THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document and the action you should take, you are recommended immediately to seek your own independent advice from a person duly authorised under the Financial Services and Markets Act 2000 (or, if you are a person outside of the United Kingdom, otherwise duly qualified in your jurisdiction) who specialises in advising on the acquisition of shares and other securities.

The Company and the Directors of Indus Gas Limited (the ''Company''), whose names appear on page 4 of this Document, accept responsibility both individually and collectively for the information contained in this Document including responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and contains no omission likely to affect its import. This Document is an Admission Document required by the rules of AIM (''AIM''), a market operated by London Stock Exchange plc (the ''London Stock Exchange''), and has been drawn up in accordance with the AIM Rules for Companies. This Document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of the UK Financial Services and Markets Act 2000 (as amended) and is not required to be issued as a prospectus pursuant to section 85 of the UK Financial Services and Markets Act 2000 (as amended).

Application has been made for the Admission of the entire issued and to be issued share capital of the Company to trading on AIM. It is expected that dealings in the Ordinary Shares will commence on AIM on 6 June 2008. The Ordinary Shares are not dealt in on any other recognised investment exchange and it is emphasised that no application is being made for Admission of the Ordinary Shares to the Official List of the United Kingdom Listing Authority. The rules of AIM are less demanding than those of the Official List of the United Kingdom Listing Authority.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this Document.

The whole of this Document should be read. You should be aware that an investment in the Company involves a high degree of risk.

Your attention is drawn in particular to the ''Risk Factors'' set out in Part III of this Document.

Indus Gas Limited

(Incorporated and registered in Guernsey under the Companies (Guernsey) Law, 1994, as amended, with registration number 48593)

Placing of 15,243,922 Ordinary Shares at 164p per share
and
Admission to trading on AIM

Nominated Adviser & Broker

Arden Partners plc

Arden Partners plc (''Arden Partners''), which is authorised and regulated in the United Kingdom by the FSA, is acting as the Company's nominated adviser and broker in connection with the Placing and Admission. Arden Partners' responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any person in respect of his decision to acquire shares in the Company in reliance on any part of this Document. No representation or warranty, express or implied, is made by Arden Partners as to any of the contents of this Document (without limiting the statutory rights of any person to whom this Document is issued). Arden Partners will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing customer protections to recipients of this Document in respect of the Placing or any acquisition of Ordinary Shares in the Company. In particular (i) the provision of this Document to any person is not a personal recommendation of any investment to which this Document relates; and (ii) Arden Partners is not required to assess the suitability of any investment to which this Document relates or any transaction or arrangement referred to in this Document and no such person will benefit from the protection of the rules assessing suitability in relation thereto.

Other than in accordance with the Company's obligations under the AIM Rules or otherwise required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company, its directors or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere is this Document. The information on the Company's website does not form a part of this Document.

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this Admission Document and wishing to make an application for Ordinary Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this Document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company. This Document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, this Document does not constitute an offer to sell or the solicitation of an offer to buy any of the Ordinary Shares in the United States of America, Canada, Australia, South Africa, the Republic of Ireland, Singapore or Japan (collectively, the ''Prohibited Territories'') and this Document should not be forwarded or transmitted to or into the Prohibited Territories or to any resident, national, citizen or corporation, partnership or other entity created or organised under the laws thereof or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The distribution of this Document may be restricted and accordingly persons into whose possession this Document comes are required to inform themselves about and to observe such restrictions.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

FOR THE ATTENTION OF UNITED KINGDOM RESIDENTS

Arden Partners has not approved this Document for the purposes of the Financial Services and Markets Act 2000 as amended (''FSMA''). This Document is confidential and only for distribution in the United Kingdom (i) at any time, to persons reasonably believed by the Company to be investment professionals within the meaning of Paragraph (5) of Article 19 or to high net worth companies or unincorporated associations within the meaning of Paragraph (2) of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529), as amended, and (ii) prior to Admission, to persons who are qualified investors within the meaning of Section 86(7) of FSMA. Outside the United Kingdom (and subject as provided below), this Document is only being sent to persons reasonably believed by the Company to be investment professionals or to persons to whom it may otherwise be lawful to distribute it. This Document is being supplied to you solely for your information and may not be reproduced, further distributed or published in whole or in part by any other person. As the Placing Shares will be offered to fewer than 100 persons (other than qualified investors within the meaning of Section 86(7) of FSMA) per member state of the European Economic Area, the Placing will be an exempt offer of securities to the public for the purposes of Section 86 of FSMA. Accordingly, this Document is not a prospectus and does not require the approval of the FSA or any other relevant authority in any other member state of the European Economic Area.

FOR THE ATTENTION OF EUROPEAN ECONOMIC AREA RESIDENTS

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state) with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the ''relevant implementation date''), an offer of the Placing Shares described in this Document may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the Placing Shares approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time to any legal entity that is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million and (3) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts; or in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospective Directive.

Each purchaser of the Placing Shares described in this Document located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a ''qualified investor'' within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an ''offer to the public'' in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and the Placing Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Placing Shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression ''Prospectus Directive'' means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state. No purchaser of the Placing Shares other than Arden Partners is authorised to make any further offer of the Placing Shares on behalf of any other person.

FORWARD-LOOKING STATEMENTS

This Document contains forward-looking statements. These relate to the Company's future prospects, developments and strategies. Forward-looking statements are identified by their use of terms and phrases such as ''believe'', ''could'', ''envisage'', ''estimate'', ''intend'', ''may'', ''plan'', ''seek'', ''target'', ''will'' or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Parts I, II, III, IV and VII of this Document. The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Ajay Kalsi, *Executive Director, CEO* John Scott, *Executive Director, CFO* Marc Holtzman, *Non-Executive Director, Chairman* John Behar, *Non-Executive Director* all of the registered office of the Company
Company Secretary	Willow Trust Limited Louisiana House South Esplanade St. Peter Port Guernsey GY1 1BJ
Registered Office	Louisiana House South Esplanade St. Peter Port Guernsey GY1 1BJ Channel Islands (GB)
Nominated adviser and broker	Arden Partners plc Nicholas House 3 Laurence Pountney Hill London EC4R 0EU
Legal advisers to the Company as to English law	Stephenson Harwood One, St Pauls Churchyard London EC4M 8SH
Legal advisers to the Company as to Guernsey law	Carey Olsen 7 New Street St Peter Port Guernsey GY1 4B2
Legal advisers to the Company as to Indian law	Dua Associates 202-206 Tolstoy House 15 Tolstoy Marg New Delhi – 110 001 India
Legal advisers to the Placing	Lawrence Graham LLP 4 More London Riverside London SE1 2AU
Reporting accountants	Grant Thornton India L-41 Connaught Circus New Delhi – 110 001 India
Auditors and tax adviser	Grant Thornton India L-41 Connaught Circus New Delhi – 110 001 India

