AGRITERRA LIMITED

(‘AGRITERRA’ COLLECTIVELY WITH ITS SUBSIDIARIES, THE ‘GROUP’)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 30 NOVEMBER 2013

CHAIRMAN'S STATEMENT

25 February 2014

In line with our growth strategy Agriterra is continuing to invest in building operational platforms that will enable sustainable long-term cash generation and profitability across our multi-divisional business. Our focus remains on establishing strong foundations within each division, primarily comprising beef and maize operations in Mozambique and cocoa operations in Sierra Leone, building our asset base to "critical mass" and vertically integrating operations wherever possible. The intention of this strategy is to grow revenue from our products whilst improving efficiencies and therefore maximising margins. The board of Agriterra believe that investment and implementation skills are of paramount importance and the key to a successful agricultural business. We have continued to assign capital to implement our growth strategy, in particular within our beef and cocoa divisions. We are still in the growth and development phase of both our beef and cocoa operations, but as a result of recent investments we are now beginning to see the benefits of our structured development plan being realised in financial terms, with a reduction in losses and a trend towards profitability across all divisions.

Beef operations - Mozambique

During the financial year ended 31 May 2013 ('FY2013') we made significant progress in our beef division, becoming a vertically integrated beef provider through the construction of our abattoir and the opening of two retail units. During the current financial year ('FY2014') we have supplemented these with the opening of new retail outlets in Manica and Beira in December 2013 and February 2014 respectively. We are particularly excited about Beira, which is the second largest city in Mozambique and is close to our main operations in Chimoio. Local demand for beef products is strong in Beira and we expect volumes and margins to be impressive at this outlet.

Our cattle herd expansion programme is also on track to reach 10,000 head (excluding feedlot animals) by 2015 and, importantly, a successful breeding season has delivered a 75% year-on-year increase in births. The key to our future success from ranching operations is critical mass; to this end, work to increase the carrying capacity of our ranches, through further land clearance and a phased irrigation programme, is currently underway. Once the newly irrigated land is able to support cattle, we hope to accelerate our herd growth through the acquisition of further Beefmaster cattle from South Africa. This accelerated growth will enable us to reach cash break-even on our ranching operations more quickly than previously anticipated by increasing the total number of births each year (thereby increasing the number of animals available for slaughter within 15 to 18 months thereafter).

With our increasing herd size, a fully operational feedlot, the abattoir and the continued roll out of retail units, we are well positioned for the future to maximise returns throughout the whole 'field to fork' value chain. With critical pillars to support growth in place and a defined investment plan in progress, the Mozambique beef operations are set to become self-sustaining and profitable, which should in turn have a favourable impact on the Group's performance in the years ahead.

Cocoa plantation – Sierra Leone

In Sierra Leone we continue to invest in our cocoa plantation, an exciting and high value project which, once mature, will generate significant cash flow for the Group. We completed the initial phase of planting during the 6 months ended 30 November 2013 ('H1-FY2014') with 250,000 seedlings planted on 200 hectares. 350,000 seedlings are currently growing in our 1.7 hectare nursery in anticipation of the next phase in our planting schedule, on 250 hectares, which we expect to complete in calendar year 2014. Based on our current planting schedule and land acquisition strategy, we anticipate that the plantation will yield at least 8,000 tonnes of premium grade cocoa beans by 2020/2021. The scalability of the operation, the attainable production targets and the dynamics of the cocoa market were all crucial factors in our decision to invest in this business. In addition, indications that there will be a shortage of cocoa beans in the world markets over the short to medium term, which in all likelihood will result in increasing prices, together mean that we expect our plantation to start delivering cocoa beans at the right time to capitalise on increasing prices.

Other operations – Sierra Leone and Mozambique

Our cocoa trading operation has, unfortunately, not performed as strongly as had been hoped, mainly due to a poor harvest for local farmers. However, the positive pricing environment, and our focus on optimising the cost structure of this operation has improved our returns in the second half of the current financial year.

