



Sirius Petroleum plc
(formerly Global Gaming Technologies plc)

**Annual Report and
Financial Statements**

for the year ended 31 July 2008



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Corporate Advisers

Company Registration Number	05181462
Registered Office	Stanmore House 29-30 St James's Street London SW1A 1HB
Directors	B Agboola (Non-executive Chairman) G Porter (Executive director) M Hirschfield (Non-executive Finance Director) T Hayward (Non-executive director) O Kuti (Non-executive director)
Secretary	Kitwell Consultants Limited
Nominated Adviser and Nominated Broker	Canaccord Adams Limited Cardinal Place 7th Floor 80 Victoria Street London SW1E 5JL
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA
Bankers	Alliance & Leicester Commercial Bank plc Bridle Road Merseyside GIR 0AA
Solicitors	Fladgate LLP 25 North Row London W1K 6DJ
Auditors	Grant Thornton UK LLP Registered Auditor Chartered Accountants Enterprise House 115 Edmund Street Birmingham B3 2HJ



Chairman's Statement

FOR THE YEAR ENDED 31 JULY 2008

Introduction

I am pleased to have joined the Board of Sirius Petroleum plc ("Sirius", "the Company" or "the Group") (formerly Global Gaming Technologies plc) in August 2008 as part of Sirius's first steps in the change of strategy to seek opportunities in the Oil and Gas sector. This is my first communication to shareholders as Chairman and, although we are at a very early stage of the development of our strategy, I shall endeavour to provide our shareholders and potential future investors with an outline of our vision for the Company's future.

Results

These results cover the year ended 31 July 2008, a period when the Group was reviewing potential acquisition opportunities and considering its future strategy and during which no trading activities took place. These financial results pre-date the recent fundraising exercise and change in strategy and so do not reflect any of the fundamental changes which have taken place since the year-end. The Group recorded a loss before tax of £194,800 (2007 : £878,247 after a share-based payments charge of £614,059 and the write off of goodwill of £100,000). There is a loss per share of 0.09p (2007: loss per share: 0.46p). The Company has had no substantive trading business since April 2007 when it was decided to cease the business of developing and using aggregation software in the gaming industry.

During the year, costs remained under strict control following the reorganization in 2007 and the directors serving during the period have taken minimal fees.

Loss of capital

Sirius's results show that the Company's net assets are less than half its paid up share capital. In such circumstances the directors of the Company are obliged by section 142 Companies Act 1985 to convene a general meeting for the purpose of considering whether any, and if so what, steps should be taken to deal with the Company's current financial position. We propose to consider this matter at the Company's annual general meeting, details of which are set out below, although no resolution will be put to the meeting on this issue.

Share capital

During the year ended 31 July 2008 Sirius issued 104,500,000 ordinary shares, raising £231,288, net of expenses, and converted a loan of £198,750 due to Corvus Capital Inc. Since the year end a further 204,700,000 shares have been issued, making the Company's issued share capital 502,494,385 ordinary shares with a nominal value of 0.25 pence each. Sirius Petroleum does not hold any ordinary shares in Treasury. Therefore, the total number of voting rights in the Company is 502,494,385 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Service Authority's Disclosure and Transparency Rules.

Board and structural changes

In addition to my own appointment, the appointment of two additional new Non Executive directors, Toby Hayward and Olukayode Kuti brings further expertise and commercial relationships to the board. In conjunction with the Board changes, the company name has been changed to Sirius Petroleum plc to reflect the proposed new strategy of the Group. The name of the Company's dormant subsidiary has also been changed to Sirius Gas & Oil Limited (formerly Event Data Correlation Limited).



Chairman's Statement

CONTINUED

Annual general meeting

A notice convening the Company's annual general meeting ("AGM") is set out on page 39 of this document. The AGM will be held at 10.00 a.m. on 10 February 2009 at the offices of Fladgate LLP, 25 North Row, London W1K 6DJ.

Operational update

In August 2008, Sirius announced that it has an agreement in place with Taglient Oil Nigeria Limited ("Taglient"), who have considerable knowledge and contacts within the Nigerian oil industry. Taglient has agreed to use these resources to garner interests in oil and gas fields in Nigeria on behalf of the Company. A Nigerian joint venture company, Sirius Taglient Petro Ltd has been formed to provide the local presence necessary for Sirius to benefit from the grant of permits and licenses in Nigeria.

On 4 December 2008, Sirius announced that it had entered into a strategic partnership with Nigerian based Bolad Energy Company ("Bolad"), who will provide invaluable technical expertise and resources in the region. Upon a successful acquisition of an oil and gas asset, Bolad and Sirius will enter into a long-form joint venture agreement. This agreement will be for an initial term of 12 months and, if satisfactory to both parties, will continue for the life of the opportunities. It is intended that Bolad will not only act as operator of the oil fields acquired by Sirius, but it will also manage all aspects of the interface with the Nigerian government and local communities. In addition, on 19 December 2008, Sirius announced that it had entered into a second strategic partnership letter of intent with Nigerian Based RT5 Petroleum Limited ("RT5") who will also provide Sirius with access to opportunities in the Oil and Gas sector in Nigeria on an exclusive basis. As with the Bolad strategic partnership, upon the successful identification and acquisition of an opportunity by the Company, it is intended that RT5 and the Company will enter into a long-form joint venture agreement.

The Board is pleased with the progress to date and is confident that the first suitable marginal field opportunity will be identified during this calendar year. In August 2008, when the current directors' service contracts were approved, it was deemed appropriate to limit initial remuneration to £1,000 per director. Now that the Company is making progress towards its goal, the level of commitment from certain directors has increased such that the Board considers it appropriate to lift their remuneration above this minimum whilst maintaining a tight control of all costs to ensure that overall expenditure is kept well within the resources available to the Company.

The Company will continue to build on the developments made in the period and to a successful acquisition of oil and natural gas opportunities in the coming months.

Babatunde Agboola

Chairman

14 January 2009



Report of the Directors

FOR THE YEAR ENDED 31 JULY 2008

The Directors present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 July 2008.

Principal activity

The Group has not traded in the period, but is actively seeking an acquisition in the oil and gas sector.

Domicile and principal place of business

Sirius Petroleum plc (formerly Global Gaming Technologies plc) is domiciled in the United Kingdom, which is currently its principal place of business.

On 4 September 2008, the Company changed its name by special resolution to Sirius Petroleum plc.

Business review

The results of the Group are shown on page 17. The directors do not recommend the payment of a dividend.

A review of the performance of the Group and its future prospects is included in the Chairman's Statement on pages 3 and 4.

As the Group's key objective is to identify a suitable acquisition target, the directors have not yet set other specific financial and non-financial key performance indicators for the Group.