Competent Person	TRACS International Consultancy Limited 1-2 Mill Lane Guildford GU1 3XX
Financial PR	Pelham Public Relations Limited 1 Cornhill London EC3V 3ND
CREST Service Provider	Computershare Investor Services (Channel Islands) Limited 31 Pier Road St Helier Jersey JE4 8PW

PLACING STATISTICS

Placing Price	164p
Number of Placing Shares being issued pursuant to the Placing	15,243,922
Number of Ordinary Shares in issue immediately following the Placing and Admission	182,913,924
Placing Shares as a percentage of the Enlarged Share Capital	8.33%
Expected market capitalisation upon Admission based on the Placing Price	approximately £300 million
Estimated gross proceeds of the Placing	approximately £25 million
Estimated proceeds, after expenses, of the Placing receivable by the Company	approximately £23.4 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission and commencement of dealings in Ordinary Shares on AIM	8.00 a.m. on 6 June 2008
Delivery of Ordinary Shares into CREST accounts	6 June 2008
Dispatch of definitive share certificates (where applicable)	20 June 2008

Notes:

1. Each of the times and dates above is subject to change. Any such change will be notified by an announcement on a Regulatory Information Service.
2. References to times in this Document are to London times (unless otherwise stated).
3. The following illustrative exchange rates are set out to assist the understanding of this Document (except for Part IV and VI):

   £1 = INR 80

   US$1 = INR 40

   £1 = US$2

DEFINITIONS

The following definitions apply throughout this Document, unless the context otherwise requires:

''$'' or ''US$'' or ''USD''	the lawful currency of the United States
''€'' or ''Euro''	the lawful currency for the time being of the member states of the European Union that adopt the European single currency
''Admission''	the admission of the Ordinary Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules
''Admission Document'' or ''Document''	this document, drawn up in accordance with the AIM Rules
''AIM''	the market of that name operated by the London Stock Exchange
''AIM Rules''	the AIM Rules for Companies governing admission to and the operation of AIM, as amended from time to time
''Arden Partners''	Arden Partners plc
''Articles''	the articles of association of the Company with effect from Admission
''Block''	the oil and gas exploration area located in mid Indus Basin, in Rajasthan state, north west India, known as Block RJ-ON/6, which is the subject of the PSC
''certificated'' or ''in certificated form''	the description of a share or security which is in certificated form (that is, not in CREST)
''Code''	the City Code on Takeovers and Mergers, as amended from time to time
''Company'' or ''Indus Gas''	Indus Gas Limited, a company incorporated in Guernsey with company registered number 48593
''Company Law''	the Companies (Guernsey) Law, 1994 as amended and all subordinate legislation made thereunder and every modification or re-enactment thereof for the time being in force
''Competent Person''	TRACS International Consultancy Limited
''CPR''	the independent oil and gas geological report in respect of the Block prepared by the Competent Person contained in Part IV of this Document
''CREST''	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form
''CREST Guernsey Requirements''	Rule 8 and such other of the rules and requirements of Euroclear as may be applicable to issuers incorporated in Guernsey as from time to time specified in the CREST Manual

‘‘CREST Manual’’	the document entitled ‘‘CREST Reference Manual’’ issued by Euroclear
‘‘CREST Regulations’’	the Uncertificated Securities Regulations 2001 of the United Kingdom (as amended) including any modification or re-enactment thereof for the time being in force
‘‘Cyprus’’	the Republic of Cyprus
‘‘Directors’’ or the ‘‘Board’’	the current directors of the Company, whose names appear on page 4 of this Document
‘‘Directors’ Option Agreements’’	the separate option agreements, each dated 29 May 2008, in respect of options over Ordinary Shares granted to Mr Scott, Mr Holtzman and Mr Behar, as more particularly described in paragraph 10.15 of Part VII of this Document
‘‘DTR’’	the disclosure and transparency rules made by the UKLA in accordance with section 73(A)(3) of FSMA
‘‘D&M’’	DeGolyer and MacNaughton
‘‘ENI’’	ENI S.p.A.
‘‘Enlarged Share Capital’’	the issued share capital of the Company immediately following Admission consisting of the Existing Ordinary Shares and the New Ordinary Shares
‘‘Euroclear’’	Euroclear UK & Ireland Limited, the operator of CREST
‘‘Existing Ordinary Shares’’	the 167,670,002 Ordinary Shares in issue immediately prior to Admission
‘‘Financial Services Authority’’ or ‘‘FSA’’	the UK Financial Services Authority
‘‘Focus’’	Focus Energy Limited, a company registered in India with the Registrar of Companies, NCT of Delhi & Haryana under company identification number U74999DL1986PLC023587, which is the Operator of the Block
‘‘FSMA’’	the Financial Services and Markets Act 2000 of England and Wales, as amended
‘‘GAIL’’	Gas Authority of India Limited
‘‘GOI’’	the Government of India
‘‘Group’’	the Company and its subsidiaries Newbury and iServices
‘‘GSPC’’	Gujarat State Petroleum Corporation
‘‘GSPL’’	Gujarat State Petronet Limited
‘‘Gynia’’	Gynia Holdings Limited, a company controlled by Mr. Kalsi and which following Admission will remain the majority shareholder in the Company
‘‘IFRS’’	International Financial Reporting Standards

‘‘India’’	the Republic of India
‘‘iServices’’	iServices Investments Ltd., a company registered in Mauritius with company number 46524 C1/GBL, being a subsidiary of the Company
‘‘Licensee’’	ONGC, having been granted a license under the Petroleum and Natural Gas Rules, 1959, for the purpose of carrying out petroleum operations in the Block
‘‘Lock-in Arrangements’’	the lock-in arrangements contained in the Placing Agreement between (1) each of the Directors and Gynia, (2) the Company and (3) Arden Partners, details of which are set out in paragraph 10 of Part VII of this Document
‘‘London Stock Exchange’’	London Stock Exchange plc
‘‘Management Committee’’	the management committee constituted under the PSC
‘‘Mauritius’’	the Republic of Mauritius
‘‘Members’’ or ‘‘Shareholders’’	holders of Ordinary Shares from time to time
‘‘Model Code’’	the Model Code in the UK Listing Rules
‘‘Newbury’’	Newbury Oil Co. Limited, a company registered in Cyprus with company number HE 157598, being a subsidiary of the Company
‘‘New Ordinary Shares’’	the 15,243,992 new Ordinary Shares to be issued by the Company pursuant to the Placing
‘‘ONGC’’	Oil and Natural Gas Corporation of India, an Indian public sector company, the Licensee of the Block
‘‘Operating Agreement’’	the joint operating agreement dated June 30, 1998, as amended from time to time, which provides for the rights and obligations of each Participant under the PSC
‘‘Operating Committee’’	the operating committee constituted under the Operating Agreement
‘‘Operator’’	Focus or another party as may be appointed as operator of the Block pursuant to the PSC
‘‘Option Agreement’’	the option agreement dated 29 May 2008 in respect of Ordinary Shares between (1) the Company and (2) Arden Partners, further details of which are set out in paragraph 10.5 of Part VII of this Document
‘‘Ordinary Shares’’	the ordinary shares of £0.01 each in the capital of the Company
‘‘Panel’’	the UK Panel on Takeovers and Mergers
‘‘Participant’’	each of Focus, iServices and Newbury
‘‘Participating Interest’’	a Participant’s interest in the Block from time to time

