

**26 September 2011**

**Amerisur Resources Plc ("Amerisur", "the Company" or "the Group")**

**Unaudited Interim Results for the six months ended 30 June 2011**

Amerisur Resources PLC, the oil and gas producer and explorer focused on South America announces results for the six months ended 30 June 2011.

**Period highlights:**

- Operating profit up 94% to US\$1.8m (2010: US\$0.9m)
- Platanillo Block 2P reserves increased to 3.6MMBO; approval of modification of Environmental Licence to commence drilling programme expected shortly
- Reached commercial agreement with Reto Petroleum Limited Colombian Branch to develop the Fenix Block together
- Interpretation of Aeromagnetometry programme on Paraguayan San Pedro block underway; post period end the Group announced that senior executives held a very positive meeting with the Paraguayan Government to discuss the progress it is making
- Cash resources of US\$17.7m (2010: US\$26.3m)

Giles Clarke, Chairman of Amerisur said:

"We continue to make good progress in both Colombia and Paraguay. We are eagerly awaiting approval from the Ministry of Environment, Housing and Territorial Development so we can commence our significant drilling programme on the Platanillo Block. This remains our priority.

"The agreement with Reto will enable us to make swifter progress on Fenix, and in August we held a successful meeting with the Paraguayan Government and remain confident in the prospects for the San Pedro Block. Therefore we are excited about the prospects for our blocks in the months ahead and look forward to updating shareholders on this."

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## **AMERISUR RESOURCES PLC**

### **Chief Executive's Interim Report**

#### **COLOMBIA**

##### **Platanillo**

Focus on drilling in the Platanillo block is our key strategic priority this year. We were pleased Petrotech Engineering Ltd completed an independent reserves report which showed that certified 2P reserves had increased by 350% to 3.6MMBO. These reserves were calculated in accordance with the requirements of the National Hydrocarbons Agency (ANH).

The Company applied for a modification of the Platanillo Global Environmental Licence to the Ministry of Environment, Housing and Territorial Development (MAVDT) in January. This process would normally take approximately 55 working days to complete, however the unprecedented increase in activity in Colombia and structural changes within MAVDT due to the policies of the new government have delayed this relatively simple process. The Company has provided all information and assistance to MAVDT in a timely and proactive manner to facilitate the decision of the Ministry. The Company has directly demonstrated and communicated the importance of the Platanillo drilling programme at all levels of government, save for the President of the Republic himself. Despite strong support from the Administration, the modification remains under review. Post period end the Company can report that the technical document supporting the issue of the licence modification has been completed internally in MAVDT, whose legal department are now reported to be drafting the modified licence.

We remain extremely confident that the modification will be approved, allowing the Company to perform an integrated drilling programme over both the original and the newer, southern areas. As previously reported, all preparations have been made for the drilling programme, together with the purchase of significant amounts of long-lead items such as casing, tubing and wellhead equipment. In addition, post period end the Company has contracted a Drilling Superintendent who has extensive experience in Colombia and the Putumayo basin to lead the drilling programme. The 3D/3C seismic data has also been further analysed, including attribute analysis which benefited from wide ranging offset data. The objective of that analysis was to identify the potential for additional, less conventional trapping within the Platanillo field, similar to the recent important discoveries made in nearby areas. The possibilities in Platanillo look interesting, and although our initial drilling targets will be structurally driven, subsequent wells will attempt to incorporate some of those new aspects within their objectives. The Company has also refined the drilling programme and civil work designs to enhance efficiency, however given the extreme delays we have suffered we will not achieve the targets set for number of wells drilled nor production exit rate this year. Once the modification is approved, we expect road construction and completion of our southernmost drilling location to take approximately 80 to 90 days, depending upon weather conditions. The first well from that pad should then be logged and be ready to test within 30 days. Further wells, either directionally drilled from the same pad or from other locations will then follow consecutively. It is also important to note that the Company has been successful in securing reception and transport facilities for up to 5,000 BOPD initially within nearby regional infrastructure, a tribute not just to negotiating skills but to the quality and desirability of Platanillo crude oil.

