in Argentine non-recurring workover costs expensed in the period.

6 Administrative expenses

	2016 US$000	2015 US$000
Directors and staff costs (including non-executive Directors)	**2,775**	3,746
Share-based payments	**242**	1,176
Depreciation	**27**	88
Other	**1,480**	1,388
	4,524	6,398

To allow for meaningful comparison, staff costs, share based payments and depreciation expenses are reflected gross before the effect of capitalising relevant costs to the balance sheet assets. Other expenses are shown net of the effect of US$0.75 million (2015: US$1.0 million) being capitalised.

One-off legal costs were incurred in 2015 due to disputes connected to the Pirity Concession in Paraguay which amounted to US$0.6 million.

7 Other non-operating gains/(losses)

	2016 US$000	2015 US$000
Gain on Argentine acquisition	**–**	66
Insurance claim proceeds	**585**	–
Other gains/(losses) arising on asset disposals	**(2)**	84
	583	150

The gain arising in 2015 on the Argentine acquisition related to the settlement of monetary liabilities associated with the original 2014 acquisition on favourable terms.

Insurance proceeds amounting to US$0.585 million were received in 2016 from claims arising in connection with the DP1002 well in Argentina.

8 Impairment charge

	2016 US$000	2015 US$000
Demattei licence Paraguay (Intangible)	**–**	10,876
Prospects East Lake Verret USA (Intangible)	**–**	74
DP1002 well Argentina (PP&E)	**10,885**	–
East White Lake USA (PP&E)	**154**	444
	11,039	11,394

9 Finance costs

	2016 US$000	2015 US$000
Loan fees	**273**	692
Accretion on abandonment liabilities	**224**	184
Loan interest	**1,934**	1,365
	2,431	2,241

Cash paid out on loan fees and interest in the year amounted to US$ 2.3 million (2015: US$ 1.7 million).

10. Profit/(loss) before tax

	2016 US$000	2015 US$000
Profit/(loss) before tax has been arrived at after charging:		
Depreciation of property, plant and equipment (note 15)	**2,364**	2,830
Impairment of intangible assets (note 14)	**–**	10,950
Impairment of tangible assets (note 15)	**154**	443
Staff costs in Administrative Expense (note 11)	**242**	3,635
Rentals payable in respect of land and buildings	**114**	120

Auditor's remuneration		
Fees payable to the Company's auditor for the audit of the annual accounts	**70**	76
Audit of the Company's subsidiaries	**39**	42
Total audit fees	**109**	118
Audit related assurance services	**5**	6
Other non-audit services	**–**	13
Tax advisory services	**16**	5
	130	142

11. Staff costs

	2016 Number	2015 Number
Average monthly number of employees (including executive Directors and Chairman but excluding non-executive Directors)	**41**	42

	2016 US$000	2015 US$000
Wages, salaries and Directors' fees		
(including Chairman and excluding non-executive Directors)	**3,935**	5,129
Expense in respect of share-based payments	**242**	1,176
Social security costs	**462**	588
	4,639	6,893

A proportion of the staff costs above is capitalised as non-current assets (2016: US$0.3 million, 2015: US$ 1.1 million) and expensed in operating costs (2016: US$1.7 million, 2015: US$2.2 million) following the acquisition of operated Argentine assets in 2014.

	2016 US$000	2015 US$000
Emoluments paid in respect of the highest paid Director in the year (excluding share-based payment charge)	**599**	667

Included in the above is the following Directors' remuneration earned in respect of the financial year by each director of the company acting in such capacity during the financial year. There were no pension contributions or other remuneration items paid to any Director in the year. Details of the Directors' remuneration are provided in the Director's Report. Under an agreement, US$ 678,555 (2015: US$222,830) included above has been deferred and remains outstanding at the year-end. Details of share options granted are provided in note 25.

12. Tax

	2016 US$000	2015 US$000
Current tax credit/(charge)	**(28)**	4
Deferred tax		
Origination and reversal of temporary differences	**6,498**	151
	6,470	155

The tax credit for the year can be reconciled to the Statement of Comprehensive Income as follows:

Profit/(loss) on ordinary activities before taxation	**(20,491)**	(18,697)
Tax at 20% (2015: 20.25%)	**4,098**	3,786
Tax losses utilised but not previously recognised	**194**	575
Tax losses carried back to prior period	**–**	(105)
Deferred tax carried forward but not recognised	**(828)**	(1,681)
Deferred tax carried forward and recognised	**587**	–
Tax effect of income/expenses not realised in Group accounts	**231**	1,012
Expenses not deductible for tax purposes	**(567)**	(2,100)
Difference between US, Argentine, Australian and UK tax rates	**2,376**	(915)
Adjustments relating to prior years	**379**	(418)
Tax as per statement of comprehensive income	**6,470**	155

The tax rate applied in the above reconciliation is the weighted average of the UK statutory tax rates in the period.

13. Earnings/(Loss) per share

	2016 US$000	2015 US$000
Net profit/(loss) for the period attributable to the equity holders of the Parent Company	**(14,021)**	(18,542)

	Number '000	Number '000
Weighted average number of shares in issue	**554,655**	471,697

	US cents	US cents
Earnings/(loss) per share		
Basic earnings/(loss) per share from continuing operations	**(2.5)**	(3.9)
Diluted earnings/(loss) per share from continuing operations	**(2.5)**	(3.9)

At 31 December 2016, 105,507,307 (2015: 76,174,896) weighted potential ordinary shares in the Company which underlie the Company's share option and share warrant awards and may dilute earnings per share in the future, have been included in the calculation of diluted earnings per share. No dilution per share was calculated for 2015 or 2016 as with the reported loss they are anti-dilutive.

