

16<sup>th</sup> December 2010

**AMERISUR RESOURCES PLC (“Amerisur”, “the Company” or “the Group”)**

**Interim Results for the six months ended 30<sup>th</sup> September 2010**

Amerisur Resources PLC, the oil and gas producer and explorer focused on South America announces results for the six months ended 30<sup>th</sup> September 2010.

**Results highlights:**

- Operating profit in H1 2010 of \$1.0 million (H1 2009: loss of \$1.5 million)
- Platanillo production enhancement delivers 550 BOPD
- Maximum recorded Platanillo daily production of over 600 BOPD
- Platanillo Exploitation Area extended to the National Border
- Raised \$20 million (before expenses)
- Period end cash position \$25 million
- 125km<sup>2</sup> 3D3C seismic acquisition programme initiated in Platanillo

**Post period end highlights:**

- Despite severely inclement weather oil sales generated a net US\$2.50 million during October and November 2010.
- The 3D3C seismic programme has continued with only slight delay. Data quality observed in field processing is considered “excellent” by the technical auditor
- Facilities expansion in Platanillo has progressed ahead of schedule and below budget.

**Giles Clarke, Chairman of Amerisur Resources said:**

“We continued to make progress in the period as we increased our cashflow, improved our production rates at Platanillo and strengthened our balance sheet. We also identified that the complexity of the Fenix block requires further study and testing, which is currently being conducted.

“Post period end, the extremely adverse weather conditions have led to a delay in the 3D3C seismic programme at Platanillo, however we still remain on track to identify well locations shortly and initiate our exciting drilling programme in 2011.”

**For further information please contact:**

Billy Clegg/Caroline Stewart  
Financial Dynamics

Tel: +44 (0)207 831 3113

Martin Eales/Pierre Schreuder  
RBC Capital Markets

Tel: +44 (0) 20 7653 4000

## **Chief Executive's Statement**

The Company has continued to make progress and deliver positive results in the first half of the year. We have generated significant revenue and profit from our enhanced production performance, coupled with innovative operating practices and efficient cost control. In addition, we have an exciting time ahead, with the results of the 3D3C seismic leading to new drilling and a significant uplift in production during next year.

## **Colombia**

### **Platanillo Block**

The production enhancement programme has been very successful, despite some disruption to export capacity within the Putumayo area over the last 6 months. The Company is encouraged by the results of this work and will continue to apply these techniques to further enhance production. Current production is approximately 570 BOPD. The average over the last 3 months was 542 BOPD, with a maximum recorded daily production during the recent period of over 600 BOPD. As a result of prudent cost management the Company is generating significant positive monthly cashflow. Oil sales generated a net US\$5.3 million during the period.

The Company has brought forward a significant part of the production facilities expansion, previously planned for mid-2011. This expansion includes the installation of a further 3,000 bbl of production tankage, a water evaporator system and additional piping to ensure the system can flexibly handle oil production from a selection of sources. The evaporator system is environmentally responsible and will have a positive impact on installed water handling capacity. In addition, it will help to further reduce operating costs in the future.

During the period, the Company announced that the contract for the acquisition and field processing of 125km<sup>2</sup> 3D3C seismic data over the Platanillo field had been awarded to Compañía Geofísica Latinoamericana S.A., an established contractor with considerable experience within Colombia and particularly in the Putumayo basin. This survey employs the very latest technology and an advanced design, and the results of this work will allow us to refine our understanding of the field potential.

Post period end, the 3D3C seismic programme experienced a slight delay in the face of adverse weather conditions, as mentioned earlier. The flooded Platanillo area complicated access in both the southern area near the Rio Putumayo and the central area, around the Rio Pinuna Blanco. Despite these conditions it is expected that the recording of data in the southern section of the data volume will be completed during December, with well locations identified in time for drilling during the first quarter of 2011, so long as ground conditions allow the required civil works to go ahead.

### **Fenix Block**

The Company continues to evaluate the potential of the Iguasa and Isabel discoveries. As announced on 14<sup>th</sup> October 2010, a series of technical studies are underway, for which results are expected during the early part of 2011.

## **Paraguay**

The Company has made significant progress with new mapping and geochemical studies in the San Pedro block. We are now reviewing the regional setting of the prospects, and may consider the acquisition of an airborne Gravimetry survey over the Parana basin during the early part of next year.