We are also focussed on the further development of our local infrastructure in Sierra Leone. In line with this, our new and enlarged warehouse and trading centre in Kenema is now nearly complete and we expect to start using it from early March 2014. With our existing infrastructure, the maturing of our plantation and support of trading operations, we aim to become Sierra Leone's largest cocoa producer and the board believe we are on track to achieve this.

Our maize operations in Mozambique are our most mature business division and continue to generate significant revenues for the Group. During H1-FY2014 we have focussed our efforts on improving margins and net profits in this division. Despite relatively low volumes in the period, which was impacted by the political instability in Mozambique, our team's efforts have borne fruit as the division has returned a net operating profit. The Board has noted recent improvements in the political situation in Mozambique, which is returning to normality and in line with this, sales volumes have increased from January 2014.

Legacy oil interests

In addition to our current operations, the Board continues to actively pursue the realisation of value from its legacy oil and gas operations. In this regard, we are engaged in formal arbitration proceedings with the Government of the Republic of South Sudan and Nile Petroleum Corporation to recover the compensation assessed by the National Petroleum Commission as being due to the Company for works undertaken by the Company and acknowledged as being due by the Ministry of Petroleum and Mining of the Republic of South Sudan in April 2012. In addition, Tullow Oil plc, Africa Oil Corp and Marathon Oil Corporation ('Marathon') continue to undertake exploration activities on the South Omo oil block in Ethiopia. An additional payment of US$10m will be due to Agriterra from Marathon in the event that Marathon participate in a "commercial discovery" on the block. The timing and exact quantum of any amounts recovered in respect of these assets cannot be reliably estimated at this time and they are accordingly not included in our financial results.

Financial Results

In order to achieve critical mass and a foundation for growth and profitability in the future, our focus remains on both expanding our growth divisions, primarily our beef and cocoa operations, and optimising returns across all divisions. This strategy is beginning to be reflected in our results – while revenue decreased to US$7.2 million (H1-FY2013: US$11.5 million) reflecting lower maize and cocoa sales volumes, the pre-tax loss on continuing operations decreased by 50% to US$2.1 million (H1-FY2013: US$4.2 million). This reflects in significant part the progress made in improving cost efficiency across all divisions, the focus on margin improvement in our grain business and the positive impact in our beef business of both the retail units and the organic growth in our herd.

The net assets of the Group were US$57.5 million at the period end and cash balances were US$8.7 million (H1-FY2013: US$3.2 million) against a current market cap of $36.7 million.

Outlook

Agricultural businesses are based on long term investment and the realisation of a growth strategy. While we are still in the investment phase in both our beef and cocoa businesses, the board is confident that the progress we have made to date has created a strong and sustainable platform for our transition into profitability. The Company has reduced its losses significantly, reflecting in part the refinement of our cost efficiencies, our focus on margins and the increasing scale and integration of our beef operations. As revenues begin to ramp up and our investment programmes continue, we are in a favourable position to deliver enhanced financial performance moving forward.

The African agriculture arena remains an area of exceptional growth potential, and our investments to date in both Mozambique and Sierra Leone will, I believe, set us at the forefront on this expanding industry.

P H Edmonds
Chairman

FOR FURTHER INFORMATION PLEASE VISIT WWW.AGRITERRA-LTD.COM OR CONTACT:

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OPERATIONS REVIEW

Agriterra currently has three operational agricultural divisions:

- **Beef**, which conducts cattle ranching, feedlot, abattoir operations and retail units through Mozbife Limitada ('Mozbife')
- **Cocoa**, which manages the Group's cocoa trading and farming activities through the Tropical Farms group of companies ('TFL')
- **Grain**, which operates maize purchasing and processing businesses through Desenvolvimento E Comercialização Agricola Limitada ('DECA') and Compagri Limitada ('Compagri')

Beef Operations (Mozambique)

Agriterra remains focussed on expanding its vertically integrated "field to fork" beef operations which comprise three ranches, a feedlot facility, abattoir and retail units in Mozambique.