"Petroleum Operations"	the exploration, development and production operations within the Block
"Placing"	the conditional placing by Arden Partners of the New Ordinary Shares with institutional and other investors at the Placing Price pursuant to the Placing Agreement
"Placing Agreement"	the conditional agreement dated 29 May 2008 between (1) Arden Partners, (2) the Company, (3) the Directors and (4) Gynia, further details of which are set out in paragraph 10 of Part VII of this Document
"Placing Price"	164p per Ordinary Share
"Placing Shares"	the Ordinary Shares to be issued pursuant to the Placing
"PNB"	Punjab National Bank
"Prospectus Rules"	the prospectus rules published by the FSA under Part VI of the Financial Services and Markets Act 2000
"PSC" or "Production Sharing Contract"	the production sharing contract dated 30 June 1998 as amended from time to time, between (1) the President of India, acting through the Joint Secretary, Ministry of Petroleum and Natural Gas, (2) Focus, (3) ONGC, (4) iServices and (5) Newbury
"QCA Guidelines"	the Corporate Guidelines for AIM companies as published and updated from time to time by the Quoted Companies Alliance
"RBI"	the Reserve Bank of India
"Reliance"	Reliance Industries Limited
"Rupees", "Rs." or "INR"	the lawful currency of India
"SGL"	an area within the Block declared as a commercial discovery on 22 January 2008
"SSF"	an area within the Block declared as a discovery on 5 February 2008 but not yet approved or declared as commercial
"Sterling" or "£"	the lawful currency of the UK
"subsidiary" and "subsidiary undertaking"	have the meanings respectively ascribed to them by the UK Act
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Act"	the UK Companies Act 2006 (as amended)
"UKLA"	the United Kingdom Listing Authority
"uncertificated" or "in uncertificated form"	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"US", "USA" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction

GLOSSARY OF TERMS

Unless the context otherwise requires or unless otherwise provided, the following technical terms and abbreviations have the following meanings in this Document:

1P Reserves	taken to be equivalent to Proved Reserves; denotes low estimate scenario of Reserves
2P Reserves	taken to be equivalent to the sum of Proved plus Probable Reserves; denotes best estimate scenario of Reserves
3P Reserves	taken to be equivalent to the sum of Proved plus Probable plus Possible Reserves; denotes high estimate scenario of reserves
1C Resources	denotes low estimate scenario of Contingent Resources
2C Resources	denotes best estimate scenario of Contingent Resources
3C Resources	denotes high estimate scenario of Contingent Resources
2D Seismic	two dimensional seismic data covering length and depth of a given geographic surface
3D Seismic	three dimensional seismic data covering length, breadth and depth of given geographic surface
APISD	acquisition, processing and interpretation of seismic data
APM	administered price mechanism
Basin	a basin is a depression or low area in the earth's crust filled with sediments
Bbl or bbl	barrel
Bbls or bbls	barrels
Bbl/d	barrels per day
BCM or bcm	billion cubic meters
Best Estimate	with respect to resource categorization, this is considered to be the best estimate of the quantity that will actually be recovered from the accumulation by the project. It is the most realistic assessment of recoverable quantities if only a single result were reported. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate
BOE	barrels of oil equivalent
Bscf	billion cubic feet
cf/d	standard cubic feet per day
CNG	compressed natural gas

Commercial discovery	hydrocarbon discovery, which based on technical and economic evaluation is deemed to justify economic development
Completion/tie-back	installation of tubing and equipment to enable production from the reservoir to the wellhead platform
Contingent Resources	as defined in the CPR
Cost Gas	means the portion of the total volume of the gas produced which the Participants are entitled to take from a gas field in a particular period for the recovery of the costs incurred by the Participants in terms of the PSC
Cost Oil	means the portion of the crude oil and/or condensate produced from a field which is used in a particular period, for recovery of costs incurred by the Participants in terms of the PSC
DGH	Directorate General of Hydrocarbons of India, acting under MoPNG
DST	drill stem test
Field	an area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual subsurface structure
GDP	gross domestic product
GIIP	gas initially in place
GOI	the central government of India
High Estimate	with respect to resource categorization, this is considered to be an optimistic estimate of the quantity that will actually be recovered from an accumulation by a project. If probabilistic methods are used, there should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate
Hydrocarbon	organic compounds comprising carbon and hydrogen, including oil, condensate, gas and gas condensate: lead targeted area in which hydrocarbons may exist in economic volumes; further evaluation and/or data is required to reduce the level of uncertainty, after which the lead may become a prospect
Initially in place	the volume of hydrocarbons in the reservoir prior to the commencement of production
LKM	Line Kilo Meter, a unit of measuring 2D seismic data
LNG	liquefied natural gas, being gas mainly composed of methane and ethane which is liquefied at extremely low temperatures and near to atmospheric pressure

Low Estimate	with respect to resource categorization, this is considered to be a conservative estimate of the quantity that will actually be recovered from the accumulation by a project. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate
LPG	liquefied petroleum gas
kms	kilometres
km^2	square kilometres
m	metres
M	thousand
Million bbl/d	million barrels per day
MM	million
MScf	million standard cubic feet, a gas volumetric unit
MScm	million standard cubic metre, a gas volumetric unit and equates to approximately 35.31 MScf
MMBOE	million barrels of oil equivalent
Mmbbl or mmbbls	million barrels
MMT or mmt	million metric tons
MOPNG or MoPNG	Indian Ministry of Petroleum and Natural Gas
Natural Gas	gas consisting of methane, ethane, propane, butane, pentane and other gases produced from gas wells, gas condensate wells or oil wells and includes: i) any residual gas which is obtained after processing such gas upon removal of liquefied hydrocarbons and impurities there from; ii) gas in liquid state, namely, liquefied natural gas
NELP	the New Exploration Licensing Policy of the GOI
NPV10	Net Present Value of the future cash flows discounted at 10 per cent. interest rate compounded at annual rest
Oil	hydrocarbon that exists in the liquid phase in the reservoir and under standard conditions
ORD	the Oilfields (Regulation and Development) Act, 1948, as amended from time to time
P10	a 10 per cent. probability (P10) that the quantities actually recovered will equal or exceed the best estimate
P50	a 50 per cent. probability (P50) that the quantities actually recovered will equal or exceed the best estimate