14. Intangible assets – exploration and evaluation assets

	US$000
Cost	
At 1 January 2015	134,003
Additions	11,297
Acquisition of Paraguay licence	903
Exchange difference	(978)
At 1 January 2016	**145,225**
Additions	**578**
Exchange difference	**(357)**
At 31 December 2016	**145,446**
Impairment	
At 1 January 2016	**42,074**
Impaired in year ended 2016	**–**
At 31 December 2016	**42,074**
Net Book Value	
At 31 December 2016	**103,372**
At 31 December 2015	103,151

The amounts for intangible exploration and evaluation assets represent active exploration and evaluation projects which are carried forward in the balance sheet whilst the determination process is not yet completed and there are no indications of impairment having regard to the indicators in IFRS 6. These amounts will ultimately be written off to the Statement of Comprehensive Income as exploration costs if commercial reserves are not established.. The outcome of ongoing exploration, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain. Additions of US$0.6 million (2015:US$ 11.3 million) for 2016 arose in Paraguay and primarily comprise expenditure on evaluation of the Hernandarias Concession. Exchange differences of US$0.4 million (2015: US$1.0 million) reflect the fall in value of the Argentine Peso and Australian Dollar relative to the US dollar in Argentina and Australia respectively.

In 2015, President impaired US$10.9 million of expenditure on the Demattei Concession in Paraguay following the expiration of the licence. The expenditure on acquisition, seismic and overhead related to the Block and was valuable in understanding regional geology; however the Company determined prudently to take impairment for its full cost at 31 December 2015. Additionally in 2015, a further US$0.1 million was impaired for the full cost of expenses in connection with potential prospects near the East Lake Verret field in the USA.

15. Property, plant and equipment – development and production assets

	US$000
Cost	
At 1 January 2015	103,882
Additions	3,968
Acquisition	121
Disposals	(251)
Exchange difference	(29,095)
At 1 January 2016	**78,625**
Additions	**15,593**
Disposals	**(325)**
Exchange difference	**(10,616)**
At 31 December 2016	**83,277**
Depreciation	
At 1 January 2015	16,738
Charge for the year	2,830
Disposals	(44)
Impairment	443
Exchange difference	(876)
At 1 January 2016	**19,091**
Charge for the year	**2,364**
Disposals	**(120)**
Impairment	**11,039**
Exchange difference	**(589)**
At 31 December 2016	**31,785**
Net Book Value	
At 31 December 2016	**51,492**
At 31 December 2015	59,534

During 2016, the fall in value of the Argentine Peso relative to the US dollar has resulted in a reduction in the carrying value of the assets held.

Additions in 2016 comprise the following: unsuccessful development well DP1002 (US$ 10.9 million), capitalised workover activity (US$2.0 million) and spend on other tangible equipment (US$ 0.9 million) in Argentina; development drilling on the East White Lake Field in the USA (US$0.5 million); and a further US$1.6m in abandonment asset recognition (US$1.6m).

As a result of service quality issues encountered with drilling and casing the DP-1002 S/T well, the Board subsequently determined that it was not capable of completion for production and has taken the decision to impair the well fully at the balance sheet date resulting in a one-off charge of US$10.9 million.

An impairment of US$0.2 million (2015: US$ 0.4 million) has also been made on the East White Lake field in the USA as higher estimated abandonment costs recognised in the year adversely impacted the carrying value of the field. The impairment was determined using a present value technique applied to estimated future reserves and costs using a forward oil price of US$49 per bbl and applying a 9% discount rate.

16. Other non-current assets

	2016 US$000	2015 US$000
Financial assets – Deposits with state authorities	**318**	319
	318	319

17. Trade and other receivables

	2016 US$000	2015 US$000
Trade receivables	**1,382**	1,500
Other receivables	**3,077**	1,981
Prepayments	**51**	73
	4,510	3,554

All of the Group's trade and other receivables have been considered for indicators of impairment. None of the trade and other receivables was found to be impaired. None of the trade or other receivables is past due as at the reporting date and there were no provisions for bad debt.

Credit risk

The Company has a low credit risk in respect of receivables as a result of supplying reputable oil and gas purchasers. The concentration of risk is such that at 31 December 2016, 71% of the Group's trade receivables were due from the four largest counter-parties. These amounts have been recovered in full since 1 January 2017.