Events after the balance sheet date

On 19 August 2008 157,700,000 ordinary shares were issued at par, of which the cash element raised was £45,000.

On 19 December 2008 the Company placed 35,000,000 new ordinary shares at £0.02 per share with new and existing institutional shareholders for net proceeds of £650,000. In addition, 12,000,000 new ordinary shares were issued at par to Sirius Oil & Gas Limited (BVI) in accordance with an Agreement dated 23 July 2008. These shares were issued on 9 January 2009.

Of the ordinary shares issued in August and December 2008 a total of 8,750,000 were placed with Graham Porter and 5,250,000 with Mike Hirschfield, who are both Directors of the Company.

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and loans from related parties. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group does not enter into derivative transactions.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Group's financial instruments is liquidity risk. The Board reviews and agrees policies for managing this risk and they are summarised below.

Liquidity risk

The Group's cashflow has historically been tight. As a consequence the Board of Directors continually review the facilities available to the Group and seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

Report of the Directors

CONTINUED

Directors

The membership of the Board is set out below.

G Porter
 R Trenter (resigned 28 March 2008)
 M Hirschfield (appointed 28 March 2008)
 B Agboola (appointed 19 August 2008)
 T Hayward (appointed 19 August 2008)
 O Kuti (appointed 19 August 2008)

Substantial shareholdings

Interests in excess of 3% of the issued share capital of the Company which had been notified as at 12 January 2009 were as follows:

	Ordinary shares of 1p each Number	Percentage of capital %
Corvus Capital Limited (W B Nominees Limited)	83,430,196	16.6
Sirius Oil & Gas Limited (BVI)	58,000,000	11.5
Brewin Nominees (Channel Islands)	49,500,000	9.9
Taglient Oil Nigeria Limited	45,700,000	9.1
OMX Securities Nominees Limited	30,113,873	6.0
W B Nominees Limited (other)	26,924,999	5.4
Mr Toby Hayward	22,500,000	4.9
Bedarra Limited	20,650,000	4.1
Babatunde Olusegun Agboola	20,000,000	4.0
Barclayshare Nominees Limited	17,046,493	3.4

Payments to suppliers

The Group's current policy concerning the payment of suppliers is to:

- (i) set the terms of payment with suppliers when agreeing the terms of each transaction;
- (ii) ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (iii) pay in accordance with the Group's contractual and other legal obligations.

Trade payables at the year end all relate to sundry administrative overheads and disclosure of the number of days' purchases represented by year end payables is therefore not meaningful.



Report of the Directors

CONTINUED

Group statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union (IFRSs).

Company law requires the Directors to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs 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 Group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 489 of the Companies Act 2006.

ON BEHALF OF THE BOARD

Kitwell Consultants Limited

Company Secretary

14 January 2009



Corporate Governance

FOR THE YEAR ENDED 31 JULY 2008

Directors

The Company supports the concept of an effective board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets on a regular basis and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professional advice at the Company's expense.

The Board consists of one executive and four non-executive Directors, who bring a breadth of experience and knowledge. This provides a balance whereby the Board's decision making cannot be dominated by an individual. The Chairman of the Board is Mr Agboola.

Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Group's strategy and performance. The Annual General Meeting will be used to communicate with private investors and they are encouraged to participate. The Directors will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the annual report and accounts.

Internal control

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the Group's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

An audit committee has been established, comprised of Mr Hirschfield (Chairman) and Mr Hayward, which meets at least half yearly and is responsible for ensuring that the financial performance of the Group is properly monitored and reported on, as well as meeting the auditors and reviewing any reports from the auditors regarding accounts and internal control systems.

The Board has considered the need for an internal audit function but has decided as the Group is currently considering investment opportunities only it does not justify it at present. However, it will keep the decision under at least annual review.

Going concern

The Directors have prepared cashflow forecasts for the period ending 31 January 2010. The forecasts, which take account of the post year end share issues, assume that an acquisition of a business will not be completed and that minimal costs will be incurred whilst an acquisition is sought. If a potential acquisition is identified it will only be completed if sufficient funding is available to fund the costs of the acquisition and the on-going working capital requirements of the enlarged Group. For this reason the Directors believe that the Group is a going concern. Accordingly, the accounts have been prepared on a going concern basis.

Report on Remuneration

FOR THE YEAR ENDED 31 JULY 2008

Directors' remuneration

The Board recognises that Directors' remuneration is of legitimate concern to the shareholders and is committed to following current best practice. The Group operates within a competitive environment, performance depends on the individual contributions of the Directors and employees and it believes in rewarding vision and innovation.

Policy on executive Directors' remuneration

The policy of the Board is to provide executive remuneration packages designed to attract, motivate and retain Directors of the calibre necessary to maintain the Group's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but to avoid paying more than is necessary. The remuneration will also reflect the Directors' responsibilities and contain incentives to deliver the Group's objectives. A separate remuneration committee will be established comprising the non-executive directors once an acquisition has been made.

During the years ended 31 July 2008 and 31 July 2007 G Porter and R Trenter agreed not to take any remuneration. The £12,000 remuneration due to G Porter in connection with 2006 is included in trade payables at 31 July 2008 and was paid in August 2008. M Hirschfield's fees were also included in trade payables and were paid in August 2008.

The remuneration of the Directors was as follows:

	G Porter £	R Trenter £	M Hirschfield £	Total £
Short-term employment benefits				
Year ended 31 July 2008				
Salary and fees	–	–	4,000	4,000
Benefits in kind	–	2,014	–	2,014
Total	–	2,014	4,000	6,014
Year ended 31 July 2007				
	–	–	–	–

Pensions

The Group does not make pension contributions on behalf of the Directors.

Benefits in kind

The only benefit in kind was a tax cost on the exercise of share options which took place in the year ended 31 July 2007.

Bonuses

No amounts are payable for bonuses in respect of the two years ended 31 July 2008.

Notice periods

The Directors all have three month rolling notice periods.

Share based payment

The Group operates an employee share option scheme (the "Employee Share Option Scheme") in order to incentivise key management and staff. Pursuant to the Employee Share Option Scheme, a duly authorised committee of the Board of Directors of the Company may, at its discretion, grant options to eligible employees, including Directors, of the Company or any of its subsidiaries to subscribe for shares in the Company.

No share options were issued during the year ended 31 July 2008 nor in issue at 31 July 2008.