P90	a 90 per cent. probability (P90) that the quantities actually recovered will equal or exceed the best estimate
PEL	Petroleum Exploration Licence
Permeability	the measure of the ability of the reservoir to transmit fluids
Petroleum	Oil and Natural Gas produced from the Block
Possible Reserves	as defined in the CPR
Probable Reserves	as defined in the CPR
Processing facilities	an installation that processes gas to remove water, impurities and recover condensate and/or LPG
Profit Gas	the portion of the gas produced from the field and which is sold by the Participants and is not the Cost Gas
Profit Oil	the portion of the crude oil and/or condensate produced from the field and which is sold by the Participants and is not the Cost Oil
Prospect	targeted area in which hydrocarbons are predicted to exist in economic volumes
Proved Reserves	as defined in the CPR
Reserves	volumes of hydrocarbons that are estimated to be commercially recoverable from known accumulations from a given date forward, under existing economic conditions, by established operating practices and under current government regulations
Reservoir	a reservoir rock hosts the hydrocarbon accumulation in the sub surface and may consist of any number of rock types (although is often sandstone). Also includes permeable and porous fractured rock
Risked Prospective Resources	an arithmetic weighted average of the Prospective Resources volumes by multiplying the respective volumes of the Prospective Resources with the risk factors reported in CPR in respect of such Prospective Resources
Seismic	use of sound waves generated by controlled explosions to ascertain the nature of the subsurface geological structures; 2D seismic records a cross-section through the subsurface while 3D seismic is acquired in such a way as to provide a three dimensional image of the subsurface
Standard conditions	60 degrees Fahrenheit and atmospheric pressure
Well test	procedure used to estimate the productivity, pressure, permeability and extent of a reservoir during which produced fluids are collected for analysis

The following information should be read in conjunction with the full text of this Document from which it is derived. Prospective investors should read the whole of this Document and not rely solely on the summarised information set out below.

Background

The Company is an oil and gas exploration and development company. The Company owns, through its wholly owned subsidiaries, a 90 per cent. participating interest in a petroleum concession located in a 4,026 km^2 on-shore area in mid Indus Basin, Rajasthan, India, known as Block RJ-ON/6. Two gas discoveries have so far been made at the Block. As is normal for arrangements of this type in India, the GOI has contractual back-in rights under which the Indian state oil company, ONGC, is entitled to acquire a 30 per cent. participating interest in each discovered field in the Block. If this option were exercised by the GOI in respect of all discovered fields, the Group's ultimate participating interest in the Block would be reduced to 63 per cent.

History

The Production Sharing Contract for the Block was entered into on 30 June 1998 between the GOI, Focus and ONGC. Focus is the Operator of the Block and holds a 10 per cent. Participating Interest, with the remaining Participating Interests being held by iServices (65 per cent.) and Newbury (25 per cent.). iServices and Newbury are wholly owned subsidiaries of the Company and received an assignment of their respective interests from Focus on 13 January 2006.

ONGC is the licensee of the Block under the PSC and is required to bear and pay 100 per cent. of the applicable royalty cess tax and license fees payable to the Rajasthan state government in respect of the Block. In addition, the GOI is entitled to a share of Profit Oil/Gas as calculated under a mechanism provided for in the PSC. Further details of these arrangements are provided in Part I of this Document.

The initial period of the PSC does not expire until August 2024. Provided commercial production of gas commences before the expiry of the initial period, the term could be extended until August 2034. The Directors consider this to be likely in view of the gas discoveries made to date.

The Block

The on-shore Block RJ-ON/6, operated by Focus, is located in Rajasthan state in western India and currently covers an area of approximately 4,026 km^2. The Block is part of the Indus Basin, which straddles eastern Pakistan and western India. Several oil and gas discoveries have been made in the surrounding blocks and extensive exploration has been further committed in this area. Gas discoveries have been made in the Block at wells SGL1, SGL2 and SSF2. The gas discoveries in the SGL wells were declared as commercial discoveries on 22 January 2008.

The Block area was initially 5,378 km^2 of which 1,352 km^2 was relinquished at the end of first of three exploration phases and the contracting parties retained 4,026 km^2 area. The GOI has permitted the contracting parties to retain entire area of 4,026 km^2 at the end of second exploration phase and this area has been accepted as the ''discovery area'' by GOI.

The first SGL discovery was made in May 2006, followed by the SSF discovery in February 2008. The SGL discoveries have been tested and was declared as ''commercial'' on 22 January 2008. An area of approximately 195 km^2 has been proposed as a ''development area'' in respect of the SGL discoveries. The Company can develop and produce hydrocarbons from the SGL discoveries after approval of the development plan in accordance with the PSC. The SSF discovery is yet to be appraised. The Company plans to test the SSF discovery during 2008 and to continue exploration, appraisal and development in the Block with the objective of achieving early production.

Under the PSC, upon expiry of the three phases of exploration period, the Participants can retain only those areas declared as development areas and discovery areas. The third phase of the exploration period expired on 20 February 2008. However the Operator has requested an extension until 13 December 2008 (297 days) on account of demonstrated excusable delays and the DGH has recommended the Operator's request for this extension to the GOI. The Participants are awaiting the decision of the GOI. In the meantime, the PEL stands expired. Should the 297 day extension referred to above be granted by the GOI, the Participants can retain the appraisal area until June 2011.

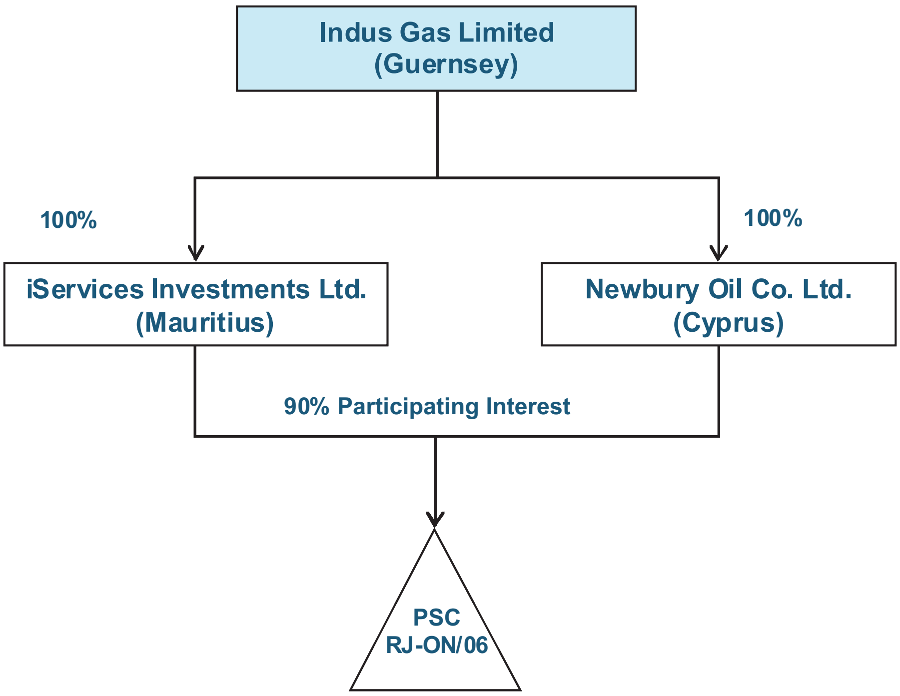
Under the terms of the PSC, the Participants are eligible for a two and half year exploration period to complete appraisal of the discoveries made in the discovery area. The Participants have recently submitted an appraisal plan covering an aggregate discovery area of 3,200 km^2 in respect of the SGL and SSF discoveries. Upon approval of the appraisal plan by the Operating Committee and Management Committee, this area, as reduced by the area approved as the ''SGL Field'', will be declared as an appraisal area.