The Group's strategy is to leverage value from being a vertically integrated producer, supplemented by local purchasing of cattle. Agriterra rear and breed the beef cattle at the Mavonde, Inhazanoia and Dombe ranches, fatten at the Vanduzi feedlot, and slaughter and butcher at the Chimoio Abattoir, which in turn supplies the retail units in Chimoio,Tete, Manica and Beira. This integrated business approach enables the Group to maximise revenues and margins from the entire value chain.

The Ranches

The beef division has three ranches, namely the 2,350 hectare Mavonde ranch, the 2,500 hectare Inhazonia ranch (formerly referred to as the 'Irmaos' ranch) and the 15,000 hectare Dombe ranch, all located in Central Mozambique. The total herd across the ranches currently stands at approximately 5,700 head, being a 16% increase in six months, (31 May 2013: approximately 4,900 head), mainly due to consistently high pregnancy rates of over 80%, which has yielded 1,595 calves during the current birthing season (to 31 January 2014).

To support growth, an expanded irrigation programme is being implemented at Mavonde to increase the irrigated land by 195 hectares to 368 hectares, and at Inhazonia, to increase the irrigated land by 88 hectares to 118 hectares. With full irrigation, the head to hectare ratio at Mavonde and Inhazonia will be able to be increased from 1.5 to 7 head per hectare. With this increased irrigation, we expect that the three ranches will be able to sustain a total herd of approximately 10,000 head, providing up to approximately 3,800 animals per year for slaughter.

The Vanduzi Feedlot

The Vanduzi Feedlot (the 'Feedlot') has a 20 pen line with a potential rolling capacity of approximately 3,000 head every 90 days. In addition to our own animals from the ranches, we currently purchase cattle from the surrounding areas for fattening in the Feedlot. We are currently increasing the number of animals in the Feedlot in order to supply the abattoir with approximately 600 animals per month (from June 2014) to satisfy the current demand from the retail units and our wholesale operations (refer below). Based on this number of animals passing through the Feedlot on a monthly basis, the increase in their weight through the fattening process, and the related variable and fixed costs of the Feedlot, this operation is now contributing to the net cash generation of the beef operations.

In conjunction with the feeding pens, Vanduzi also has 1,050 hectares of land for pasture and production of feed. This helps to keep feed costs down and maintains an integrated operation. Furthermore, the feedlot works strategically with other companies in the Group, for example by using bran, the by-product from the Grain processing facilities, as a feed supplement for the cattle.

The Chimoio Abattoir and Retail Units

Since commencing operations in December 2012 slaughter rates at the abattoir have consistently increased; 2,248 animals were slaughtered in H1-FY2014, already exceeding the 2,145 animals slaughtered (or sold live) during FY2013. Our current monthly run rate is approximately 400 animals, which will increase to 600 animals to satisfy our existing local demand once the Feedlot operations have ramped up (refer above). At this level of animals slaughtered per month, the abattoir will recover its operating costs in full from the sales of skin, offal, hooves and heads (the '5th quarter') and commence making a net contribution to the cash generation of the beef operations.

The abattoir has a monthly slaughter capacity of approximately 4,000 head. This spare capacity provides the Group with significant flexibility to increase slaughter rates as the beef operations expand.

To capitalise on the value uplift arising on the selling price of meat (compared to carcasses), the Group has established a branch of retail units in Chimoio, Tete, Manica and Beira which opened in December 2012, February 2013, December 2013 and February 2014 respectively. The retail units have performed well for the Group, underpinned by the strong internal market demand for meat, and are already contributing a net positive cash flow to the beef division.

We are particularly excited about the Beira unit – Beira is the second largest city in Mozambique, and we expect high volumes and revenues from this site.

Furthermore, in order to capitalise on the Group's ability to process larger volumes of animals and meat, the Group has now secured, or is in the process of negotiating, larger volume wholesale contracts. Contracts already in place provide for monthly deliveries of approximately 25 tonnes of meat, which we hope to expand in the short to medium term.