Report of the Independent Auditors

TO THE MEMBERS OF SIRIUS PETROLEUM PLC

We have audited the Group financial statements of Sirius Petroleum plc (formerly Global Gaming Technologies plc) for the year ended 31 July 2008 which comprise the principal accounting policies, the consolidated income statement, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and notes 1 to 17. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Sirius Petroleum plc (formerly Global Gaming Technologies plc) for the year ended 31 July 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the group financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Group Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view and whether the Group financial statements have been properly prepared in accordance with the Companies Act. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented in the Chairman's Statement that is cross referred from the Business Review section of the Report of the Directors.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Report of the Directors, the Chairman's Statement, the Corporate Governance statement and the Report on Remuneration. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.



Report of the Independent Auditors

TO THE MEMBERS OF SIRIUS PETROLEUM PLC
CONTINUED

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 July 2008 and of its loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

Registered Auditor
Chartered Accountants
Birmingham

14 January 2009



Principal Accounting Policies

FOR THE YEAR ENDED 31 JULY 2008

Basis of preparation

The Group financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The Company's shares are listed on the AIM market of the London Stock Exchange. Separate financial statements of Sirius Petroleum plc (the Company) have been prepared on pages 29 to 38 under the historical cost convention and in accordance with applicable accounting standards under UK GAAP.

The transition to IFRSs has resulted in a number of changes in the reported financial statements, notes thereto and accounting policies compared to the previous annual report. Note 17 provides further details on the transition from UK GAAP to IFRSs.

Going concern

The Directors have prepared cashflow forecasts for the period ending 31 January 2010. The forecasts, which take account of the post end year share issues as detailed in note 16, assume that an acquisition of a business will not be completed and that minimal costs will be incurred whilst an acquisition is sought. If a potential acquisition is identified it will only be completed if sufficient funding is available to fund the costs of the acquisition and the on-going working capital requirements of the enlarged Group.

On this basis the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result if the assumptions detailed above are not met.

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to the balance sheet date. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Goodwill

Goodwill arising on acquisition prior to 1 August 2006

Goodwill arising on acquisition of a subsidiary for which the agreement date is before 1 August 2006 represents the excess of the cost of acquisition over the Group's interest in fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

Such goodwill is stated after any accumulated amortisation and impairment. Under the transitional provisions in IFRS 1 "First time adoption of IFRS", the goodwill can only be amortised up to 31 July 2006 and the accumulated amortisation and impairment as at 1 August 2006 has been eliminated with a corresponding decrease in the cost of respective goodwill and, since then, any carrying amount of the goodwill is tested at each balance sheet date for impairment as well as when there are indications of impairment.

Principal Accounting Policies

CONTINUED

Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, in accordance with IAS12 no deferred tax is recognised on the initial recognition of goodwill. This also applies to temporary differences associated with shares in subsidiaries 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 always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Impairment testing of goodwill and other intangible assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an indefinite useful life, and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss on other assets is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation if no impairment loss had been recognised.



Principal Accounting Policies

CONTINUED

Financial assets

The Group's financial assets comprise cash and other receivables.

All financial assets are initially recognised at fair value, plus transaction costs.

Interest and other cash flows resulting from holding financial assets are recognised in the income statement using the effective interest method, regardless of how the related carrying amount of financial assets is measured.

Trade and other receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, bank deposits repayable on demand, and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, less advances from banks repayable within three months from the date of advance if the advance forms part of the Group's cash management.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period results as disclosed in the income statement.

Financial liabilities

The Group's financial liabilities include convertible and other loans and trade payables.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement using the effective interest method.

Convertible and other loans, and trade payables are recognised initially at fair value, net of direct issue costs, and are subsequently recorded at amortised cost using the effective interest method with interest related charges recognised as an expense in the income statement.

Convertible loans are split between debt and equity, with the equity element being the residual amount after estimating the fair value of the debt element of the loan.

Principal Accounting Policies

CONTINUED

Share based payments

All share-based payment arrangements granted after 7 November 2002 but which had not vested by 1 August 2006, are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to the "share-based payment reserve".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Foreign currencies

The financial statements are presented in UK Sterling which is the functional currency of all Group companies. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the profit or loss from operations.

Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in a particular business (business segment) or conducting business in a particular geographical area (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Directors do not consider that the accounts include any significant estimates.

Principal Accounting Policies

CONTINUED

(ii) **Critical judgements in applying the Group's accounting policies**

Convertible loan

During the year ended 31 July 2007 the Company entered into a convertible loan agreement with Corvus Capital Inc. ("Corvus"), a significant shareholder, for £100,000 convertible at par at the holder's option into ordinary shares in the Company. The agreement originally expired on 31 July 2007. An agreement was subsequently entered into to extend the repayment date of the loan to 31 July 2008. The intention of this agreement was to extend all terms of the loan, including the conversion option, to this date. In addition, a further £93,000 was loaned to the Company by Corvus during the year ended 31 July 2008 on the same terms although no formal loan documentation was executed. The loan was fully converted into ordinary shares on 11 June 2008. The convertible loan is a compound instrument however the option to convert these loans into a fixed number of ordinary shares in the Company was not recognised as equity at 31 July 2007 as the Directors consider the equity element to be immaterial to the financial statements.

Adoption of new or amended IFRS

The Group has not early adopted the following new standards, amendments or interpretations that have been issued but are not yet effective. Except for IFRS 8, which may result in changes in the future as to how the Group's financial performance and financial position are disclosed, and IAS 1 (Revised 2007), which may affect the presentation of the financial statements, the Directors anticipate that the adoption of these other standards will not result in significant changes to the Group's accounting policies. The Group has commenced its assessment of the impact of IFRS 8 and IAS 1 (Revised 2007) on presentation and disclosure but it is not yet in a position to state whether these standards would have a material impact on its results of operations and financial position.

IAS 1	Presentation of financial instruments (revised 2007)	Effective for annual periods beginning on or after 1 January 2009
IAS 23	Borrowing costs (revised 2007)	Effective for annual periods beginning on or after 1 January 2009
IAS 27	Consolidated and separate financial statements (revised 2008)	Effective for annual periods beginning on or after 1 July 2009
IFRS 3	Business combinations (revised 2008)	Effective for annual periods beginning on or after 1 July 2009
IFRS 8	Operating segments	Effective for annual periods beginning on or after 1 January 2009
Improvements to IFRSs		Effective for annual periods beginning on or after 1 January 2009 (certain amendments effective 1 July 2009)
Amendments to IAS 39 and IFRS 7	Reclassification of financial assets	Effective for annual periods beginning on or after 1 October 2008
Amendment to IFRS 2	Share based payment – vesting conditions and cancellations	Effective for annual periods beginning on or after 1 January 2009
Amendment to IAS 39	Financial instruments: recognition and measurement – eligible hedged items	Effective for annual periods beginning on or after 1 July 2009
IFRIC 17	Distributions of non-cash assets to owners	Effective for annual periods beginning on or after 1 July 2009