In any event, the Participants can request further time for the appraisal of the SSF discovery because under the PSC, the Operator is allowed to declare commerciality within 5 years from the date of discovery. The SSF discovery was notified in February 2008. As a result, it may be possible to retain the appraisal area for the SSF discovery until February 2013.

The Business

Group structure

The Company has two wholly owned subsidiaries, iServices and Newbury. The Company is domiciled in Guernsey, while iServices and Newbury are domiciled in Mauritius and Cyprus respectively. The structure is further described in the following diagram:



Note: The Participating Interests are subject to an option by GOI through its nominee to acquire up to 30 per cent. participating interest in discovered fields within the Block. If exercised in full, the respective participating interests of iServices and Newbury may be reduced to 45.5 per cent. and 17.5 per cent. respectively.

Current Trading and Prospects

As at the date of this Document, the Participants have completed the following work programme in respect of the Block:

(i) acquisition/processing and interpretation of 623 LKM of 2D Seismic & 290 km^2 of 3D Seismic;

(ii) the acquisition of additional 46 km^2 of 3D Seismic as of May 2008;

(iii) reprocessing of 4,700 LKM of existing 2D Seismic;

(iv) drilling 9 exploratory wells with a total aggregate depth of 26,105 m. A tenth exploratory well drilling is in progress and as of the date of this Document, has been drilled to a depth of over 3,400 m.

Pursuant to the PSC, the Participants are obliged to drill 4 wells in during phase III of the exploration period. Notwithstanding this, the Participants have drilled only 3 wells. However, on 6 May 2008, the Operator notified DGH that the Participants have completed all minimum work program in accordance with the PSC, considering the set-off of one extra well drilled during phase II of the exploration period and the extra metres drilled in each of the 3 wells drilled during phase III of the exploration period. The Directors understand that under GOI policy set-off is generally permitted. If the GOI confirms this set-off, it is expected that the minimum work programme as required under the PSC will be considered to have been completed.

The Block contains two on-shore gas discovery areas, SGL and SSF. Whilst SGL has been tested and assigned 2P reserves of 192 bscf, SSF is yet to be tested and has been assigned contingent resources of 369 bscf. The discovery of the SGL field was declared commercial on 22 January 2008.

During April 2008 to March 2009, the Participants intend to consider undertaking the following work programme to the extent permitted by the PSC and subject to the availability of funds:

(i) commencement of development of SGL field;

(ii) testing and commencement of appraisal of SSF discovery;

(iii) drilling of exploratory wells in the prospects identified in the CPR;

(iv) acquisition of an additional 400 km^2 of 3D seismic data in the Block; and

(v) processing and interpretation of acquired 3D seismic data.

In addition to the exploration and development in the Block, the Group intends to evaluate other opportunities in India and elsewhere in the oil and gas sector. These include investments in midstream and downstream opportunities in India and potentially farming in other oil and gas blocks.

Estimated recoverable gas volumes and NPV10 values for the Group's presently held 90 per cent. interest in the Block (which is subject to a 30 per cent. back in by GOI) as per the Competent Person's Report is summarised in the table below:

	Net Entitlement (after Government share) – 90% interest		
Resources Classification	**Mean Volumes (bcf)**	**P50 Volumes (bcf)**	**NPV ($MM) after tax (10% discount rate) for P50 Volumes**
Reserves	N/A	123	$ 266
Contingent Resources	286	257	$ 660
Risked Prospective Resources	90	74	$ 185
Total	N/A	454	$1,111

The Market and the Industry

India's population is over 1.1 billion. It has an energy deficit and has to import a large quantity of oil and LNG to meet the shortfall. Natural Gas is available in a very small part of India with all gas either being consumed locally or distributed through limited pipeline networks. Those areas not served by natural gas, including parts of the highly populated north Indian states, have little option but to use more expensive fuels such as furnace oil and naphtha. Gas supplies are controlled by the GOI and prioritised for certain specified sectors, which includes power generation and fertiliser production. Accordingly, the current limited alternative supplies from private companies leaves a large consumer base both on and off the pipeline grid vulnerable to significant supply disruptions and market forces and leave no option for large number of consumers except to rely on expensive oil based fuels.

The Directors believe that the location of the Block is strategic as the gas produced from the Block can fulfil a large shortfall in the demand and supplies in north western India. iServices and Newbury have signed a term sheet with GAIL for the supply of gas. Subject to certain conditions precedent being fulfilled, supply is likely to commence in mid-2009. GAIL in turn will supply gas to an existing local power plant through a new pipeline to be laid by GAIL pursuant to the term sheet, subject to necessary approvals being granted. The Directors understand that this new supply will bridge the gas supply shortfall of approximately 7 MMscf/d and enable the power plant to run at its rated capacity. From mid-2010, the gas supplies may be increased to 33 MMscf/d, of which approximately 26 MMscf/d will be utilised for generating additional power through a proposed 160 MW capacity expansion of the existing power plant. The Group has received expressions of keen interest from other companies to set up gas-based green field industrial plants near the gas discoveries in the Block.

Management

The Board and senior management have extensive experience in the oil and gas industry both in India and internationally. The Board includes two executive directors. Mr. Ajay Kalsi is the Chief Executive Officer and Mr. John Scott is the Chief Financial Officer of the Company. Both of the executive Directors have relevant oil and gas industry experience. The Board is supported by an advisory team consisting of Paul Fink a senior technical adviser to Focus on matters of exploration and Vikas Agarwal, a senior employee of Focus responsible for mergers and acquisition. The Company intends to augment the current management team by recruiting senior staff with particular experience in geological and geophysical roles. Further details of the Board and senior management are set out on page 32 of this Document.