18. Cash and cash equivalents

	2016 US$000	2015 US$000
Cash at bank and in hand	**17,586**	217

19. Trade and other payables

	2016 US$000	2015 US$000
Trade payables	**2,635**	1,433
Exploration accruals	**–**	225
Drilling, workover and operation accruals	**5,716**	326
Other payables	**2,442**	1,143
	10,793	3,127

20. Borrowings

	2016 US$000	2015 US$000
IYA Loan	9,076	4,473
IYA Convertible Loan	–	3,885
	9,076	8,358
IYA Loan		
Balance at beginning of year	4,473	9,650
Loan drawn in year (note 30)	12,455	3,848
Transfer to Convertible Loan	(1,000)	(4,000)
Converted to equity	(6,509)	(4,470)
Interest capitalised	1,657	–
Repaid in period : Capital repayments	2,000	555
Interest and loan fees	1,657	1,284
	(3,657)	(1,839)
Interest payable in statement of comprehensive income in period	1,657	1,284
	9,076	4,473
IYA Convertible Loan		
Balance at beginning of year	3,885	–
Face value of new convertible loan	1,000	4,000
Equity component	(414)	(162)
Liability component of convertible loan on initial recognition	586	3,838
Converted to equity	(5,020)	–
Interest capitalised	549	47
Repaid in period : Capital repayments	–	–
Interest paid	549	47
	(549)	(47)
Interest payable in statement of comprehensive income in period	549	47
	–	3,885

In December 2016, the Group completed a fundraising and loan restructuring. A total of US$ 12.0 million of the loan balance was capitalised into equity incorporating US$0.5 million previously recognised. The remaining IYA loan and Convertible Loan facilities were replaced by a new fully drawn US$10.8 million IYA loan at an interest rate of 9% with a maturity date of 31 December 2021 and which has no equity conversion rights. In June 2016, the Group extended the term of the existing Convertible loan to June 2019 and increased the Convertible Loan by US$1.0 million transferred from the IYA loan. This resulted in the recognition of an additional equity component of US$0.4 million. The maturity on the IYA loan was also extended to June 2019.

In November 2015, the Group refinanced the IYA loan with US$4.5 million converted to equity under a non-brokered placing, US$4 million transferred to an unsecured Convertible Loan and an extension of the term of the existing facility. The Convertible Loan has an interest rate of 10% per annum with the ability to convert the loan into shares at a price of 9.198 pence. Both the revised Loan Facility and the Convertible Loan had a maturity date of 30 June 2017. The Convertible Loan was split into a liability component of US$3.8 million and an equity component of US$0.2 million which represented the fair value of the embedded option to convert the loan into ordinary shares. Interest recognised under this Loan was capitalised until maturity.

Further details on the terms of the IYA loan are detailed in the Related Party note 32.

21. Long-term provision – Decommissioning

	US$000
At 1 January 2015	2,834
Increase in provision	858
Accretion	184
Exchange difference	(584)
At 1 January 2016	**3,292**
Increase in provision	**1,614**
Accretion	**224**
Incurred	**(16)**
Exchange difference	**(397)**
At 31 December 2016	**4,717**

Provisions for decommissioning relate to the restoration of well sites to a satisfactory environmental condition following the cessation of production. These provisions have been created based on the Group's internal estimates and, where relevant and available, operator's estimates. Assumptions, based on the current economic environment, have been made which management believe are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. The provision is arrived at after taking in to consideration management's view of future inflation and an appropriate discount rate. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates, which is currently expected to be between 2018 and 2025 for existing wells. This in turn will depend upon future oil and gas prices, which are inherently uncertain.

22. Deferred tax

	US$000
Liability at 1 January 2015	22,146
Movement in year	(638)
Exchange difference	(7,485)
Liability at 1 January 2016	**14,023**
Movement in year	**(5,910)**
Exchange difference	**(2,450)**
Liability at 31 December 2015	**5,663**

All of the above relates to oil and gas properties. The movement in the deferred tax liability relates principally to Argentina. A Deferred Tax asset of US$ 0.9 million (2015: US$ 0.3 million) is recognised in the USA based on forecast cash flows as the utilisation of expected tax losses exceeds the Deferred Tax liability arising on timing differences. Following updated forecasts incorporating higher oil prices and higher reserve estimates the amount of tax losses recognised was increased. The Group has the following unrecognised tax losses available for offset against future profits:

	2016 US$000	2015 US$000
USA	**10,000**	12,100
Australia	**12,300**	11,100
UK	**23,900**	20,000

23. Share capital

Equity share capital	2016 '000s	2015 '000s
Issued – allotted, called up and fully paid		
Deferred shares of par value £0.29 (US$0.54)	**16,093**	16,093
Ordinary shares of par value £0.01 (US$0.02)	**525,321**	525,321

	US$000	US$000
Deferred shares of par value £0.29 (US$0.54)	**8,725**	8,725
Ordinary shares of par value £0.01 (US$0.02)	**13,361**	8,029
	22,086	16,754

The issued share capital is reconciled as follows

Balance at beginning of year	**16,754**	14,928
Shares issued	**5,332**	1,826
Balance at end of year	**22,086**	16,754

During 2016, the highest mid-market price of the Company's shares was 14p and the lowest was 5p. The year-end price was 6p. In 2016, shares were issued to fund a workover programme in Argentina and to strengthen the Group's balance sheet. In 2015, shares were issued to fund new seismic acquisition in Paraguay, work in Argentina and for general capital purposes. The deferred shares arose in 2009 following a capital reorganisation whereby the ordinary shares with a par value of 30p per share were replaced by ordinary shares with a 1p per share par value. Consequently, the deferred shares have no voting rights, no rights to dividends and no rights to capital distributions.