Cocoa Plantation & Trading (Sierra Leone)

The Cocoa division's primary focus is now the development and expansion of its cocoa plantation, located 40km from Kenema in south-east Sierra Leone, with the aim of achieving large scale cocoa production.

250,000 seedlings, cultivated in the existing 1.7 hectare fully-irrigated nursery at the plantation, were planted on 200 hectares of cleared land in calendar year 2013. We intend to plant a further 250 hectares by the end of calendar year 2014, with plants in the nursery already established to support this.

This gradual phasing of the planting schedule, in conjunction with appropriate agronomical technical expertise, is permitting the Group to perfect its planting activities. Of significant interest is likely to be the final assessment of whether part, or all, of the future planting may now use hybrid plants from the Ivory Coast. These plants are under technical review but early signs show they could both increase the average yields to be obtained per hectare and also accelerate the period to full yield.

Subject to the acquisition of an additional block of 1,600 hectares of land adjacent to the plantation, we plan to plant a total of 4,000 hectares by 2017, with the ultimate aim of producing a minimum of 8,000 tonnes of cocoa per annum by 2020/2021.

The construction of administration offices and accommodation at the plantation has now been finalised (February 2014), and additional infrastructure development programmes are in place to further improve the plantation infrastructure and access to Kenema, including roads and bridges during the rest of the year.

Turning to the established cocoa trading business, we have streamlined our buying operations which are now conducted from three main hub stores in Kenema, Kono and Kailahun in the Eastern Province of Sierra Leone supporting a direct buying register of more than 3,500 farmers across Sierra Leone. This consolidation (from three main buying points and around 50 further 'spoke' buying points in FY2013) has significantly reduced the fixed operating cost of the trading operation.

The cocoa harvest for the period under review was impacted by a poor harvest, which resulted in lower available purchase volumes; 325 tonnes of cocoa beans were purchased during the six months ended 30 November 2013. Nonetheless, within just two months following the period end (December 2013-January 2014) the Cocoa division purchased another 325 tonnes of cocoa, enabling the Group to maintain its market share for the period.

Despite the lower volumes, the streamlining of operations has reduced the loss from the trading division to US$660,000 for H1-FY2014 from US$799,000 in H1-FY2013. Subject to an improved crop, we would expect the trading division to at least break even in FY2015.

To further support the continued growth of the trading division, confidential strategic partnerships are being assessed to leverage combined operational size and cost efficiencies. Further updates will be provided in due course if and when these partnerships mature.

The Group remains committed to supporting the sustainable development of the cocoa industry in Sierra Leone. In line with this objective, we are now working with the European Commission and the Republic of Sierra Leone to support its Agriculture For Development (A4D) scheme, which aims to increase production and improve the quality of selected cash crops for export, namely cocoa, coffee and cashew. As part of this programme, we are implementing training schemes to improve agricultural practices, such as under-brushing to maintain fertile land, and many of the Group's farmers have been awarded certification for their sustainable farming. These improved farming initiatives should help increase cocoa trading volumes, particularly by rehabilitating and extending the out-grower areas around the Group's plantation.

Grain Processing & Farming (Mozambique)

The Group's maize operations are focussed on its 35,000 tonne capacity in Chimoio in central Mozambique, and its 15,000 tonne capacity facility in Tete, in north-west Mozambique.

Maize and milling operations continue to remain a valuable asset in the Group's agricultural offering. In order to maximise returns and profitability in the grain division, our primary focus this period has been on maximising the price and margins generated from our maize products. As a result, the grain division's gross profit has increased to 21.2% from 15.7% in H1-FY2013. This, combined with other margin, cost and efficiency improvement measures, has resulted in the Group reporting a profit of US$66,000 for maize division, compared to a US$385,000 loss for the same period last year.

The full benefit of this cost streamlining and margin focus has not yet been felt though, as the operations have been affected by the recent political difficulties in Mozambique which created delays in transporting maize products to certain parts of the country. As a result, approximately 12,000 tonnes of maize products were sold in the six months ended 30 November 2013 compared to approximately 30,000 tonnes in H1-FY2013. Revenues accordingly fell to US$4,376,000 in H1-FY2014 from US$9,045,000 in H1-2014.