Focus, the Operator and holder of a 10 per cent. Participating Interest, conducts day to day management and operation of the Block. Focus has approximately seven years of oil and gas operation experience and owns participating interests in three other oil and gas blocks in India. Focus is beneficially owned by Mr. Ajay Kalsi, who is also a Director and major beneficial shareholder of the Company through his beneficial interest in Gynia. A relationship agreement has been signed with Mr. Kalsi and Gynia prior to Admission to ensure that the Company and the Board are able to conduct their operations independently of Gynia. The transactions between Focus and the Company are conducted on an arms length commercial basis.

Reasons for Admission and the Placing

The Directors are seeking Admission to AIM in order to raise funds to part finance the exploration, appraisal and development of its hydrocarbon assets, including appraising and developing the SGL and SSF discoveries, installing gas processing facilities, acquiring additional 3D Seismic and drilling of additional exploratory wells to the extent permitted under the PSC and available funds. The Placing Proceeds will further provide the Group with additional working capital to execute its business strategy outlined in Part I of this Document. It is anticipated that Admission will raise the Company's profile, give it access to capital markets and help diversify its shareholder base.

Risk Factors

Prior to investing in the Company, prospective investors should consider, together with the other information contained in this Document, the risks and other factors attaching to an investment in the Company, including in particular, the factors set out in ''Risk Factors'' in Part III of this Document.

PART I

INFORMATION ON THE GROUP

Introduction

Indus Gas Limited has been incorporated as a limited company in Guernsey in 2008 to explore, develop, produce, distribute and market hydrocarbons including Natural Gas initially in India.

The Group holds an aggregate 90 per cent. Participating Interest, through its wholly owned subsidiaries, iServices of Mauritius and Newbury of Cyprus, in a petroleum exploration and development concession in India known as Block RJ-ON/6 pursuant to the Production Sharing Contract. The Block contains two existing gas discovery areas: SGL, which has been declared ''commercial'' by the Operator; and SSF, which is likely to be tested during 2008. There are several other prospects and leads which are under exploration and/or appraisal.

As stated in the CPR, a copy of which is set out in Part IV of this Document, the Company has a net entitlement 2P (Proved plus Probable) Reserves, best estimate (2C) Contingent Resources and P50 Risked Prospective Resources of 123 Bscf, 257 Bscf and 74 Bscf respectively. The total net economic value (NPV10) of the Company's interest in the Block is estimated to be $266 million, $660 million and $185 million for 2P Reserves, 2C Contingent Resources and P50 Risked Prospective Resources respectively. The Group is focused on early gas production from the discovered fields, aggressive exploration of other prospects/leads and delineation of new prospects/leads through a programme of seismic acquisition.

The Block is operated by Focus, which holds the remaining 10 per cent. Participating Interest. Focus is owned by Mr. Ajay Kalsi. ONGC, a GOI owned company, is the licensee of the Block and under the terms of the PSC is required to pay 100 per cent. of applicable royalty, cess taxes and licensing fees in respect of the revenues derived from the Block.

The 90 per cent Participating Interest owned by the Group is subject to potential dilution if ONGC exercises certain back-in rights in full. These rights are derived from the terms of the PSC, pursuant to which ONGC, as nominee of the GOI, can acquire a 30 per cent. Participating Interest in each discovered field and such rights can be exercised within 90 days of the declaration of commerciality in respect of each discovered field, without ONGC paying any of the past costs incurred by the Participants. SGL was declared commercial on 22 January 2008. Under the terms of the PSC, ONGC had until 21 April 2008 to exercise its back-in rights. This period has been extended at ONGC's request, and the Participants have granted ONGC until 5 June 2008 to determine whether to exercise its rights. If the contracting parties have not received notice from ONGC on or before 5 June 2008, or such extended period as may be agreed, the option will lapse. However, if this right is exercised, the Group's Participating Interest will be reduced to 63 per cent. in respect of the field for which such right is exercised (but not necessarily the entire Block) and ONGC will remain responsible for its liability to pay applicable royalty, cess taxes and license fees. However, Focus, on behalf of all Participants, has made a proposal to ONGC under which the Participants will pay all applicable royalties, cess taxes and licence fees that are currently the obligation of ONGC in return for ONGC waiving their back-in rights in full in respect of all existing and future discovered commercial fields This proposal is currently being considered by ONGC and may be accepted in full, accepted with such modifications as the parties may agree or rejected.

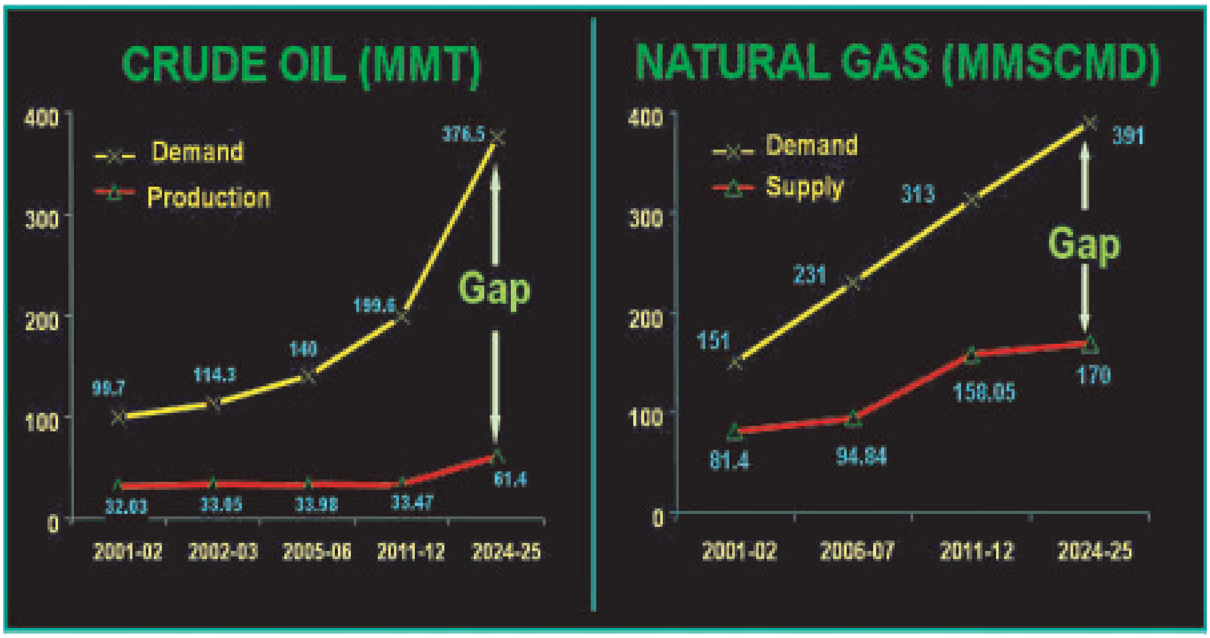
The Indian Economy and the Indian Oil and Gas Industry

India has a population of over 1.1 billion people making it one of the largest populations in the world. The Reserve Bank of India has estimated growth in GDP at 8.7 per cent. during the fiscal year 2007/08 (*Source: Economic Survey 2007/08, Reserve Bank of India*). This rapid economic growth has led to a significant increase in demand for crude oil and natural gas, to the extent that India is currently the sixth largest worldwide consumer of oil and gas (*Source: BP Statistical Review of World Energy, June 2007*).