24. Other reserves

	Reserve for share-based payments* US$000	Conv Loan reserve US$000	Other reserves US$000
At 1 January 2015	4,142	–	4,142
Share-based payments	1,176	–	1,176
Warrants issued on placing	1,126	–	1,126
Transfer to P&L account	–	(12)	(12)
Convertible loan equity	–	162	162
At 1 January 2016	**6,444**	**150**	**6,594**
Share-based payments	**242**	**–**	**242**
Transfer to P&L account	**–**	**(92)**	**(92)**
Convertible loan equity	**–**	**414**	**414**
Conversion to Share Premium	**–**	**(472)**	**(472)**
At 31 December 2016	**6,686**	**–**	**6,686**

(* including warrants)

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25. Share-based payments

Share options and warrants outstanding at the respective balance sheet dates are as follows:

		Grant date	Target Price	31 Dec 2015	Granted in year	Exercised in year	Forfeited/ lapsed in year	31 Dec 2016
Options				'000	**'000**	**'000**	**'000**	**'000**
Peter Levine	a	30 Jul 15	17-35p	8,500	–	–	–	**8,500**
Miles Biggins	a	25 May 11	38-74p	800	–	–	–	**800**
Miles Biggins	a	30 Jul 15	17-35p	4,900	–	–	–	**4,900**
Miles Biggins	a	01 Jul 16	10-20p	–	**3,500**			**3,500**
Ben Wilkinson	a	30 Sep 11	51p	600	–	–	–	**600**
Ben Wilkinson	a	30 Jul 15	17-35p	3,650	–	–	–	**3,650**
Senior employee	a	01 Mar 13	38-72p	2,160	–	–	**2,160**	–
Senior employee	a	17 Jun 13	40p	250	–	–	**250**	–
Senior employee	a	14 Nov 13	50p	350	–	–	**350**	–
Senior employee	a	25 Feb 14	53p	350	–	–	–	**350**
Senior employee	a	14 May 15	19-37p	3,226	–	–	**2,151**	**1,075**
Senior employee	a	30 Jul 15	17-35p	2,690	–	–	**690**	**2,000**
Senior employee	a	01 Jul 16	10-20p	–	**12,800**	–	**1,500**	**11,300**
				27,476	**16,300**	–	**7,101**	**36,675**
Warrants	b		19p	72,808	–	–	–	**72,808**
			47p	4,253	–	–	–	**4,253**
				104,537	**16,300**	–	**7,101**	**113,736**

Note

a) Options are exercisable up to 10 years after grant.

b) Warrants totalling 13,781,455 were granted to PLLG Investments, an entity controlled by Peter Levine and detailed in note 32, under the terms of the equity raise in March 2015. Warrants were also granted to Ben Wilkinson (169,600) and Miles Biggins (169,600) as part of the same issue.

The options contain share price performance vesting conditions. It is a condition that the target price is achieved and that it is maintained for a certain period of time. All share options outstanding at the end of the period have a 3 year vesting period, and all are equity-settled.

The weighted average remaining contractual life of the options is 1.5 years (2015: 2.2 years) from 31 December 2016.

Warrants totalling 72.8 million were granted in 2015 in support of an equity placing and have a three year exercise period. The other warrants were issued in connection with the Group's acquisition of LCH SA in 2014 and expire in line with the Pirity Concesion March 2017.

In 2016, options were granted on 1 July. The aggregate of the estimated fair value of the options granted is is US$0.2 million (2015: US$0.4 million).

25. Share-based payments (continued)
The inputs into the Black-Scholes model for the options granted in the year are as follows:

	2016	2015
Weighted average exercise price	**6.8p**	17.2p
Expected volatility	**75%**	65%
Expected life	**3 years**	3 years
Risk-free rate	**1.0%**	1.0%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 12 months. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The probability that the performance criteria would be met was based on a Monte Carlo simulation using historic volatility. Where this was not possible using historic data, the probability was determined based on management's best estimate.

26. Notes to the consolidated statement cash flows

	2016 US$000	2015 US$000
Profit/(loss) from operations before taxation	**(20,491)**	(18,697)
Interest on bank deposits	**(1)**	(2)
Interest payable and loan fees	**2,431**	2,241
Depreciation of property, plant and equipment	**2,364**	2,830
Impairment	**11,039**	11,394
(Gain)/loss on non-operating transaction	**(583)**	(150)
Share-based payments	**242**	1,176
Foreign exchange difference	**388**	(1,346)
Operating cash flows before movements in working capital	**(4,611)**	(2,554)
Decrease/(increase) in receivables	**(833)**	10,376
Increase/(decrease) in payables	**7,640**	(8,824)
Net cash generated by operating activities	**2,196**	(1,002)

27. Contingent liabilities
In the event of a commercial discovery on the Pirity Concession in Paraguay further new ordinary shares in President would be due in relation to the acquisition of LCH S.A. An amount of ordinary shares would be issued with an aggregate value of US$5 million calculated at the rate of 35 pence per share (and using an exchange rate prevailing at the time of issue).

28. Capital and operating lease commitments
Capital commitments
In Paraguay the Company has entered into a Farm-in agreement on the Hernandarias Concession to earn the remaining 40% working interest (40% already earned). The remaining work commitment on this licence is for one well to be drilled on or before October 2019. If the Company fails to drill such a well it would have to relinquish its rights for the remaining 40% but on relinquishment would have no further liability. As at 31 December 2016, the remaining capital commitment was US$9.5 million.

Following the suspension of the licence on the Pirity Concession, the remaining commitment on the work programme is for a well to be drilled by March 2018. The Farm-in Agreement on the Demattei Concession was ended in 2015.

28. Capital and operating lease commitments (continued)

Operating lease commitments

The Group has leases in respect of its office premises.