These political difficulties are now being resolved and maize milling volumes are improving, with approximately 16,000 tonnes of maize products sold in the current financial year between 1 June 2013 and 31 January 2014. Prices have remained in line with H1-FY2014 and this has helped to recoup part of the shortfall experienced during the first half of the year.

Maize purchases remained strong in the period, with a marginal decrease to approximately 31,500 tonnes of maize purchased during the season of April-November 2013 compared to 34,000 in the corresponding period of the prior year.

Palm Oil Operations (Sierra Leone)

The Group controls a lease of approximately 45,000 hectares of brownfield agricultural land suitable for palm oil production in the Pujehun District in the Southern Province in Sierra Leone. The Board continues to evaluate this property and its potential for commercialisation. Further updates will be provided when appropriate.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**6 months ended 30 November 2013 Unaudited US$000**	6 months ended 30 November 2012 Unaudited US$000	12 months ended 31 May 2013 Audited US$000
CONTINUING OPERATIONS				
Revenue		**7,188**	11,486	21,213
Cost of sales		**(6,378)**	(9,901)	(18,625)
Gross profit		**810**	1,585	2,588
Increase in value of biological assets		**601**	77	770
Operating expenses		**(4,525)**	(5,707)	(10,761)
Other income		**229**	125	136
Share of result of associates		**-**	-	(5)
Operating loss		**(2,885)**	(3,920)	(7,272)
Net finance income / (expense)	4	**820**	(231)	(646)
Investment revenues		**938**	5	43
Finance costs		**(118)**	(236)	(689)
Loss before taxation		**(2,065)**	(4,151)	(7,918)
Taxation		**(52)**	(42)	(13)
Loss for the period from continuing operations	3	**(2,117)**	(4,193)	(7,931)
DISCONTINUED OPERATIONS				
(Loss) / profit for the period from discontinued operations	5	**(147)**	29,364	28,870
(Loss) / profit for the period		**(2,264)**	25,171	20,939
OTHER COMPREHENSIVE LOSS				
Foreign currency translation loss on foreign operations		**(325)**	(2,129)	(2,492)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE FINANCIAL PERIOD		**(2,589)**	23,042	18,447
		US cents	US cents	US cents
(LOSS) / EARNINGS PER SHARE				
Basic and diluted loss per share from continuing operations		**(0.20)**	(0.40)	(0.75)
Basic (loss) / earnings per share from continuing and discontinued operations		**(0.21)**	2.38	1.98
Diluted (loss) / earnings per share from continuing and discontinued operations		**(0.21)**	2.38	1.90
		No.	No.	No.
Weighted average number of shares outstanding for the purposes of calculating basic (loss) / earnings per share		**1,061,818,478**	1,059,716,238	1,059,963,899
Weighted average number of shares outstanding for the purposes of calculating diluted (loss) / earnings per share from continuing and discontinued operations		**1,061,818,478**	1,059,716,238	1,103,411,016

The profit / (loss) and total comprehensive income / (loss) for all periods presented are wholly attributable to equity holders of the parent company.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 November 2013 Unaudited US$000	30 November 2012 Unaudited US$000	31 May 2013 Audited US$000
Non-current assets				
Intangible assets		**697**	966	697
Property, plant and equipment		**35,551**	27,381	33,241
Interests in associates		**4**	9	4
Investments in quoted companies	6	**1,091**	-	4
Biological assets		**3,370**	1,491	2,060
		40,713	29,847	36,006
Current assets				
Biological assets		**797**	963	1,947
Inventories		**6,590**	5,234	5,456
Trade and other receivables		**3,504**	45,350	3,378
Cash and cash equivalents		**8,739**	3,189	18,748
		19,630	54,736	29,529
Total assets		**60,343**	84,583	65,535
Current liabilities				
Borrowings	7	**(1,138)**	(1,853)	(3,091)
Trade and other payables		**(1,711)**	(18,269)	(2,416)
		(2,849)	(20,122)	(5,507)
Net current assets		**16,781**	34,614	24,022
Net assets		**57,494**	64,461	60,028
Share capital	8	**1,960**	1,957	1,960
Share premium		**148,622**	148,530	148,622
Shares to be issued reserve		**2,940**	2,940	2,940
Share based payments reserve		**1,765**	1,643	1,710
Translation reserve		**(2,521)**	(1,833)	(2,196)
Accumulated losses		**(95,272)**	(88,776)	(93,008)
Equity attributable to equity holders of the parent		**57,494**	64,461	60,028