During the period production operations continued, with a total production of 62,000 BO, generating US\$6.6MM in revenue, down on projection due to softer oil prices and the work over and recompletion of Alea-1R. Alea-1R and Platanillo-2 are currently producing approximately 425 BOPD at a controlled rate.

##### **Fenix**

The area around the Isabel and Iguasa discoveries was declared commercial in August 2011, in accordance with ANH procedure. The wells continue under test with depleted production from Isabel of approximately 15 BOPD at period end. Iguasa continues to produce small volumes of oil intermittently.

In April we entered into a Commercial Agreement with Reto Petroleum Limited Colombian Branch (Reto) under which Reto has the right to acquire a working interest in the Fenix Exploration and Production contract (100% owned and operated by Amerisur) in exchange for completing certain work programmes and investments. Reto, with the support of Amerisur, continues to work to secure the funding necessary for this programme.

The Company has performed a number of further studies in Fenix, and post period end has completed the design of a 2D seismic programme to be performed in the southern part of the block, bordering the Bonanza field. We expect to acquire that seismic during 1Q 2012.

## **PARAGUAY**

Post period end in July, the Company announced that the 13,000km Aero-magnetometry programme, designed to map the general development of the sedimentary series in the basin and give detailed data within the San Pedro block had been completed on time and to budget. Those data have been processed and are being interpreted. Initial analysis supports the model for basin development towards the east, with what appear to be important anomalies and structural variations within the San Pedro block. The important potential of this basin is being increasingly recognised, as evidenced by the recent signing by YPF (Argentina) of a hydrocarbon exploration contract immediately adjacent and to the west of the San Pedro block. Other areas of the Parana basin have also been acquired by important global players, so we expect to see a rising tide of activity which can only help Amerisur in its programmes.

### **Financial Review**

Revenue for the period increased to US\$6.6m (2010: US\$4.6m). The profit before tax for the six months was US\$2.0m (2010: US\$0.9m). At the period end, the Group had cash of US\$17.7m (2010: US\$26.3m).

All current commitments are fully funded.

### **Outlook**

I am confident that the difficulties in obtaining the approval of our License modification will be overcome in the near term. Once that is achieved we will be able to continue our development of the Platanillo field, whose potential is even firmer in our minds after this period of drilling hiatus. It remains our principal objective to deliver significant uplift of production and reserves there. Fenix continues to develop and we look forward to advances in terms of production and reserves over the next 12 months. The importance of Paraguay is growing in line with the quantity and quality of data we develop, and I am positive we will see interesting value generation there before the end of 2012.

**John Wardle**  
**Chief Executive Officer**  
**26 September 2011**

## AMERISUR RESOURCES PLC

### Condensed consolidated income statement

	6 months to 30 June 2011 USD '000 Unaudited	6 months to 30 June 2010 USD '000 Unaudited	9 months to 31 December 2010 USD '000
Revenue	6,635	4,551	9,013
Cost of sales	(2,941)	(2,211)	(4,693)
Gross profit	3,694	2,340	4,320
Other administrative expenses	(1,884)	(1,407)	(2,077)
Operating profit	1,810	933	2,243
Finance charge	-	(50)	(56)
Finance income	207	32	71
Profit before tax	2,017	915	2,258
Taxation	(269)	473	(1,041)
Profit for the period attributable to the equity holders of the parent	1,748	1,388	1,217
<b>Earnings per share - total and continuing</b>	4		
Basic (cents per share)	0.19	0.16	0.13
Diluted (cents per share)	0.18	0.15	0.13