Consolidated Income Statement

FOR THE YEAR ENDED 31 JULY 2008

	Note	2008 £	2007 £
Administrative expenses			
– impairment of intangible assets		–	(100,000)
– other		(195,673)	(779,673)
Total administrative expenses		(195,673)	(879,673)
Loss from operations		(195,673)	(879,673)
Finance income		873	1,426
Loss before taxation	1	(194,800)	(878,247)
Taxation	3	–	–
Loss after taxation and loss attributable to the equity holders of the company		(194,800)	(878,247)
Total and continuing loss per ordinary share (pence)			
Basic and diluted	4	(0.09p)	(0.46p)

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 JULY 2008

	Share capital £	Share premium £	Share-based payment reserve £	Retained earnings £	Total equity £
At 1 August 2006	471,673	1,364,673	920,856	(2,666,499)	90,703
Loss for the year and total and recognised income and expenses for the year	–	–	–	(878,247)	(878,247)
Issue of share capital	11,563	–	–	–	11,563
Cost of issue of share capital	–	(1,443)	–	–	(1,443)
Share-based payment	–	–	614,059	–	614,059
At 31 July 2007	483,236	1,363,230	1,534,915	(3,544,746)	(163,365)
Loss for the year and total and recognised income and expenses for the year	–	–	–	(194,800)	(194,800)
Issue of share capital	261,250	–	–	–	261,250
Proceeds of issue of share capital in excess of par value less costs	–	168,788	–	–	168,788
At 31 July 2008	744,486	1,532,018	1,534,915	(3,739,546)	71,873

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

Consolidated Balance Sheet

AT 31 JULY 2008

	Note	2008 £	2007 £
ASSETS			
Non-current assets			
Intangible assets	5	–	–
Current assets			
Cash at bank		223,904	29,809
Trade and other receivables	6	33,192	22,898
Total current assets		257,096	52,707
Total assets		257,096	52,707
LIABILITIES			
Current liabilities			
Trade and other payables	7	185,223	216,072
Total current liabilities		185,223	216,072
Total liabilities		185,223	216,072
EQUITY			
Share capital	8	744,486	483,236
Share premium		1,532,018	1,363,230
Share-based payments reserve		1,534,915	1,534,915
Retained earnings		(3,739,546)	(3,544,746)
Total equity attributable to equity holders of the Company		71,873	(163,365)
Total equity and liabilities		257,096	52,707

The consolidated financial statements were approved by the Board on 14 January 2009.

M Hirschfield
Director

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

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 JULY 2008

	2008 £	2007 £
Cash flows from operating activities		
Loss after taxation	(194,800)	(878,247)
Impairment of goodwill	–	100,000
Share based payment charge	–	614,059
Finance income	(873)	(1,426)
(Increase)/decrease in trade and other receivables	(10,294)	901
Increase in trade and other payables	75,026	20,160
Net cash outflow from operating activities	(130,941)	(144,553)
Cash flows from investing activities		
Finance income	873	1,426
Net cash inflow from investing activities	873	1,426
Cash flows from financing activities		
Proceeds from issue of share capital	249,998	11,563
Share issue costs	(18,710)	(1,443)
Proceeds from new borrowings	92,875	105,875
Net cash inflow from financing activities	324,163	115,995
Net change in cash and cash equivalents	194,095	(27,132)
Cash and cash equivalents at beginning of period	29,809	56,941
Cash and cash equivalents at end of period	223,904	29,809

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2008

1 Loss before taxation and segmental information

Loss before taxation

The loss before taxation is attributable to the principal activities of the Group.

The loss before taxation is stated after charging:

	2008 £	2007 £
Staff costs	4,258	685,373
Impairment of intangible assets	–	100,000
Fees payable to the Company's auditor for the audit of the financial statements	15,000	15,000
Fees payable to the Company's auditor and its associates for other services:		
Audit of the financial statements of the Company's subsidiary pursuant to legislation	1,500	3,000
Other services relating to taxation compliance and advice	2,000	–

Segmental information

The Group has not traded during the period and so the Directors consider that the results of the Group's primary and secondary business segments are identical to those set out in the Consolidated Income Statement.

2 Finance income and finance costs

	2008 £	2007 £
Finance income:		
Bank interest receivable	873	1,426

3 Taxation

There is no tax charge for the year (2007: £nil).

Although the Group has unrelieved tax losses of approximately £2,332,495 (2007: £2,208,913) it is unlikely that they will be available to offset against future taxable trading profits due to the change in the nature of the business of the Group.

The tax assessed for the period differs from the standard rate of corporation tax in the UK as follows:

	2008 £	2008 %	2007 £	2007 %
Loss before taxation	(194,800)		(878,247)	
Loss multiplied by standard rate of corporation tax in the UK of 28% (2007: 30%)	(54,544)	(28)	(263,474)	(30)
Effect of:				
Expenses not deductible for tax purposes	19,941	10	214,218	24
Deferred tax asset not recognised	34,603	18	49,256	6
Total tax charge for year	–	–	–	–

Notes to the Financial Statements

CONTINUED

4 Loss per share

The calculation of the basic loss per share is based on the loss after taxation of £194,800 (2007: £878,247) divided by the weighted average number of ordinary shares in issue during the year of 207,609,453 (2007: 188,986,494). The impact of the convertible loan on the loss per share at 31 July 2007 was anti-dilutive.

Subsequent to the year-end, 204,700,000 ordinary shares have been issued (see note 16). If these shares had been in issue throughout the year ended 31 July 2008 the basic and diluted loss per share would have been 0.05p.

5 Intangible assets

	Goodwill £
Cost	
At 1 August 2006, 31 July 2007 and 31 July 2008	100,000
Amortisation and impairment	
At 1 August 2006	–
Impairment	100,000
At 31 July 2007 and 31 July 2008	100,000
Net book amount at 31 July 2008 and 31 July 2007	–

The impairment in the year ended 31 July 2007 was made as the trading subsidiary to which it related had ceased trading.

6 Trade and other receivables

	2008 £	2007 £
Other receivables	21,359	13,208
Prepayments and accrued income	11,833	9,690
	33,192	22,898

The fair value of these short term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

All trade and other receivables have been reviewed for indicators of impairment. No impairment is considered necessary.

7 Trade and other payables

	2008 £	2007 £
Trade payables	165,312	86,180
Convertible loan	–	100,000
Other loans	–	5,875
Accruals and deferred income	19,911	24,017
	185,223	216,072

The fair value of trade and other payables has not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the balance sheet to be a reasonable approximation of their fair value.