Minimum lease payments are as follows:

	2016 US$000	2015 US$000
Due within one year	**121**	76
One to five years	**162**	87
	283	163

There are no significant leasing arrangements other than the above rent commitment.

29. Risk management objectives and policies

a) Overview

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities. The Group's risk management is co-ordinated at its Leeds, UK headquarters, in close co-operation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. To date, the Group has financed its operations from equity issues in Pounds sterling and loans denominated in US Dollars. In 2016 the Group restructured loan facilities as described in notes 20 and 32. The Group uses financial instruments (other than derivatives) comprising cash, liquid resources and various items, such as trade debtors and trade creditors that arise directly from its operations. The Group has not recently entered into any derivative transactions with the exception of currency options to hedge significant currency exposure. There were no contracts in place as at 31 December 2016. In the normal course of its operations and through its financial instruments the Group is exposed to foreign currency, commodity price and interest rate risks.

b) Hedging of oil and gas prices

The Group keeps its production profile and oil and gas prices under review and may take out future hedging contracts when deemed appropriate. The Group had no open positions with respect to hedging contracts at the balance sheet date.

c) Foreign currency risk and sensitivity

With the exception of Group overheads arising in the UK, most of the Group's transactions are carried out in US Dollars. The financial statements are produced in US Dollars as much of the Group's business is conducted in US Dollars. In South America capital expenditure is budgeted for in US Dollars. The Company raises equity funds in Pounds sterling and converts the majority to US dollars. A balance of funds is retained in Pounds sterling to meet future Group overheads.

At the year end the Group held the following cash and cash equivalent balances.

	2016 US$000	2015 US$000
US Dollars	**11,258**	38
Sterling	**6,202**	88
Argentine Pesos	**123**	79
Australian Dollars	**1**	4
Swiss Francs	**0**	4
Paraguayan Guarani	**1**	5
	17,586	217

Based upon the year-end balances, if the exchange rate between the US Dollar and sterling changed by 10% there would be a profit or loss of US$620,000 (2015: US$8,000). If the exchange rate between the US Dollar and the Argentine Peso changed by 10% there would be a profit or loss of US$11,000 (2015: US$7,000).

29. Risk management objectives and policies (continued)

d) Interest rate risk and sensitivity

The Group places surplus cash on deposit. Based on the average level of interest bearing deposits a 1% change in bank interest rate would increase or decrease interest received by approximately US$89,000 per annum (2015 :US$7,000). As stated in note 32, interest on the related party loan is at a fixed rate.

e) Credit risk

The Group's principal customers are substantial oil and gas utility companies and refiners and as such credit risk is considered to be low. The credit risk for liquid funds is considered to be negligible as the counterparties are banks with good external credit ratings. The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

	2016 US$000	2015 US$000
Trade receivables	1,382	1,500
Other receivables	3,077	1,981
Cash and cash equivalents	17,586	217
Deposits with state authorities	318	319
	22,363	4,017

f) Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring its cash inflows and outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a week-to-week basis, as well as on the basis of a rolling monthly projection. Long-term liquidity needs for a half year and an annual lookout period are identified monthly. The Group maintains cash to meet its liquidity requirements for up to 60 day periods. As at 31 December 2016 the Group's financial liabilities, all of which are non-interest bearing, have contractual maturities which are summarised as follows:

	Current	
	<6 months US$000	7-12 months US$000
Trade payables	2,635	–
Others	2,442	–

This compares with the maturities of the Group's financial liabilities at the end of the previous reporting period as follows:

	Current	
	<6 months US$000	7-12 months US$000
Trade payables	1,433	–
Others	1,480	–

The Group's borrowings are set out in note 20 and are due to mature in 2021.

g) Market risk

Although the Group operates in the oil and gas sector, oil and gas prices do not generally affect the financial assets and liabilities of the Group as changes in oil and gas prices do not affect the fair value of these balance sheet items after initial recognition.

29. Risk management objectives and policies (continued)

h) Summary of financial assets and liabilities by category

	2016 US$000	2015 US$000
Non-current assets – loans and receivables		
Deposits with state authorities	**318**	319
Current assets – loans and receivables		
Trade receivables	**1,382**	1,500
Other receivables	**3,077**	1,981
Cash and cash equivalents	**17,586**	217
	22,045	3,698
Current liabilities – Financial liabilities measured at amortised cost		
Trade payables	**2,635**	1,433
Other payables	**2,442**	1,469
Borrowings	**9,076**	8,358
	14,153	11,260

With the exception of Group borrowings, further detail of which is set out in note 32, the fair value of financial assets and liabilities approximates to the carrying value due to the short-term nature of the financial instruments.

30. Managing capital

The Group's objectives when managing capital (debt and equity finance) are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- to fund the Group with equity in the long term and using debt where applicable to fund drilling and other commitments.

The Group sets the amount of capital in proportion to risk and its plans for growth. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust any amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

31. Subsequent events

On 31 January 2017, President Petroleum Pty Limited, a group subsidiary, received confirmation that its Petroleum Exploration Licence PEL 82 in Australia had been varied and surrendered at its request with effect from 4 January 2017 and without penalty.

The Company announced on 19 April 2017 that it had agreed to acquire an additional 50% working interest (37.5% net revenue interest) in the Triche Well, East Lake Verret, Louisiana, for an initial cash consideration of US$2.25 million paid on closing plus a further US$400,000 earn-out based on future production. The effective date for the acquisition was 1 April 2017.