### Consolidated statement of comprehensive income

	6 months to 30 June 2011 USD '000 Unaudited	6 months to 30 June 2010 USD '000 Unaudited	9 months to 31 December 2010 USD '000
Profit attributable to equity holders of the parent	1,748	1,388	1,217
Other comprehensive income:			
Foreign exchange differences	679	2,144	(1,502)
Total other comprehensive income	679	2,144	(1,502)
Total comprehensive income for the year	2,427	3,532	(285)

### Condensed consolidated balance sheet

	30 June 2011 USD '000 Unaudited	30 June 2010 USD '000 Unaudited	31 December 2010 USD '000
<b>Assets</b>			
Non-current assets			
Goodwill	514	514	514
Other intangible assets	44,933	34,943	42,165
Property, plant and equipment	742	661	754
Deferred tax asset	1,852	2,696	1,852

Total non-current assets		48,041	38,814	45,285
Current assets				
Trade and other receivables		6,495	2,134	2,071
Inventory (crude oil)		102	87	95
Cash and cash equivalents		17,744	26,275	20,656
Total current assets		24,341	28,496	22,822
<b>Total assets</b>		<b>72,382</b>	<b>67,310</b>	<b>68,107</b>
<b>Equity and liabilities</b>				
Equity				
Issued capital	7	1,311	1,306	1,307
Share premium		60,900	60,632	60,677
Other reserve		4,145	4,276	4,248
Foreign exchange reserve		10,550	11,544	9,871
Retained earnings		(11,170)	(13,644)	(13,021)
Total equity		65,736	64,114	63,082
Current liabilities				
Trade and other payables		6,646	3,196	5,025
Total current liabilities		6,646	3,196	5,025
Total liabilities		6,646	3,196	5,025
<b>Total equity and liabilities</b>		<b>72,382</b>	<b>67,310</b>	<b>68,107</b>

#### Condensed consolidated statement of changes in equity

	Issued share capital	Share premium	Other reserve	Foreign exchange reserve	Retained earnings	Total equity
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
<b>1 January 2010</b>	<b>1,179</b>	<b>40,958</b>	<b>4,276</b>	<b>9,400</b>	<b>(15,032)</b>	<b>40,781</b>
Share options exercised*	1	24				25
Transactions with owners	1	24	-	-	-	25
Profit for the period	-	-	-	-	766	766
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	-	-	-	1,973	-	1,973
<b>At 31 March 2010</b>	<b>1,180</b>	<b>40,982</b>	<b>4,276</b>	<b>11,373</b>	<b>(14,266)</b>	<b>43,545</b>
Share placing	126	19,650				19,776
Transactions with owners	126	19,650	-	-	-	19,776
Profit for the period	-	-	-	-	622	622
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	-	-	-	171	-	171
<b>At 30 June 2010</b>	<b>1,306</b>	<b>60,632</b>	<b>4,276</b>	<b>11,544</b>	<b>(13,644)</b>	<b>64,114</b>
Share options exercised	1	45	(28)	-	28	46
Transactions with owners	1	45	(28)	-	28	46
Profit for the period	-	-	-	-	595	595
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	-	-	-	(1,673)	-	(1,673)
<b>At 31 December 2010</b>	<b>1,307</b>	<b>60,677</b>	<b>4,248</b>	<b>9,871</b>	<b>(13,021)</b>	<b>63,082</b>
Share options exercised	4	223	(103)	-	103	227
Transactions with owners	4	223	(103)	-	103	227

Profit for the period					1,748	1,748
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	-	-	-	679	-	679
<b>At 30 June 2011</b>	<b>1,311</b>	<b>60,900</b>	<b>4,145</b>	<b>10,550</b>	<b>(11,170)</b>	<b>65,736</b>

\*The exercise of share options in the period to March 2010 was made from a pool of shares not valued under IFRS 2 'Share based payments' as they were granted prior to 7 November 2002 and fall outside the scope of the standard. Therefore no transfer of value between the 'Other reserve' and 'Retained earnings' has been made.