Notes to the Financial Statements

CONTINUED

8 Share capital	2008 £	2007 £
Authorised		
4,000,000,000 ordinary shares of 0.25p each	10,000,000	10,000,000
Allotted, issued and fully paid		
297,794,385 (193,294,395) ordinary shares of 0.25p	744,486	483,236

The movement in share capital is analysed as follows:

	Ordinary shares	
	Number	£
Allotted, issued and fully paid		
At 1 August 2006	188,699,301	471,673
Issue of shares	4,625,084	11,563
As at 31 July 2007	193,294,385	483,236
Issue of shares	104,500,000	261,250
At 31 July 2008	297,794,385	744,486

On 11 June 2008 a total of 104,500,000 new ordinary shares were issued. Of this number, 79,500,000 were issued at par to Corvus Capital Inc. following the conversion of its convertible loan balance of £192,875 in accordance with the terms of a convertible loan facility agreement entered into in October 2006 and extended in November 2007, together with the settlement at par of an other loan of £5,875. The remaining 25,000,000 newly issued ordinary shares were issued at £0.01 per share. The premium on issue of £187,500 has been recognised within the share premium account, net of share issue costs of £18,712.

9 Contingent liabilities

There were no contingent liabilities at 31 July 2008 or 31 July 2007.

10 Capital commitments

There were no capital commitments at 31 July 2008 or 31 July 2007.

11 Operating lease commitments

There were no operating lease commitments at 31 July 2008 or 31 July 2007.

Notes to the Financial Statements

CONTINUED

12 Financial instruments

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Board is responsible for co-ordinating the Group's risk management and focuses on actively securing the Group's short to medium term cash flows. Long term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets and has no financial derivatives. The most significant risks to which the Group is exposed are described below:

(a) Credit risk

The Group's credit risk will be primarily attributable to its trade receivables. At 31 July 2008, the Group had no trade receivables and therefore no risk arises.

Generally, the Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the balance sheet date, as summarised below:

	Loans and receivables £	2008 Non Financial assets £	Balance sheet total £	Loans and receivables £	2007 Non Financial assets £	Balance sheet total £
Other receivables	21,359	–	21,359	13,208	–	13,208
Prepayments and accrued income	–	11,833	11,833	–	9,690	9,690
Cash and cash equivalents	223,904	–	223,904	29,809	–	29,809
Total	245,263	11,833	257,096	43,017	9,960	52,707

The credit risk on liquid funds is limited because the Group only places deposits with leading financial institutions in the United Kingdom.

(b) Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Directors prepare rolling cash flow forecasts and seek to raise additional funding whenever a shortfall in facilities is forecast. Details of the going concern basis of preparing the financial statements are included in the principal accounting policies.

(c) Market risk

Interest rate risk

The Group has no loans and little interest income, and therefore little interest rate risk.

Notes to the Financial Statements

CONTINUED

12 Financial instruments continued

(d) Financial liabilities

The Group's financial liabilities are classified as follows:

	2008			2007		
	Other financial liabilities at amortised cost £	Liabilities not within the scope of IAS 39 £	Balance sheet total £	Other financial liabilities at amortised cost £	Liabilities not within the scope of IAS 39 £	Balance sheet total £
Convertible loans	–	–	–	100,000	–	100,000
Other loans	–	–	–	5,875	–	5,875
Trade payables	165,312	–	165,312	86,180	–	86,180
Accruals and deferred income	–	19,911	19,911	–	24,017	24,017
Total	165,312	19,911	185,223	192,055	24,017	216,072

Maturity of financial liabilities

The analysis of the maturity of financial liabilities at 31 July 2008 is as follows:

	2008			Total £	2007			Total £
	Less than one year £	2-5 years £	More than five years £		Less than one year £	2-5 years £	More than five years £	
Convertible loans	–	–	–	– 100,000	–	–	– 100,000	
Other loans	–	–	–	– 5,875	–	–	– 5,875	
Trade payables	165,312	–	–	165,312 86,180	–	–	86,180	
Accruals and deferred income	19,911	–	–	19,911 24,017	–	–	24,017	
Total	185,223	–	–	185,223 216,072	–	–	216,072	

The Directors do not consider the fair value of other loans to be significantly different from the book value.

Borrowing facilities for the year ended 31 July 2008

The Group has no undrawn committed borrowing facilities at 31 July 2008 (2007: £ Nil).

(e) Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for the shareholders;
- to support the Group's stability and growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The management regards total equity as capital and reserves, for capital management purposes.

Notes to the Financial Statements

CONTINUED

13 Related party transactions

During the year Corvus Capital Inc. ("Corvus") converted loans of £198,750 into newly issued ordinary shares in the Company (see note 8). Since the year-end, Corvus has transferred these shares to Corvus Capital Limited, a Cayman Islands company which owns 16.6% of the issued share capital of the Company as at the date of these financial statements.

During the year Corvus and its subsidiaries charged the Group fees of £119,851 (2007: £17,003) in respect of management, accounting and administrative services provided. The total amount due to Corvus, including its subsidiaries, at 31 July 2008 was £96,045 (2007: £125,853). The total amount has been paid since the year end.

14 Employee remuneration

The expense recognised for employee benefits, including Directors' emoluments, is analysed below:

	2008 £	2007 £
Wages and salaries	4,000	64,500
Social Security costs	258	6,814
Benefits in kind	2,014	–
Share-based payment charge	–	614,059
	6,272	685,373

The Directors are the Key Management Personnel of the Group. Details of Directors' remuneration are included in the Report on Remuneration on page 9.

15 Share based payments

Equity-settled share based payments

The Group recognised total expenses of £nil (2007: £614,059) related to equity-settled share based payment transactions during the year. Details of the terms of these share options and how they were valued were included in the Group's 2007 financial statements.

At 31 July 2008 and 31 July 2007 there were no outstanding share options.

The movement on share options and their weighted average exercise price is as follows:

	2008		2007	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at the start of the year	–	–	4,724,615	0.25
Lapsed	–	–	(99,531)	(0.25)
Exercised	–	–	(4,625,084)	(0.25)
Outstanding at the end of the year	–	–	–	–

Notes to the Financial Statements

CONTINUED

16 Events after the balance sheet date

On 19 August 2008 157,700,000 ordinary shares were issued at par of which the cash element raised was £45,000.

On 19 December 2008 the Company placed 35,000,000 new ordinary shares at £0.02 per share with new and existing institutional shareholders for net proceeds of £650,000 and issued 12,000,000 new ordinary shares at par to Sirius Oil & Gas Limited (BVI) under an Agreement dated 23 July 2008. These shares were issued on 9 January 2009.