Demand & Supply

India has a large energy deficit and there is a growing gap between demand and supply of oil and gas. India imports roughly 73 per cent. of its oil requirements. Imports of petroleum and petroleum products into India were worth approximately $57 billion during the year ended March 2007. India's dependence on imports of petroleum is growing and this is expected to make up approximately 85 per cent. of the total demand by 2012 according to GOI estimates.

Despite several recent new oil and gas discoveries, the gap between demand and supply for both oil and gas is significant and increasing. According to Hydrocarbon Vision 2025, a ministerial group set up by the Prime Minister of India to give focus on long-term energy security, the following graphs depict the petroleum demand and supply projections for India.

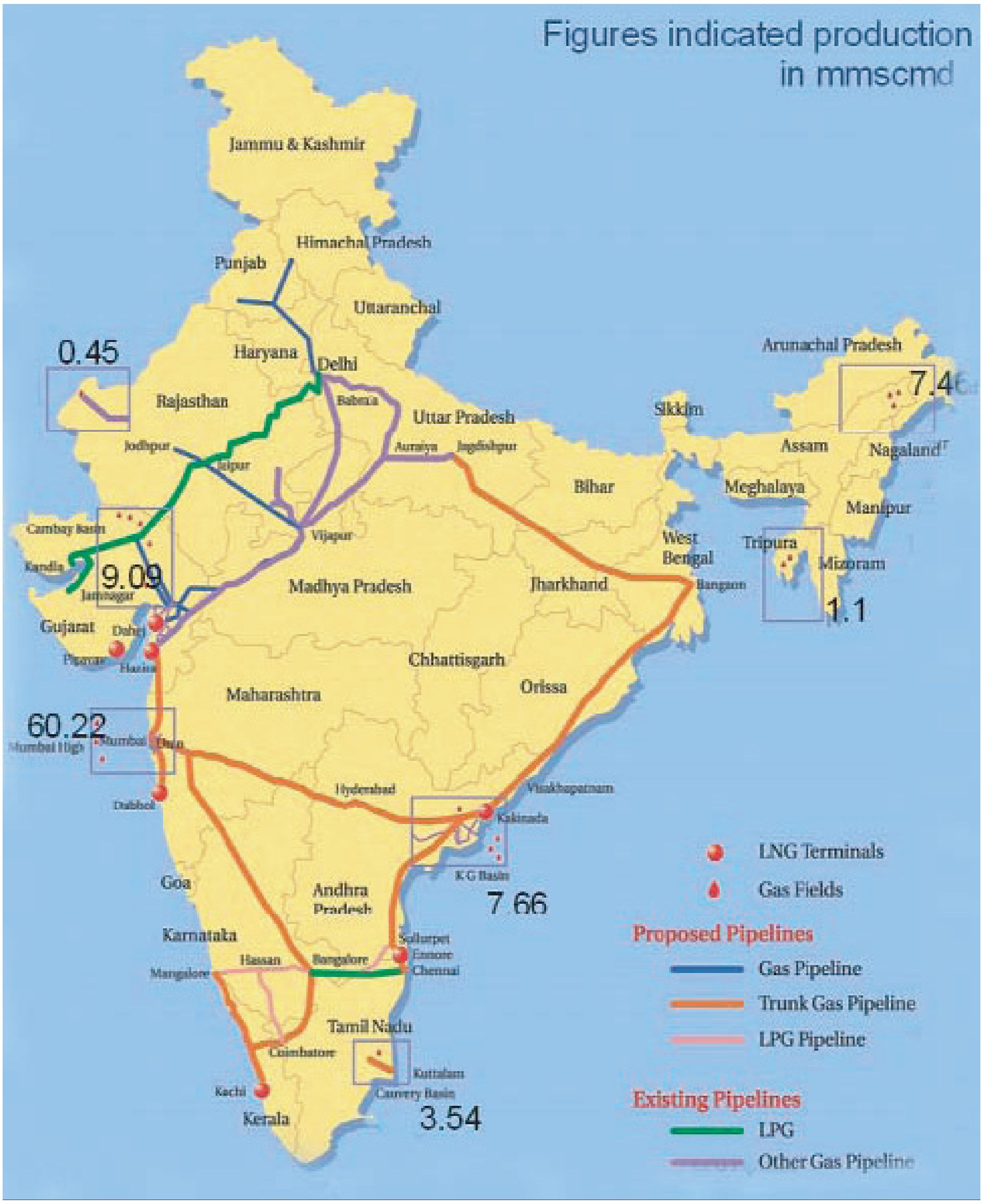


Source: Hydrocarbon Vision 2025, a Ministerial Group set up by GOI

Natural Gas in India

Natural Gas is primarily produced in India from fields located in Western India in the states of Maharashtra and Gujarat. The gas produced from Maharashtra is partly consumed within the state of Maharashtra itself, with the balance being transported to Hazira in Gujarat for further processing and transportation. The gas produced from Gujarat along with the gas processed at Hazira is supplied to various customers located along a pipeline between Gujarat and North India. This pipeline, known as ''HVJ'' is owned and operated by GAIL, a company controlled by the GOI, and has been augmented with two new pipelines owned by GAIL — (i) DVPL a 610 km long pipeline between Dahej to Vijapur, which runs almost parallel and very close to existing HVJ pipeline and (ii) Dahej-Uran pipeline, a 475 km network between Gujarat and Maharashtra. Most other parts of India have not had access to piped gas supplies so far and therefore demand in these areas is difficult to quantify.

The initial gas pipeline network described above is being expanded into what is called a ''National Gas Grid'' — initially planned by GAIL, but now being joined by several other companies including Reliance and GSPL. Reliance is currently building a pipeline from its gas field located on the east coast of India to connect to the Gujarat and HVJ pipelines and has plans to build a pipeline between its gas field to the Northern Indian region. GSPL has constructed a pipeline network in Gujarat and intends to extend the same to Rajasthan. GAIL is constructing an extension of its HVJ pipeline to connect to the states of Punjab and later to Rajasthan. A map of the existing and proposed gas pipelines in India is depicted on the following page.