## **Financial Review**

Revenue for the period increased to \$5.32 million (H1 2009: \$0.46m). The profit after tax for the six months was \$1.02 million (H1 2009: loss of \$1.50 million).

At the period end, the Group had cash of \$25.1 million (H1 2009: \$12.7 million).

## **Placing**

In April 2010, the Company successfully placed 82,888,530 new Ordinary Shares of 0.1 pence each at 16.5 pence per ordinary share and raised \$20 million (before expenses). The net proceeds of the Placing are being used for the Company's ongoing appraisal and exploration activities in the Platanillo and Fenix blocks in Colombia and to fund the exploration programme on the San Pedro block in Paraguay.

## **Change in financial reporting**

The Board announces that the financial year end of the Company will change from 31 March to 31 December with effect from the current financial year. As a result of this change, the Company will publish audited results for the 9 months ending 31 December 2010 and the subsequent audited results will be for the 12 months to 31 December 2011. The next set of interim accounts produced will be for the 6 months to 30 June 2011.

The Board has also changed the presentational and functional currency of the Company accounts from Sterling to US dollars with effect from 31 March 2010. All comparatives have been restated in US dollars. The change in reporting currency is deemed to be appropriate as the Company's operations are in South America where oil revenues and costs are Dollar denominated.

## **Outlook**

It is a very exciting period for the Company, with the results of our production enhancement efforts becoming clear, the imminent completion of the 3D3C seismic programme and the promise of further drilling, targeting a strong production increase during 2011 all of which underline the value of our producing assets. In addition we shall continue to work our other discoveries and prospects, together with evaluating new growth opportunities within Colombia, our current core area, with the objective of delivering further value to shareholders.

**John Wardle**  
**Chief Executive Officer**  
**16 December 2010**

## AMERISUR RESOURCES PLC

### Condensed consolidated income statement

	6 months to 30 Sept 2010 USD '000	Restated 6 months to 30 Sept 2009 USD '000	Restated 12 months to 31 March 2010 USD '000
	Notes		
Revenue	5,320	467	2,753
Cost of sales	(2,938)	(807)	(1,486)
Gross profit / (loss)	2,382	(340)	1,267
Other administrative expenses	(1,359)	(1,161)	(2,276)
Share option charge	-	-	(1,840)
Total administrative expenses	(1,359)	(1,161)	(4,116)
Operating profit / (loss)	1,023	(1,501)	(2,849)
Finance charge	(5)	-	-
Finance income	-	356	886
Profit / (loss) before tax	1,018	(1,145)	(1,963)
Taxation	-	-	2,778
Profit / (loss) for the period attributable to the equity holders of the parent	1,018	(1,145)	815
<b>Earnings / (loss) per share – total and continuing</b>	4		
Basic (cents per share)	0.11	(0.14)	0.10
Diluted (cents per share)	0.11	(0.14)	0.10

### Consolidated statement of comprehensive income

	6 months to 30 Sept 2010 USD '000	Restated 6 months to 30 Sept 2009 USD '000	Restated 12 months to 31 March 2010 USD '000
Profit / (loss) attributable to equity holders of the parent	1,018	(1,145)	815
Other comprehensive income:			
Foreign exchange differences	2,693	2,033	1,191
Total other comprehensive income	2,693	2,033	1,191
Total comprehensive income for the year	3,711	888	2,006

## AMERISUR RESOURCES PLC

### Condensed consolidated balance sheet

		30 Sept 2010 USD '000	Restated 30 Sept 2009 USD '000	Restated 31 March 2010 USD '000
	Notes			
<b>Assets</b>				
Non-current assets				
Goodwill	5	514	543	514
Other intangible assets	6	38,226	28,779	31,365
Property, plant and equipment		670	681	633
Deferred tax asset		2,655	-	2,640
<b>Total non-current assets</b>		<b>42,065</b>	<b>30,003</b>	<b>35,152</b>
Current assets				
Trade and other receivables		3,069	137	1,700
Inventory (crude oil)		68	-	101
Cash and cash equivalents		25,058	12,695	7,978
<b>Total current assets</b>		<b>28,195</b>	<b>12,832</b>	<b>9,779</b>
<b>Total assets</b>		<b>70,260</b>	<b>42,835</b>	<b>44,931</b>
<b>Equity and liabilities</b>				
Equity				
Issued capital	7	1,377	1,320	1,251
Share premium		63,106	45,851	43,456
Other reserve		4,430	2,844	4,430
Foreign exchange reserve		11,367	7,483	8,674
Retained earnings		(13,248)	(16,226)	(14,266)
<b>Total equity</b>		<b>67,032</b>	<b>41,272</b>	<b>43,545</b>
Current liabilities				
Trade and other payables		3,228	1,563	1,386
<b>Total current liabilities</b>		<b>3,228</b>	<b>1,563</b>	<b>1,386</b>
<b>Total liabilities</b>		<b>3,228</b>	<b>1,563</b>	<b>1,386</b>
<b>Total equity and liabilities</b>		<b>70,260</b>	<b>42,835</b>	<b>44,931</b>