Of the shares issued in August and December 2008 a total of 8,750,000 were placed with Graham Porter and 5,250,000 with Mike Hirschfield, who are both Directors of the Company.

17 Transition to International Financial Reporting Standards

The transition from UK GAAP to IFRS has been made in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards". The Group's financial statements for the year ended 31 July 2008 and the comparatives presented for the year ended 31 July 2007 comply with all presentation, recognition and measurement requirements of IFRS applicable for accounting periods commencing on or after 1 August 2007.

There have been no changes to the income statement or balance as a consequence of the adoption of IFRS, except for changes in terminology and format. The only material changes to the cash flow statement relate to its format.

IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. The financial statements have been prepared on the basis of taking the following exemption: business combinations prior to 1 August 2006 have not been restated to comply with IFRS 3 "Business Combinations". Goodwill arising from these business combinations has not been restated however it was reviewed for impairment at the date of transition to IFRS.



Sirius Petroleum plc

(formerly Global Gaming Technologies plc)

Company Statutory Financial Statements

for the year ended 31 July 2008

Statement of Directors' Responsibilities

FOR THE YEAR ENDED 31 JULY 2008

Company statement of directors' responsibilities

The Directors are responsible for preparing the Company financial statements ("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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.



Report of the Independent Auditors

TO THE MEMBERS OF SIRIUS PETROLEUM PLC

We have audited the parent company financial statements of Sirius Petroleum plc (formerly Global Gaming Technologies plc) for the year ended 31 July 2008 which comprise the principal accounting policies, the balance sheet and notes 1 to 12. These parent company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of Sirius Petroleum plc (formerly Global Gaming Technologies plc) for the year ended 31 July 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The Directors' responsibilities for preparing the Annual Report and the parent company financial statements in accordance with United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent Company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent company financial statements give a true and fair view and whether the parent company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Report of the Directors is consistent with the parent company financial statements. The information given in the Report of the Directors includes that specific information presented in Chairman's Statement that is cross referred from the Business Review section of the Report of the Directors.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent company financial statements. This other information comprises only the Report of the Directors, the Chairman's Statement, the Corporate Governance statement and the Report on Remuneration. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any other information.



Report of the Independent Auditors

TO THE MEMBERS OF SIRIUS PETROLEUM PLC
CONTINUED

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements.

Opinion

In our opinion:

- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2008;
- the parent company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

Registered Auditor
Chartered Accountants
Birmingham

14 January 2009



Principal Accounting Policies

FOR THE YEAR ENDED 31 JULY 2008

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The principal accounting policies of the Company remain unchanged from the previous year and are set out below.

Going concern

The directors have prepared cashflow forecasts for the period ending 31 January 2010. The forecasts, which take account of the post year end share issues as detailed in note 12, assume that an acquisition of a business will not be completed and that minimal costs will be incurred whilst an acquisition is sought. If a potential acquisition is identified it will only be completed if sufficient funding is available to fund the costs of the acquisition and the on-going working capital requirements of the enlarged Group.

On this basis the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result if the assumptions detailed above are not met.

Investments

Investments are included at cost less amounts written off.

Impairment

Impairment reviews are undertaken when there are potential indicators of impairment and provisions against the carrying value are made as appropriate.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.



Principal Accounting Policies

CONTINUED

Share based payments

All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 August 2006 are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to the "share-based payment reserve".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Balance Sheet

FOR THE YEAR ENDED 31 JULY 2008

	Note	2008 £	2007 £
Fixed assets			
Investments	1	–	–
Current assets			
Debtors	2	33,192	22,898
Cash at bank and in hand		223,904	5,407
		257,096	28,305
Creditors: Amounts falling due within one year	3	(185,223)	(195,761)
Net current assets/(liabilities)		71,873	(167,456)
Total assets less current liabilities and net assets/(liabilities)		71,873	(167,456)
Capital and reserves			
Called up share capital	4	744,486	483,236
Share premium account	6	1,532,018	1,363,230
Share-based payment reserve	6	1,534,915	1,534,915
Profit and loss account	6	(3,739,546)	(3,548,837)
Equity shareholders' funds/(deficit)	5	71,873	(167,456)

The financial statements were approved by the Board on 14 January 2009.

M Hirschfield
Director

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2008

1 Fixed asset investments

Company	Investment in group undertakings £
Cost	
At 31 July 2007 and 31 July 2008	10,953,999
Amounts written off	
At 31 July 2007 and 31 July 2008	10,953,999
Net book value at 31 July 2008 and 31 July 2007	–

At 31 July 2008 the Company holds 100% of the ordinary share capital of the following subsidiary undertakings, which are registered in England and Wales.

Subsidiary	Nature of business
Sirius Oil & Gas Limited (formerly Event Data Correlation Limited)	Dormant

Note, this company is not related to Sirius Oil & Gas Limited registered in the British Virgin Islands which is a shareholder of Sirius Petroleum plc.

2 Debtors

	2008 £	2007 £
Other debtors	–	10,071
Social security and other taxes	11,833	3,137
Prepayments and accrued income	21,359	9,690
	33,192	22,898

3 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	165,312	73,250
Convertible loan	–	100,000
Other loan	–	5,875
Accruals and deferred income	19,911	16,636
	185,223	195,761

The convertible loan is convertible at the option of the holder into a fixed number of ordinary shares in the Company. The option to convert may be exercised in respect of all or part of this balance until 31 July 2008. Interest is payable on the loan at 2% above base rate. The loan was converted on 11 June 2008.

Notes to the Financial Statements

CONTINUED

4 Share capital	2008 £	2007 £
Authorised		
4,000,000,000 ordinary shares of 0.25p each	10,000,000	10,000,000
Allotted, issued and fully paid		
297,794,385 (193,294,395) ordinary shares of 0.25p	744,486	483,236

On 11 June 2008 a total of 104,500,000 new ordinary shares were issued. Of this number, 79,500,000 were issued at par to Corvus Capital Inc. following the conversion of its convertible loan balance of £192,875 in accordance with the terms of a convertible loan facility agreement entered into in October 2006 and extended in November 2007, together with the settlement at par of an other loan of £5,875. The remaining 25,000,000 newly issued ordinary shares were issued at £0.01 per share. The premium on issue of £187,500 has been recognised within the share premium account, net of share issue costs of £18,712.