The unaudited condensed consolidated financial statements of Agriterra Limited for the six months ended 30 November 2013 were approved by the Board of Directors and authorised for issue on 25 February 2014. Signed on behalf of the Board of Directors:

P H Edmonds
Chairman

CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 30 November 2013 Unaudited US$000	6 months ended 30 November 2012 Unaudited US$000	12 months ended 31 May 2013 Audited US$000
Loss for before tax for the period from continuing operations	**(2,065)**	(4,151)	(7,918)
Adjustments for:			
Depreciation	**1,117**	1,101	2,209
(Profit) / loss on disposal of property, plant and equipment	**(180)**	-	1
Share based payment expense	**54**	23	90
Foreign exchange gain	**12**	181	529
Increase in value of biological assets	**(601)**	(77)	(770)
Finance costs	**118**	236	689
Investment revenues	**(938)**	(5)	(43)
Operating cash flows before movements in working capital	**(2,483)**	(2,692)	(5,213)
(Increase) / decrease in inventories	**(1,173)**	1,104	917
(Increase) / decrease in trade and other receivables	**(255)**	(1,860)	1,104
(Decrease) / increase in trade and other payables	**(593)**	5,430	330
Net cash (used in) / from operating activities by continuing operations	**(4,504)**	1,982	(2,862)
Corporation tax paid	**(18)**	(12)	(125)
Finance costs	**(122)**	(236)	(689)
Interest received	**138**	5	43
Net cash (used in) / from operating activities by continuing operations	**(4,506)**	1,739	(3,633)
Net cash used in operating activities by discontinued operations	**(147)**	(56)	-
Net cash (used in) / from operating activities	**(4,653)**	1,683	(3,633)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	**180**	-	14
Acquisition of property, plant and equipment	**(3,644)**	(3,559)	(10,505)
Purchase of investment in quoted companies	**(285)**	-	(4)
Decrease /(increase) in biological assets	**409**	(203)	(773)
Net cash used in investing activities by continuing operations	**(3,340)**	(3,762)	(11,268)
Net cash from investing activities in discontinued operations	**-**	-	27,110
Net cash (used in) / from investing activities	**(3,340)**	(3,762)	15,842
Cash flow from financing activities			
Net (repayment) / draw down of overdraft	**(442)**	1,769	1,468
Draw down of loans	**-**	-	6,000
Repayment of loans	**(1,500)**	-	(4,500)
Net cash (outflow) / inflow from financing activities from continuing operations	**(1,942)**	1,769	2,968
Net decrease in cash and cash equivalents	**(9,935)**	(310)	15,177
Effect of exchange rates on cash and cash equivalents including discontinued operations	**(74)**	(54)	18
Cash and cash equivalents at beginning of period	**18,748**	3,553	3,553
Cash and cash equivalents at end of period	**8,739**	3,189	18,748

1. General information

Agriterra Limited ('Agriterra' or the 'Company') and its subsidiaries (together the 'Group') is focussed on the agricultural sector in Africa. Agriterra is a non-cellular company limited by shares incorporated and domiciled in Guernsey, Channel Islands. The address of its registered office is Richmond House, St Julians Avenue, St Peter Port, Guernsey GY1 1GZ.

The Company's Ordinary Shares are quoted on the AIM Market of the London Stock Exchange ('AIM').

The unaudited interim consolidated financial statements have been prepared in US Dollars ('US$' or '$') as this is the currency of the primary economic environment in which the Group operates.