32. Transactions with Directors and other related parties

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The Company defines key management personnel as Directors of the Company. Further information about the remuneration of individual Directors is provided in note 11 and in the Directors' Remuneration Report on pages 11 to 13.

The Company has made use of an unsecured revolving loan facility ("IYA Loan") made available by IYA Global Limited, a subsidiary of PLLG Investments Limited which is beneficially owned by the Company's Chief Executive Officer, Executive Chairman and its largest shareholder, Peter Levine. In December 2016, the Group completed a fundraising and loan restructuring. US$ 12.0 million of the loan balance at that time was capitalised into equity and the remaining IYA loan and Convertible Loan facilities were replaced by a new fully drawn US$10.8 million IYA loan facility. The new loan has an interest rate of 9% per annum on drawn amounts and 4% per annum on the undrawn balance of the facility with a maturity date of 31 December 2021. It has no equity conversion rights and the previously announced 3% net profits interest over hydrocarbons produced from certain wells on the Argentinian concessions has been forgone. Further details on borrowings are given in note 20.

At the end of the year, the Company had drawn US$9.1 million (2015: US$8.5 million) of the US$10.8 million facility. The balance of the IYA loan as at 30 April 2017 was US$10.6 million.

Loan interest expense amounted to US$2,206,000 (2015: US$1,331,000) which continues to capitalised into the loan balance. Loan fees of US$273,000 (2015: US$692,000, of which US$392,000 was a loan arrangement fee amortised from 2014).

Company Balance Sheet
31 December 2016

	Note	2016 US$000	2015 US$000
Fixed assets			
Investment in subsidiaries	3	**3,495**	3,495
Property plant and equipment		**–**	–
		3,495	3,495
Current assets			
Debtors	4	**174,226**	163,474
Cash at bank and in hand		**17,351**	88
		191,577	163,562
Current liabilities			
Creditors – Amounts falling due within one year	5	**10,835**	9,408
Net current assets		**180,742**	154,154
Net assets		**184,237**	157,649
Equity			
Called up share capital	6	**22,086**	16,754
Share premium	7	**227,325**	201,646
Accumulated deficit	7	**(71,860)**	(67,345)
Convertible loan reserve	7	**–**	150
Share Option Reserve	7	**6,686**	6,444
Total equity attributable to the equity holders		**184,237**	157,649

President Energy PLC reported a loss for the year ended 31 December 2016 of US$4,607,000 (2015: loss US$4,726,000). There were no other recognised gains and losses.

These financial statements for President Energy PLC (company number 5104249) were approved by the board of directors and authorised for issue on 1st June 2017.

They were signed on its behalf by:

Peter Levine
Chairman & Chief Executive

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Company Accounts
Year ended 31 December 2016

The following financial statements have been prepared in accordance with the recognition and measurement principles of EU-adopted IFRSs and under Financial Reporting Standard 101 (Reduced Disclosure Framework).

1. Significant accounting policies

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

Basis of accounting

President Energy PLC (formerly President Petroleum Company PLC until 28 September 2012) is a public company limited by shares and incorporated in England in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 54. The nature of the Company's operations and its principal activities are set out in the Report of the Directors on pages 08 to 10.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the good and services. The principal accounting policies adopted are set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, and presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group accounts of President Energy PLC. The group accounts of President Energy PLC are available to the public and can be obtained from the Company website as detailed on page 54.

Investments

Investments in subsidiaries are shown at cost, less provision for impairment.

Group accounts

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because they are included in the group accounts of President Energy PLC.

1. Significant accounting policies (continued)

Adoption of new and revised Standards

The Company has adopted all applicable IFRSs and Interpretations which have been endorsed by the EU and which are relevant to its operations and mandatory for accounting periods beginning on 1 January 2016 and no restatement of prior year amounts has been required.

At the date of authorisation of the financial statements, the following significant Standards and Interpretations which have not been applied in the financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9	Financial instruments
IFRS15	Revenue from contracts with customers
IFRS 16	Leases

The Directors do not expect that the adoption of the standards listed above will currently have a material impact on the financial statements of the Company in future periods, except potentially as follows depending on the nature of the Company's operation at that time:

- IFRS 9 will impact both the measurement and disclosure of financial instruments.
- IFRS 15 establishes a new framework for revenue determination which, depending on the contracts in place at the time of adoption, could impact on the timing and value of revenue recognised
- IFRS 16 will impact on the measurement and disclosure of leases in the financial statements.

Going concern

The Company is impacted by the uncertainties in the sector and the lower oil price environment as it is reliant on production revenues from existing producing wells. The Directors continue to monitor cash forecasts closely and apply sensitivity analyses to manage liquidity risk effectively. To support its operations the Group is dependent on ongoing finance through a loan facility of US$10.8 million made available by IYA Global Limited, a subsidiary of PLLG Investments Limited the private investment fund of Peter Levine the Chairman & Chief Executive and largest shareholder, which was extended to December 2021 during the year (note 32 in Group report). At the year-end there was US$9.1 million drawn under the loan facility. The balance of the IYA loan as at 30 April 2017 was US$10.6 million.

The principal uncertainty in the Company's forecasts and projections relates to the level of future production and consequent revenues and the estimates of future drilling costs. The Company consults with industry specialists to ensure operational projections are accurate.