5 Reconciliation of movement in equity shareholders' deficit	2008 £	2007 £
Loss for financial period	(190,709)	(855,035)
Issue of shares, net of costs	430,038	10,120
Increase in share based payment reserve	–	614,059
Net increase/(decrease) in shareholders' funds/(deficit)	239,329	(230,856)
Equity shareholders' (deficit)/funds brought forward	(167,456)	63,400
Equity shareholders' funds/(deficit) deficit carried forward	71,873	(167,456)

6 Reserves	Share Premium £	Share based payments reserve £	Profit and loss account £
At 1 August 2007	1,363,230	1,534,915	(3,548,837)
On issue of shares	168,788	–	–
Retained loss for the year	–	–	(190,709)
At 31 July 2008	1,532,018	1,534,915	(3,739,546)

7 Loss for the financial year

The Company has taken advantage of section 230 (4) of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The Company's loss for the year was £190,709 (2007: £855,035).

The loss is stated after charging:

	2008 £	2007 £
Fees payable to the Company's auditor for the audit of the financial statements	15,000	8,570
Fees payable to the Company's auditor and its associates for other services:		
Other services relating to taxation compliance and advice	2,000	1,000

Notes to the Financial Statements

CONTINUED

8 Directors remuneration

Details of Directors' remuneration is disclosed within the Report on Remuneration on page 9.

9 Contingent liabilities

There were no contingent liabilities at 31 July 2008 or at 31 July 2007.

10 Capital commitments

There were no capital commitments at 31 July 2008 or at 31 July 2007.

11 Related party transactions and post balance sheet events

During the year Corvus Capital Inc. ("Corvus") converted loans of £198,750 into newly issued ordinary shares in the Company (see note 4). Since the year-end, Corvus has transferred these shares to Corvus Capital Limited, a Cayman Islands company which owns 16.6% of the issued share capital of the Company as at the date of these financial statements.

During the year Corvus and its subsidiaries charged the Company fees of £119,851 (2007: £17,003) in respect of management, accounting and administrative services provided. The total amount due to Corvus, including its subsidiaries, at 31 July 2008 was £96,045 (2007: £125,853). The total amount has been paid since the year end.

12 Post balance sheet events

On 19 August 2008 157,700,000 ordinary shares were issued at par of which the cash element raised was £45,000.

On 19 December 2008 the Company placed 35,000,000 new ordinary shares at £0.02 per share with new and existing institutional shareholders for net proceeds of £650,000 and issued 12,000,000 new ordinary shares at par to Sirius Oil & Gas Limited (BVI) in accordance with an Agreement dated 23 July 2008. These shares were issued on 9 January 2009.

Of the shares issued in August and December 2008 a total of 8,750,000 were placed with Graham Porter and 5,250,000 with Mike Hirschfield, who are both Directors of the Company.

Notice of Annual General Meeting

Notice is given that the annual general meeting of the members of the Company will be held at 10.00 a.m. on 10 February 2009 at the offices of Fladgate LLP, 25 North Row, London W1K 6DJ for the purpose of considering, in accordance with section 142 of the Companies Act 1985, whether any, and if so what, steps should be taken to deal with the situation that the net assets of the Company are less than half of its called up share capital. In addition, the meeting will consider and, if thought fit, pass the following:

Ordinary resolutions

1. To receive the financial statements for the year ended 31 July 2008 and the reports of the directors and the independent auditors as set out in the annual report and accounts.
2. To re-elect Graham Porter as a director who is retiring by rotation in accordance with the articles of association and who being eligible offers himself for re-election.
3. To re-elect Mike Hirschfield as a director who is retiring having been appointed by the directors since the last annual general meeting and who being eligible offers himself for re-election.
4. To re-appoint Grant Thornton UK LLP as independent auditors and to authorise the directors to fix their remuneration.
5. That the directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (**Act**) to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £8,743,764.04, provided that this authority is for a period expiring either 15 months from the date of this resolution or at the Company's next annual general meeting, whichever is sooner, but the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities.

Special resolutions

6. Conditional on the passing of resolution 5, that the directors be and they are empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) wholly for cash pursuant to the authority conferred by resolution 5 as if section 89(1) of the Act did not apply to any such allotment, provided that this power will expire either 15 months from the date of this resolution or at the Company's next annual general meeting, whichever is sooner, except that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired, and provided that this power is limited to the allotment of equity securities:
 - 6.1 in connection with an offer of such securities by way of rights to holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - 6.2 the allotment of equity securities of an aggregate nominal amount of up to £283,250 (two hundred and eighty three thousand two hundred and fifty pounds) to capitalise fees payable to Taglient Oil Nigeria Limited and Sirius Oil & Gas Limited; and

Notice of Annual General Meeting

CONTINUED

- 6.3 the allotment of equity securities of an aggregate nominal amount of up to £2,000,000 (two million pounds) in respect of the Second Placing referred to in the circular to shareholders dated 23 July 2008; and
- 6.4 otherwise than pursuant to sub-paragraphs 6.1 to 6.3 above up to an aggregate nominal amount of £251,247.19 (being 20 per cent of the Company's issued share capital at the date of this notice).
7. That the articles of association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

By order of the board

Kitwell Consultants Limited
Company Secretary

Registered Office:
Kitwell House
The Warren
Radlett
Hertfordshire WD7 7DU

14 January 2009

Notes to the notice of annual general meeting

Appointment of proxies

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact the Company's registrars, Capita Registrars, Proxy Department, 34 Beckenham Road, Kent BR3 4TU. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
4. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.

Notice of Annual General Meeting

CONTINUED

Appointment of proxy using the hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his vote.
6. To appoint a proxy using the proxy form, it must be:
 - 6.1 completed and signed;
 - 6.2 sent or delivered to the Company's registrars, Capita Registrars, Proxy Department, 34 Beckenham Road, Kent BR3 4TU; and
 - 6.3 received by the Company's registrars no later than 10.00 a.m. on 8 February 2009.
7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those ordinary shareholders registered in the register of members of the Company 48 hours before the meeting shall be entitled to attend or vote at the meeting in respect of the number of Ordinary shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

Appointment of proxies through CREST

10. 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) by using the procedures described in the CREST Manual. 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.
11. 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 (EUI) 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 (ID: RA1O) by 10.00 a.m. 8 February 2009. 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.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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 are 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.
13. 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.

Notice of Annual General Meeting

CONTINUED

Appointment of proxy by joint members

14. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

Changing proxy instructions

15. To change your proxy instructions simply submit a new proxy appointment using the method set out in paragraphs 6 or 11 above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
16. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company's registrar as indicated in paragraph 3 above.
17. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

18. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrar as indicated in paragraph 3 above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
19. The revocation notice must be received by the Company no later than 10.00 a.m. on 8 February 2009.
20. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 21 below, your proxy appointment will remain valid.
21. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Documents available for inspection

22. The following documents will be available for inspection at the registered office of the Company on any weekday) (except Saturdays, Sundays and Bank Holidays) during normal business hours from the date of this notice until the date of the meeting and at the place of the meeting for 15 minutes prior to and until the conclusion of the meeting: statement of transactions of Directors (and of their family interests) in the share capital of the Company and any of its subsidiaries; copies of the Directors service agreements and letters of appointment with the Company; the register of Directors interests in the share capital of the Company (maintained under section 325 of the Act); and the proposed new articles of association of the Company marked to show changes from the current articles of association.