### Condensed consolidated cash flow statement

	6 months to 30 June 2011 USD '000 Unaudited	6 months to 30 June 2010 USD '000 Unaudited	9 months to December 2010 USD '000
<b>Cash flows from operating activities</b>			
<b>Profit for the period</b>	1,748	1,388	1,217
<b>Adjustments for:</b>			
Finance income in the income statement	(207)	18	(15)
Tax in the income statement	269	(473)	1,041
Depreciation	68	52	89
Amortisation	526	604	1,848
Decrease / (increase) in inventory	(7)	(13)	6
Increase in trade and other receivables	(4,424)	(1,234)	(371)
Increase in trade and other payables	1,621	2,341	3,639
Net cash (used in) / generated by operations	(406)	2,683	7,454
Interest paid	-	(50)	(56)
Income tax paid	(269)	(834)	(253)
Net cash (used in) / generated by operating activities	(675)	1,799	7,145
<b>Cash flows from investing activities</b>			
Interest received	207	32	71
Payments for property, plant and equipment	(56)	(89)	(229)
Payments for intangible assets	(3,294)	(6,011)	(13,629)
Net cash used in investing activities	(3,143)	(6,068)	(13,787)
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity shares	227	20,884	20,905
Issue costs	-	(1,083)	(1,083)
Net cash generated by financing activities	227	19,801	19,822
<b>Net (decrease) / increase in cash and cash equivalents</b>	(3,591)	15,532	13,180
Foreign exchange differences	679	2,884	(502)
Cash and cash equivalents at the start of the period	20,656	7,859	7,978
Cash and cash equivalents at the end of the period	17,744	26,275	20,656

## AMERISUR RESOURCES PLC

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### 1. The Company

Amerisur Resources Plc ("the Company") is principally involved in the exploration for and production of oil and gas in South America.

The Company is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is Amerisur Resources plc, Lakeside, St. Mellons, Cardiff, CF3 0FB, United Kingdom.

The Company has its listing on the Alternative Investment Market ("AIM") of the London Stock Exchange.

### 2. Basis of preparation

These unaudited consolidated interim financial statements are for the six month period ended 30 June 2011. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the period ended 31 December 2010, which were prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The consolidated financial statements have been prepared under the historical cost convention except for share based payments which are valued at the date of grant.

These interim consolidated financial statements have been prepared in accordance with accounting policies consistent with those set out in the Group's financial statements for the period ended 31 December 2010.

The Company's consolidated statutory accounts for the period ended 31 December 2010 have been filed with the Registrar of Companies. Those accounts have received an unqualified audit report and did not contain statements or matters to which the auditors drew attention under the Act.

### 3. Segmental reporting

#### *Segment Reporting*

Our management information system produces reports for the Board grouping financial performance under the following business areas:

- Colombia
- Paraguay
- United Kingdom

All business areas are responsible initially for the exploration and evaluation of oil reserves and then the development and production of oil wells. As permitted by IFRS 8, since these business areas are deemed to have similar economic characteristics and are similar, if not the same, in all of the following:

- business areas derive their revenue from the supply of crude oil,
- the production and distribution process is the same across all business areas,
- business areas supply to similar customers,
- all business areas are subject to the same regulatory environment

The business areas have been aggregated into a single reportable operating segment, namely oil exploration and development. Each month the CODM is presented with financial information prepared in accordance with IFRS as adopted in the EU and the accounting policies set out in Note 2 to the financial information as such information regarding this operating segment has already been disclosed in the financial statements.

In the period, a single customer contributed the entire revenue.

*Geographical information*

	Non-current assets			Revenue		
	30 June 2011 USD '000	30 June 2010 USD '000	31 December 2010 USD '000	6 months to 30 June 2011 USD '000	6 months to 30 June 2010 USD '000	9 months to 31 December 2010 USD '000
Colombia	41,980	32,191	39,442	6,635	4,551	9,013
Paraguay	622	350	411	-	-	-
United Kingdom	3,587	3,577	3,580	-	-	-
	<u>46,189</u>	<u>36,118</u>	<u>43,433</u>	<u>6,635</u>	<u>4,551</u>	<u>9,013</u>
Deferred tax asset	1,852	2,696	1,852			

The revenue split is based on revenue by origin by supply. The non-current assets total excludes the deferred tax asset.