Based on this review and consideration of the continuing loan facility and support available from IYA Global Limited noted above, the Directors believe that the Company will have available to it the financial resources to meet all commitments as they fall due. Further details of the Group's commitments are set out in note 28 to the Group report. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign Currency

The financial statements are presented in United States Dollars, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

1. Significant accounting policies (continued)

Cash flow statement

The Directors have taken advantage of the exemption in Financial Reporting Standard 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is over 90% owned by its ultimate parent which publishes a consolidated cash flow statement.

Taxation

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

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 liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. Loss for the year

As permitted by Section 408(1)(b) of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. President Energy PLC reported a loss for the year ended 31 December 2016 of US$4,607,000 (2015: loss US$4,726,000). There were no other recognised gains and losses and accordingly no separate statement of comprehensive income has been presented.

3. Investment in subsidiaries

	Place of Incorporation	Class of Share Capital	Percentage Held (1)	Business
Held Directly				
President Energy (UK) Limited	UK	Ordinary	100%	Non trading
President Energy Paraguay Limited	UK	Ordinary	100%	Non trading
President Energy Pirity Limited	UK	Ordinary	100%	Non trading
Held Indirectly				
President Energy Holding UK Ltd	UK	Ordinary	100%	Non trading
Froschouw Holding AG	Switzerland	Ordinary	100%	Non trading
Sibla Invest AG	Switzerland	Ordinary	100%	Non trading
President Energy Paraguay SA	Paraguay	Ordinary	100%	Oil and Gas
LCH SA	Paraguay	Ordinary	100%	Oil and Gas
President Petroleum SA	Argentina	Ordinary	100%	Oil and Gas
President Petroleum (USA) Inc.	USA	Ordinary	100%	Oil and Gas
President Petroleum Pty Limited	Australia	Ordinary	100%	Oil and Gas

Note1: All holdings are of ordinary shares and represent the proportion of the nominal value of the shares held.

The financial results and financial position of all companies listed above are included in the President Energy plc consolidated accounts.

4. Debtors

	2016 US$000	**2015 US$000**
Prepayments and accrued income	**123**	117
Amounts owed by Group undertakings	**174,040**	163,326
Other receivables	**63**	31
	174,226	163,474

The amounts owed by Group undertakings are repayable on demand. However, the Directors consider that they will not be repaid within one year.

5. Creditors – falling due within one year

	2016 US$000	**2015 US$000**
Social Security and other taxes	**33**	51
Loans	**9,076**	8,358
Accruals	**1,141**	516
Other creditors	**585**	483
	10,835	9,408

6. Share capital

The ordinary shares of the Company were reorganised on 30 November 2009 into 1p ordinary shares that are traded on the London Stock Exchange and 29p deferred shares that have no voting rights, no rights to dividends and no rights to capital distributions.

Equity share capital

	2016 ’000s	2015 ’000s
Allotted, called up and fully paid		
Deferred shares of par value 29p each	**16,093**	16,093
Ordinary shares of par value 1p each	**953,598**	525,321

	2016 US$000	2015 US$000
Deferred shares of par value 29p each	**8,725**	8,725
Ordinary shares of par value 1p each	**13,361**	8,029
	22,086	16,754

7. Share premium account, profit and loss account and share option reserve

	Share premium US$000	Profit and loss account US$000	Convertible loan reserve US$000	Share option reserve US$000
Balance at 1 January 2016	201,646	(67,345)	150	6,444
Loss for the year	–	(4,607)	–	–
Premium on allotment in the year	25,679	–	–	–
Transfer to P&L account	–	92	(92)	–
Convertible loan equity	–	–	414	–
Conversion to share premium	–	–	(472)	–
Share based payments	–	–	–	242
Balance at 31 December 2016	227,325	(71,860)	–	6,686

8. Reconciliation of movement in shareholders’ funds

	2016 US$000	2015 US$000
Loss for the year	**(4,607)**	(4,726)
Shares issued	**31,992**	18,989
Costs of issue	**(981)**	(957)
Convertible loan equity	**414**	162
Conversion to share premium	**(472)**	–
Share-based payments	**242**	1,176
Net additions to shareholders’ funds	**26,588**	14,644
Shareholders’ funds at 1 January	**157,649**	143,005
Shareholders’ funds at 31 December	**184,237**	157,649

9. Related party transactions

Details on related party transactions are provided in Note 32 in the President Energy consolidated accounts.

Glossary

bbls
Barrels of oil

mbbls
Thousand Barrels (of oil/liquids)

mmbbls
Million Barrels (of oil/liquids)

boe
Barrels of oil equivalent. Natural gas volume converted as 1 boe = 6 mcf

mboe
Thousand Barrels of oil equivalent

boepd
Barrels of oil equivalent per day

bopd
Barrels of oil per day

cf
Cubic feet (of natural gas)

mmcf
Million cubic feet (of natural gas)

bcf
Billion cubic feet (of natural gas)

Tcf
Trillion cubic feet (of natural gas)

mmcfd
Million cubic feet per day

Proved Reserves
Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

Probable Reserves
Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

Possible Reserves
Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.