Total voting rights

23. As at 10.00 a.m. on 9 January 2009, the Company's issued share capital comprised 502,494,385 ordinary shares of 0.25p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 10.00 a.m. on 9 January 2009 is 502,494,385.

Communication

24. Except as provided above, members who have general queries about the meeting should contact the Company's registrar, Capita Registrars, Proxy Department, 34 Beckenham Road, Kent BR3 4TU.

Notice of Annual General Meeting

CONTINUED

Explanatory notes to the notice of annual general meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 5 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 6 and 7 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1

Reports and accounts

The directors are required by law to present to the annual general meeting the audited accounts and the reports of the directors and auditors contained in the annual report and accounts.

Resolutions 2 and 3

Re-election of Graham Porter and Mike Hirschfield

An ordinary resolution will be proposed to re-elect Graham Porter, who is retiring by rotation in accordance with the Company's articles of association and, being eligible, offers himself for re-election as a director of the Company. An ordinary resolution will be proposed to re-elect Mike Hirschfield, who is retiring having been appointed by the board since the last annual general meeting and, being eligible, offers himself for re-election as a director of the Company.

Resolution 4

Re-appointment of auditors

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. Grant Thornton UK LLP have indicated that they are willing to continue in office as the Company's auditors. Accordingly, this resolution proposes their re-appointment and, in accordance with standard practice, gives authority to the directors to determine their remuneration.

Resolution 5

Authority to allot relevant shares

It is proposed to authorise the directors of the Company to allot ordinary shares up to a maximum nominal value of £8,743,764.04. Except for the Second Placing as described in the Company's circular of 23 July 2008, the Board has no immediate plans to issue shares but it recognises that current market conditions may create opportunities which will require the issue of new equity as part of a transaction. For this reason, the Board wishes to maintain an adequate margin of authority should an opportunity arise.

Notice of Annual General Meeting

CONTINUED

Resolution 6

Dis-application of pre-emption rights

It is proposed, as a special resolution, to authorise the directors of the Company to allot equity securities for cash without first being required to offer such securities to existing shareholders in proportion to their existing holding by the limited dis-application of section 90 of the Companies Act 1985. This authority is limited as set out in the resolution and will expire at the conclusion of the annual general meeting in 2009 or 15 months from the date of the resolution, whichever is the earlier. Whilst the Board has no immediate plans to issue shares other than pursuant to the Second Placing referred to above it recognises that current market conditions may create opportunities which will require the issue of new equity as part of a transaction. For this reason, the Board wishes to maintain an adequate margin of authority should an opportunity arise.

Resolution 7

Adoption of new articles of association

It is proposed in resolution 7 to adopt new articles of association (**New Articles**) in order to update the Company's current articles of association (**Current Articles**) primarily to take account of changes in English company law brought about by the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in the further explanatory notes below. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 42 of this document.

Explanatory notes of principal changes to the Company's articles of association

1. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2. Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being removed as the concept of extraordinary resolutions has not been retained under the Companies Act 2006. Further, the remainder of the provision is reflected in full in the Companies Act 2006.

3. Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Companies Act 2006. The relevant provisions have therefore been removed in the New Articles.

4. Convening extraordinary and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being removed in the New Articles because the relevant matters are provided for in the Companies Act 2006. In particular an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

Notice of Annual General Meeting

CONTINUED

5. Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed (but if they purport to exercise their rights in different ways, then the power is treated as not being exercised). The New Articles reflect all of these new provisions.

6. Age of directors on appointment

The Current Articles contain a provision limiting the age at which a director can be appointed. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

7. Conflicts of interest

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

8. Records to be kept

The provision in the Current Articles requiring the Board to keep accounting records has been removed as this requirement is contained in the Companies Act 2006.

9. Distribution of assets otherwise than in cash

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed in the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.



Notice of Annual General Meeting

CONTINUED

10. Electronic and web communications

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

11. Directors' indemnities and loans to fund expenditure

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

Form of Proxy

BEFORE COMPLETING THIS FORM, PLEASE READ THE EXPLANATORY NOTES BELOW

We/I am a member of the Company, entitled to attend and vote at any general meeting of the Company. I appoint the person named below, or failing him/her the chairman of the meeting, as my proxy to vote on my behalf at the annual general meeting of the Company to be held at the following place and time, and at any adjournment:

Name of member:	
Name of proxy:	
Place of meeting:	25 North Row, London W1K 6DJ
Time and date of meeting:	10.00 a.m. on 10 February 2009

The proxy will vote on the following resolutions, as indicated:

Ordinary resolutions	FOR	AGAINST
1. To receive the reports and accounts		
2. To re-elect Graham Porter as a director		
3. To re-elect Mike Hirschfield as a director		
4. To re-appoint the auditors		
5. To authorise the directors to allot relevant securities		
Special resolutions		
6. To authorise the directors to allot relevant securities otherwise than pro rata as set out in the notice of general meeting		
7. To adopt the new articles of association		

Please indicate with an X in the space provided how you wish your votes to be cast on the resolution. If you sign and return this form without indicating how the proxy is to vote, he/she will have discretion to vote either way or to abstain.

Signature: _____ Date: _____ 2009

Notes:

- As a member of the company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
- Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- A proxy does not need to be a member of the company but must attend the meeting to represent you. To appoint as your proxy a person other than the chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the chairman and give them the relevant instructions directly.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
- To direct your proxy how to vote on the resolutions mark the approximate box with an "X". If no voting indication is given, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.
- To appoint a proxy using this form, the form must be:
 - completed and signed;
 - sent or delivered to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU; and
 - received by the Company's registrars no later than 10.00 a.m. on 8 February 2009.
- In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the company's register of members) will be accepted.
- CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent (ID: RAI0) by 10.00 a.m. on 8 February 2009. See the notes to the notice of meeting for further information on proxy appointment through CREST.
- All shareholders who wish to attend and vote at the meeting must be entered on the Company's register of members no later than 48 hours before the time fixed for the meeting. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.



THIRD FOLD AND TUCK IN

BUSINESS REPLY SERVICE
Licence No. MB 122



FIRST FOLD

Capita Registrars
(PROXIES)
PO Box 25
Beckenham
Kent BR3 4BR

SECOND FOLD