2. Basis of preparation

The condensed consolidated financial statements of the Group for the six months ended 30 November 2013 (the 'H1-FY2014 financial statements'), which are unaudited and have not been reviewed by the Company's auditor, have been prepared in accordance with the International Financial Reporting Standards ('IFRS'), as adopted by the European Union, accounting policies adopted by the Group and set out in the annual report for the year ended 31 May 2013 (available at www.agriterra-ltd.com). The Group does not anticipate any significant change in these accounting policies for the year ended 31 May 2014. References to 'IFRS' hereafter should be construed as references to IFRSs as adopted by the EU.

This interim report has been prepared to comply with the requirements of the AIM rules of the London Stock Exchange (the 'AIM Rules'). In preparing this report, the Group has adopted the guidance in the AIM Rules for interim accounts which do not require that the interim condensed consolidated financial statements are prepared in accordance with IAS 34, *'Interim financial reporting'*. While the financial figures included in this report have been computed in accordance with IFRSs applicable to interim periods, this report does not contain sufficient information to constitute an interim financial report as that term is defined in IFRSs.

The financial information contained in this report also does not constitute statutory accounts under the Companies (Guernsey) Law 2008, as amended. The financial information for the year ended 31 May 2013 is based on the statutory accounts for the period then ended. The auditors reported on those accounts. Their report was unqualified and did not include any statements of emphasis of matter.

The H1-FY2014 financial statements have been prepared in accordance with the IFRS principles applicable to a going concern, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations. Having carried out a going concern review in preparing the H1-FY2014 financial statements, the Directors have concluded that there is a reasonable basis to adopt the going concern principle.

3. Segment information

The Directors consider that the Group's continuing operations comprise three business segments, grain, beef and cocoa and other unallocated expenditure. The results of each segment were as follows:

6 months ended 30 November 2013 - Unaudited

	Grain US$000	**Beef US$000**	**Cocoa US$000**	**Unallocated US$000**	**Total US$000**
Revenue	**4,669**	**2,068**	**451**	**-**	**7,188**
Operating profit / (loss)	**66**	**(990)**	**(659)**	**(1,302)**	**(2,885)**
Finance (expense) / income	**(104)**	**1**	**(1)**	**924**	**820**
Loss before tax	**(38)**	**(989)**	**(660)**	**(378)**	**(2,065)**
Income tax	**(43)**	**(9)**	**-**	**-**	**(52)**
Loss for the period from continuing activities	**(81)**	**(998)**	**(660)**	**(378)**	**(2,117)**

6 months ended 30 November 2012 - Unaudited

	Grain US$000	Beef US$000	Cocoa US$000	Unallocated US$000	Total US$000
Revenue	9,045	776	1,665	-	11,486
Operating loss	(229)	(1,469)	(799)	(1,423)	(3,920)
Finance expense	(156)	-	-	(75)	(231)
Loss before tax	(385)	(1,469)	(799)	(1,498)	(4,151)
Income tax	(42)	-	-	-	(42)
Loss for the period from continuing activities	(427)	(1,469)	(799)	(1,498)	(4,193)

12 months ended 31 May 2013 - Audited

	Grain US$000	Beef US$000	Cocoa US$000	Unallocated US$000	Total US$000
Revenue	15,843	2,230	3,140	-	21,213
Operating loss	(108)	(2,639)	(1,564)	(2,961)	(7,272)
Finance (expense) / income	(335)	2	(5)	(308)	(646)
Loss before tax	(443)	(2,637)	(1,569)	(3,269)	(7,918)
Income tax	(13)	-	-	-	(13)
Loss for the period from continuing activities	(456)	(2,637)	(1,569)	(3,269)	(7,931)