## AMERISUR RESOURCES PLC

### Condensed consolidated statement of changes in equity

	Issued share capital USD '000	Share premium USD '000	Other reserve USD '000	Foreign exchange reserve USD '000	Retained earnings USD '000	Total equity USD '000
<b>Balance at 1 April 2009</b>	<b>1,178</b>	<b>40,929</b>	<b>2,538</b>	<b>5,450</b>	<b>(15,081)</b>	<b>35,014</b>
Loss for the period	-	-	-	-	(1,145)	(1,145)
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	142	4,922	306	2,033	-	7,403
<b>At 30 September 2009</b>	<b>1,320</b>	<b>45,851</b>	<b>2,844</b>	<b>7,483</b>	<b>(16,226)</b>	<b>41,272</b>
Share options exercised <sup>1</sup>	2	53	-	-	-	55
Equity settled share options	-	-	1,738	-	-	1,738
Transactions with owners	2	53	1,738	-	-	1,793
Loss for the period					1,960	1,960
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	(71)	(2,448)	(152)	1,191	-	(1,480)
<b>At 31 March 2010</b>	<b>1,251</b>	<b>43,456</b>	<b>4,430</b>	<b>8,674</b>	<b>(14,266)</b>	<b>43,545</b>
Share placing	126	19,650	-	-	-	19,776
Equity settled share options	-	-	-	-	-	-
Transactions with owners	126	19,650	-	-	-	19,776
Loss for the period	-	-	-	-	1,018	1,018
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	-	-	-	2,693	-	2,693
<b>At 30 September 2010</b>	<b>1,377</b>	<b>63,106</b>	<b>4,430</b>	<b>11,367</b>	<b>(13,248)</b>	<b>67,032</b>

<sup>1</sup> 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.

## AMERISUR RESOURCES PLC

### Condensed consolidated cash flow statement

	6 months to 30 Sept 2010 USD '000	Restated 6 months to 30 Sept 2009 USD '000	Restated 12 months to 31 March 2010 USD '000
<b>Cash flows from operating activities</b>			
<b>Profit / (loss) for the period</b>	1,018	(1,145)	815
<b>Adjustments for:</b>			
Finance income in the income statement	5	(356)	(886)
Tax in the income statement	-	-	(2,761)
Depreciation	40	53	125
Amortisation	1,372	-	292
Share option charge	-	-	1,738
Decrease / (increase) in inventory	33	-	(101)
Decrease in trade and other receivables	(1,369)	138	(1,441)
Increase in trade and other payables	1,842	300	192
Net cash generated by / (used in) operations	2,941	(1,010)	(2,027)
Interest paid	(5)	-	-
Income tax paid	-	-	(17)
Net cash generated by / (used in) operating activities	2,936	(1,010)	(2,044)
<b>Cash flows from investing activities</b>			
Interest received	-	356	886
Payments for property, plant and equipment	(77)	(6)	(170)
Payments for intangible assets	(6,258)	(995)	(4,980)
Net cash used in investing activities	(6,335)	(645)	(4,264)
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity shares	20,860	-	55
Issue costs	(1,084)	-	-
Net cash generated by financing activities	19,776	-	55
<b>Net increase / (decrease) in cash and cash equivalents</b>	16,377	(1,655)	(6,253)
Foreign exchange differences	703	1,315	1,196
Cash and cash equivalents at the start of the period	7,978	13,035	13,035
Cash and cash equivalents at the end of the period	25,058	12,695	7,978

## **AMERISUR RESOURCES PLC**

### **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 liability 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 September 2010. 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 year ended 31 March 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 year ended 31 March 2010 except for the policy with regard to the presentation currency of the Group financial statements. The Board have made the decision that it is in the best interests of shareholders that the financial statements are presented in US Dollars and as a result these interim financial statements have been presented in this currency with comparative periods restated according to the requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors'. These extracts do not constitute statutory accounts under s434 of the Companies Act 2006 (the "Act").