**4. Earnings per share**

	6 months to 30 June 2011 USD '000	6 months to 30 June 2010 USD '000	9 months to 31 December 2010 USD '000
Earnings for the period attributable to equity shareholders of the parent	1,748	1,388	1,217
Earnings per share			
Basic (pence per share)	0.19	0.16	0.13
Diluted (pence per share)	0.18	0.15	0.13
	Shares	Shares	Shares
Issued ordinary shares at start of the period	913,773,834	829,885,304	830,385,304
Ordinary shares issued in the period	2,250,000	83,388,530	83,388,530
Issued ordinary shares at end of the period	<u>916,023,834</u>	<u>913,273,834</u>	<u>913,773,834</u>
Weighted average number of shares in issue for the period	914,610,851	858,209,615	904,338,722
Dilutive effect of options in issue	50,268,092	39,696,506	36,921,687
Weighted average number of shares for diluted earnings per share.	<u>964,878,943</u>	<u>897,906,121</u>	<u>941,260,409</u>

**5. Goodwill**

The Group has goodwill resulting from past business combinations as follows:

	Goodwill on acquisition USD '000
1 April 2010	514
Foreign exchange	-
At 30 June 2011, 31 December 2010 and 30 June 2010	<u>514</u>

The Directors have reviewed the carrying value of these intangible assets and consider that no impairment is required.

## 6. Other intangible assets

### *Deferred exploration costs*

The Group has made investments in deferred exploration costs as follows:

	Platanillo 100% USD '000	Fenix 100% USD '000	Other - Paraguay 100% USD '000	Total USD '000
<b>Cost</b>				
1 April 2010	16,136	15,086	435	31,657
Additions	2,797	1,714	-	4,511
Foreign exchange	(209)	(132)	12	(329)
30 June 2010	18,724	16,668	447	35,839
Additions	5,730	3,322	66	9,118
Foreign exchange	(418)	(264)	(5)	(687)
31 December 2010	24,036	19,726	508	44,270
Additions	3,258	80	212	3,550
Disposals	-	(256)	-	(256)
Foreign exchange	-	-	-	-
30 June 2011	27,294	19,550	720	47,564
<b>Amortisation</b>				
1 April 2010	292	-	-	292
Charge for the period	604	-	-	604
30 June 2010	896	-	-	896
Charge for the period	1209	-	-	1209
31 December 2010	2,105	-	-	2,105
Charge for the period	526	-	-	526
30 June 2011	2,631	-	-	2,631
Net book value				
30 June 2011	24,663	19,550	720	44,933
31 December 2010	21,931	19,726	508	42,165
30 June 2010	17,828	16,668	447	34,943
1 April 2010	15,844	15,086	435	31,365

The Directors have reviewed the carrying value of these intangible assets and consider that no impairment is required.

## 7. Share capital

	Shares	Nominal Value (0.1p)	Premium net of costs	Total USD '000
1 April 2010	830,385,304	1,180	40,982	42,162
Share placement 6 May 2010	82,888,530	126	19,650	19,776
30 June 2010	913,273,834	1,306	60,632	61,938
Exercise of share options	500,000	1	45	46
31 December 2010	913,773,834	1,307	60,677	61,984

Exercise of share options	<u>2,250,000</u>	<u>4</u>	<u>223</u>	<u>227</u>
30 June 2011	<u>916,023,834</u>	<u>1,311</u>	<u>60,900</u>	<u>62,211</u>

**8. Events after the balance sheet date**

No significant events occurred after the balance sheet date.