4. NET FINANCE INCOME / (EXPENSE)

	6 months ended 30 November 2013 Unaudited US$000	6 months ended 30 November 2012 Unaudited US$000	12 months ended 31 May 2013 Audited US$000
Interest income on bank deposits	**111**	5	43
Interest income on loans	**25**	-	-
Fair value gain on financial assets designated at FVTPL (note 6)	**802**	-	-
Investment revenues	**938**	5	43
Interest expense on bank borrowings	**(106)**	(236)	(329)
Interest expense on loan notes	**(12)**	-	(160)
Facility fees	**-**	-	(200)
Finance costs	**(118)**	(236)	(689)
Net finance income / (expense)	**820**	(231)	(646)

5. DISCONTINUED OPERATIONS

As more fully described in the Group's audited financial statements for the year ended 31 May 2013, legacy oil and gas assets are classified as discontinued operations. Certain other operations of the Group which meet the definition of discontinued operations under IFRS 5 are also presented as discontinued operations. Their results of discontinued operations are included in the income statement as a single line below the loss after taxation from continuing operations as follows:

	6 months ended 30 November 2013 Unaudited US$000	6 months ended 30 November 2012 Unaudited US$000	12 months ended 31 May 2013 Audited US$000
Reversal of impairment of oil and gas operations	**-**	39,564	40,380
Loss on closure of Zimbabwe and Conakry	**-**	-	(510)
Other operating expenses	**(147)**	-	-
(Loss) / profit before taxation	**(147)**	39,564	39,870
Taxation	**-**	(10,200)	(11,000)
Profit after taxation	**(147)**	29,364	28,870

In the financial year ended 31 May 2013, the Company completed the disposal of its oil and gas interests in Ethiopia. Further, the Group closed its maize meal importation business in Zimbabwe and its port development concession in Conakry. No amounts have been recognised in respect of these discontinued operations in the six months ended 30 November 2013.

The Group is engaged in formal arbitration proceedings with the Government of the Republic of South Sudan and Nile Petroleum Corporation to recover the compensation assessed by the National Petroleum Commission as being due to the Company for works undertaken by the Company and acknowledged as being due by the Ministry of Petroleum and Mining of the Republic of South Sudan in April 2012. Expenditure of $147,000 has been incurred in this matter during the six months ended 30 November 2013. The timing of receipt of the compensation payment together with the amount to be received remains uncertain and accordingly the remaining oil and gas interest remains fully impaired.

6. INVESTMENTS IN QUOTED COMPANIES

'Investments in quoted companies' comprise financial assets classified as at 'fair value through profit and loss' ('FVTPL'). Changes in market value are recorded in profit and loss within investment revenues. As at 30 November 2013, these investments comprise 8,337,682 (30 November 2012: nil; 31 May 2013: 2,500,000) ordinary shares in African Oilfield Logistics Limited, an AIM quoted company focussed on the logistics support industry in respect of oil and gas exploration and other development projects in sub-Saharan Africa.

Movements in the value of investments in quoted companies were as follows:

	US$000
Market value as at 1 May 2012 and 30 November 2012 – Unaudited	-
Purchase of investments at cost	4
Market value as at 31 May 2013 – Audited	4
Purchase of investments at cost	285
Increase in fair value (note 4)	802
Market value as at 30 November 2013 - Unaudited	1,091

7. BORROWINGS

The amount reported as borrowings comprises a revolving Mozambique Metical credit facility with the Group's Mozambique bankers of up to approximately $2,000,000 secured upon the Group's grain inventories in Mozambique.

8. SHARE CAPITAL

	Authorised	**Allotted and fully paid**	
	Number	**Number**	**US$000**
Ordinary shares of 0.1p each			
At 31 May 2012 and 30 November 2012	2,345,000,000	1,059,716,238	1,719
Issue of shares	-	2,102,240	3
At 31 May 2013 and 30 November 2013	2,345,000,000	1,061,818,478	1,722
Deferred shares of 0.1p each			
At 30 November 2012, 31 May 2013 and 30 November 2013	155,000,000	155,000,000	238
Total share capital			
At 31 May 2013 and 30 November 2013	**2,500,000,000**	**1,216,818,478**	**1,960**
At 30 November 2012	2,500,000,000	1,214,716,238	1,957