The Company's consolidated statutory accounts for the year ended 31 March 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.

The functional currency of the Group will be US Dollars from 1 April 2010. The change in functional currency is deemed appropriate as the Company's operations are in South America where oil revenues and costs are Dollar denominated

### 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, and as such information regarding this operating segment has already been disclosed in the financial statements.

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

#### *Geographical information*

	6 months to 30 Sept 2010 USD '000	6 months to 30 Sept 2009 USD '000	12 months to 31 March 2010 USD '000
Non-current assets			
Colombia	35,350	25,862	28,179
Paraguay	366	318	672
United Kingdom	3,694	3,823	3,661
	<hr/>	<hr/>	<hr/>
	39,410	30,003	32,512
	<hr/>	<hr/>	<hr/>
Revenue			
Colombia	5,320	467	2,753
Paraguay	-	-	-
United Kingdom	-	-	-
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	5,320	467	2,753
	<hr/>	<hr/>	<hr/>

The revenue split is based on revenue by origin by supply.

The six months to 30 September 2010 figure for Non-current assets excludes a deferred tax asset

#### 4. Earnings / (loss) per share

	6 months to 30 Sept 2010 USD '000	6 months to 30 Sept 2009 USD '000	12 months to 31 March 2010 USD '000
Earnings / (loss) for the period attributable to equity shareholders of the parent	1,018	(1,145)	815
Earnings / loss per share			
Basic (pence per share)	0.11	(0.14)	0.10
Diluted (pence per share)	0.11	(0.14)	0.10
	Shares	Shares	Shares
Issued ordinary shares at start of the period	830,385,304	828,885,304	828,885,304
Ordinary shares issued in the period	82,888,530	-	1,500,000
Issued ordinary shares at end of the period	913,273,834	828,885,304	830,385,304
Weighted average number of shares in issue for the period	899,685,550	828,885,304	829,312,701
Dilutive effect of options in issue	29,047,871	-	2,088,180
Weighted average number of shares for diluted earnings per share.	928,733,421	828,885,304	831,400,881

Where a loss is incurred for the period the diluted loss per share does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33.

#### 5. Goodwill

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

	Goodwill on acquisition USD '000
At 1 April 2009	485
Foreign exchange	58
30 September 2009	543
Foreign exchange	(29)
31 March 2010	514
Foreign exchange	-
At 30 September 2010	514

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 2009	12,446	8,988	388	21,822
Additions	-	995	-	995
Foreign exchange	3,957	1,976	29	5,962
30 September 2009	16,403	11,959	417	28,779
Additions	-	3,411	18	3,429
Foreign exchange	(267)	(284)	-	(551)
31 March 2010	16,136	15,086	435	31,657
Additions	3,918	2,340	-	6,258
Foreign exchange	1,153	798	24	1,975
30 September 2010	21,207	18,224	459	39,890
<b>Amortisation</b>				
1 April 2009	-	-	-	-
Charge for the period	-	-	-	-
30 September 2009	-	-	-	-
Charge for the period	292	-	-	292
31 March 2010	292	-	-	292
Charge for the period	1,372	-	-	1,372
30 September 2010	1,664	-	-	1,664
Net book value				
30 September 2010	19,543	18,224	459	38,226
31 March 2010	15,844	15,086	435	31,365
30 September 2009	16,403	11,959	417	28,779

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) USD '000	Premium net of costs USD '000	Total USD '000
1 April 2009	828,885,304	1,178	40,929	42,107
Foreign exchange		142	4,922	5,064
30 September 2009	828,885,304	1,320	45,851	47,171
Exercise of share options	1,500,000	2	53	55
Foreign exchange		(71)	(2,448)	(2,519)
31 March 2010	830,385,304	1,251	43,456	44,707
Share placement 6 May 2010	82,888,530	126	19,650	19,776
30 September 2010	913,273,834	1,377	63,106	64,483