Contingent Resources
Quantities of hydrocarbons estimated to be potentially recoverable from known accumulations

Prospective Resources
Quantities of hydrocarbons estimated to be potentially recoverable from undiscovered accumulations

AIM
Alternative Investment Market of the London Stock Exchange

Corporate Information

Directors	Peter Levine	Executive Chairman & Chief Executive
	Miles Biggins	Chief Operating Officer
	Robert Shepherd	Senior Independent Non-Executive Director
	Jorge Bongiovanni	Non-Executive Director
Secretary	Peter Levine	
Registered Office	1200 Century Way Thorpe Park Business Park Leeds LS15 8ZA	
Website	www.presidentenergyplc.com	
Nominated Advisor and Joint Broker	Peel Hunt LLP Moor House, 120 London Wall London, EC2Y 5ET	
Joint Broker	BMO Capital Markets 95 Queen Victoria Street London, EC4V 4HG	
Auditor	Deloitte LLP 2 New Street Square London EC4A 3BZ	
Legal Advisers	Fieldfisher LLP Riverbank House, 2 Swan Lane London EC4R 3TT	
Principal Bankers	Barclays Bank 54 Lombard Street London EC3P 3AH	
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA	
Registered number	5104249	

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held on 28th June 2017 at 11.00 a.m at Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT for the following purposes, namely:

Ordinary business

As ordinary business to consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1 To receive and adopt the Company's Financial Statements for the year ended 31 December 2016, together with the reports of the auditor and directors of the Company ("Directors") thereon.

2 To re-appoint Deloitte LLP as auditor of the Company until the conclusion of the next Annual General Meeting at which accounts for the Company are presented and to authorise the Directors to fix their remuneration.

3 To re-elect Miles Biggins as a Director of the Company, who retires in accordance with the Company's Articles of Association and offers himself for re-election.

4 To re-elect Peter Levine as a Director of the Company, who retires in accordance with the Company's Articles of Association and offers himself for re-election.

Special Business

As special business to consider and if thought fit to pass the following resolutions of which the resolution numbered 5 will be proposed as an ordinary resolution and the resolution numbered 6 will be proposed as a special resolution.

5 That authority be and is hereby granted to the Directors of the Company generally and unconditionally to allot shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company ("Rights") pursuant to Section 551 of the Companies Act 2006 (the"Act") up to an aggregate nominal amount of £2,860,793 (such amount equating to 30 per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of this Notice) provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018, save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant thereto as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to Section 551 of the Act.

6 That the Directors be and they are hereby generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by resolution 5 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any previous powers conferred on the Directors pursuant to Section 570 of the Act and shall be limited to:

(a) allotments made in connection with offers of equity securities to the holders of ordinary shares in proportion (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of any overseas territory or the requirements of any recognised regulatory body or any stock exchange in any territory;

(b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of further equity securities up to an aggregate nominal amount of £953,598 (such amount equating to 10 per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of this Notice) provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018, save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the authority conferred hereby had not expired..

BY THE ORDER OF THE BOARD

Peter Levine
Company Secretary
[6th] June 2017

Registered office:
1200 Century Way
Thorpe Park Business Park
Leeds LS15 8ZA

Notes

Entitlement to attend, speak and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members entered on the register of members at 6.30pm on 26th June 2017 (or in the event that this meeting is adjourned, on the register of members 48 hours excluding non-business days before the time of any adjourned meeting) shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after 6.30pm on 26th June 2017 shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

Appointment of proxies

2. Members are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Please see the instructions on the enclosed Form of Proxy.

3. The completion and return of a Form of Proxy whether in hard copy form or in CREST will not preclude a member from attending in person at the meeting and voting should he or she wish to do so.

Appointment of proxies using hardcopy proxy form

4. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form. Please also indicate if the proxy instruction is one of multiple instructions being given. To appoint more than one proxy please see the instructions on the enclosed Form of Proxy. All forms must be signed and should be returned together in the same envelope.

5. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Freepost RTHJ-CLLL-KBKU, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU by hand, or sent by post, so as to be received not less than 48 hours excluding non-business days before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be).

Appointment of proxies using CREST

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (Equiniti Limited RA19) by 11.00am on 26th June 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

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PRESIDENT ENERGY

PLEASE COMPLETE IF YOU DO NOT INTEND TO ATTEND IN PERSON

FORM OF PROXY

For use in connection with Annual General Meeting

(Company No: 5104249)

I …………………………………………………………………………………………………… (Name(s) in full in block capitals) of address ………..

……….......

being a member of the above named Company hereby appoint

Name of proxy	No. of shares

or, failing him/her the Chairman of the Meeting, as my proxy to vote for me on my behalf in accordance with the instructions set out below at the Annual General Meeting of the Company to be held on 28th June 2017 and at any adjournment thereof.

☐ Please tick this box if this form is one of multiple instructions being given.

Please delete "Either" or "Or" below and mark "For", "Against" or "Vote Withheld" as appropriate and return this form to the Company Secretary/Company's registrars, Freepost RTHJ-CLLL-KBKU, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU. To be valid this form must be lodged with the Company's registrars not less than 48 hours before the Meeting.

Either	To vote as my Proxy or failing him/her as the Chairman thinks fit			
Or		For	Against	Vote Withheld
	Resolution 1			
	Resolution 2			
	Resolution 3			
	Resolution 4			
	Resolution 5			
	Resolution 6			

Signed ………………………………………………………………………………………………

Name ………………………………………………………………………………………………

Date ………………………………………………………………………………………………

President Energy PLC
1200 Century Way,
Thorpe Park Business Park
Leeds LS15 8ZA
United Kingdom

Tel: +44 (0) 20701 67950

www.presidentenergyplc.com

PRESIDENT
ENERGY