Source: KPMG

In addition to the above pipelines, GAIL is negotiating with Iran and Pakistan to build a proposed multi-national pipeline called ''IPI'' to be built between India and Iran through Pakistan. If finalised, this pipeline is expected to pass through the Block and it is probable that the Participants will rely on this to supply the gas produced from the Block to the rest of the country. If this pipeline does not materialise, the Company could potentially build its own pipeline or it may contract with GAIL/other parties to build the same. iServices and Newbury signed a term sheet with GAIL on 2 November 2007 (as amended), pursuant to which, subject to the fulfilment of certain conditions precedent, GAIL is obliged to build a pipeline between the SGL field and an existing gas-based power plant located in Ramgarh, Rajasthan. Currently this power plant is being supplied with gas by GAIL from a small gas field located in northern Rajasthan.

In addition to domestic production of gas and the possible import of piped gas from overseas, India has recently started importing large quantities of LNG from Middle Eastern countries, which is delivered in ships at LNG terminals located on the west coast of India at Dahej and Hazira in the state of Gujarat, where it is re-gassified and transported over the pipelines described above. During 2006-07, LNG imports were 23 MMscm/d against total consumption of gas of 96 MMscm/d *(source: infraline.com)*.

Natural Gas — Pricing

Currently, gas is sold in India at different prices and there is a wide gap between the price of administered gas supplies and the prevailing market rate. A large portion of the gas produced by GOI owned companies is sold at administered prices of INR 3200 per MScm plus transport charges (approximately US$2.27 per MMBtu) to priority consumers. However, APM gas quantities are declining. Whilst APM represents 60 per cent. of the total gas available at present, its share is likely to decrease to around 15-20 per cent. by 2011-12. Accordingly, the share of market priced gas is expected to increase.

Recently, some medium to large gas fields have been discovered on the Indian east coast, which along with the discoveries from the Block should add significantly to market priced gas supplies. A recent contract involving GAIL in respect of a large quantity of gas purchased from the Panna-Mukta-Tapti field in Western India is reported to have been priced at US$5.70/mmbtu (plus transportation). By comparison, LNG imports are being made at $10 to $16/mmbtu in the spot market. A large Indian LNG importer, Petronet, has estimated that, from January 2009, gas from LNG imports is unlikely to cost less than $9-10/mmbtu.

Due to the non-availability of piped gas in large areas of India, various industrial and commercial users located in these regions have no option but to consume oil based fuels. Switching from oil based fuels to natural gas is expected to lead to cost savings and efficiencies for these consumers. As a result, several Indian gas marketing companies, including GAIL, Adani Energy, GSPC and Gujarat Gas, are actively targeting consumers of oil based fuels. Some of these companies have started building city gas distribution infrastructure in various cities across India so that they can provide gas for domestic consumption and transportation, in addition to providing supply to industrial and commercial users.

As a further innovation, Indian Oil Corporation, India's largest oil product retailing company, has started a project entitled ''LNG at doorstep'', delivering LNG through trucks to industrial consumers to overcome pipeline connectivity.

Due to lower carbon dioxide emissions, some industrial consumers switching to gas as a primary fuel may potentially now earn carbon credits from Clean Development Mechanism (''CDM'') projects under the Kyoto Protocol. The CDM has been put in place to encourage the transfer of low carbon technology to developing countries which might otherwise not be able to afford it. Generally, total carbon dioxide emissions in developed countries are far in excess of those in most developing countries. A company in a developing country can therefore sell carbon credits produced from implementing a UN approved CDM project, with each tonne of carbon dioxide not emitted equating to one credit called a Certified Emission Reduction (''CER''). Each CER has a current market value of between €8-€14 (with higher prices of around €17 in the secondary market).

The Directors believe that, for the reasons given above, gas will have a competitive advantage over oil in the long term as gas becomes more widely available and consumers switch from oil based fuels to gas.

Indian Licensing and Fiscal Regime

The Indian Government's New Exploration Licensing Policy, provides equal upstream opportunities for companies in both the private and public sectors. It was formulated by the GOI to encourage Indian and foreign companies to undertake exploration and production activities. Prior to NELP (''pre-NELP''), certain oil and gas blocks were awarded to private exploration companies in competitive bidding, however with the condition that a GOI owned oil company would act as licensee of the awarded block. In NELP rounds, both private companies and GOI owned companies are able to compete on equal footing. The Block RJ-ON/6 was awarded to Focus in a pre-NELP round.

The fiscal regulations governing participation in both NELP and pre-NELP rounds have many attractive features, including:

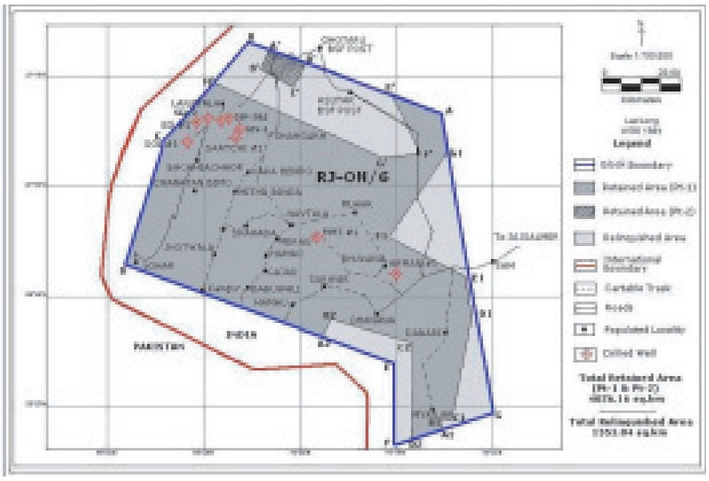
- fiscal stability provision in the contract;
- no payment of signature, discovery or production bonus;
- no customs duty on imports required for petroleum operations;
- exemptions and benefits from the taxes and duties on domestic supplies used in petroleum exploration;

- freedom for the operator to market oil and gas in the domestic market at market determined prices;
- biddable cost recovery limit of up to 100 per cent.;
- sharing of profit petroleum based on investment multiple achieved by the operator;
- income tax holiday for seven years from start of commercial production;
- direct participation in the exploration by foreign companies and 100 per cent. foreign investment in various oil and gas related activities through automatic route with no restriction on repatriation of profits or sales revenues out of India.

The seven year income tax holiday is available for profits from commercial production of ''mineral oil'' under Indian Income Tax Act. While the tax section, pursuant to which this seven year tax holiday is available, is silent on the definition of ''mineral oil'', several other sections in the Indian Income Tax Act define ''mineral oil'' to mean ''Petroleum and Natural Gas''. However, the Indian Income Tax authorities have been contesting before the courts that the words ''mineral oil'' do not include natural gas for the purposes of the seven year tax holiday and accordingly, the profits derived from commercial production of natural gas should be taxable. In the recent 2008-09 Indian budget proposals, a note to the Income Tax Act (without any legal force, as admitted by the finance minister of India during the debate on these budget proposals), the term ''mineral oil'' was sought to be clarified to exclude Natural Gas. It is understood by the Directors that the Indian Ministry of Petroleum has held discussions on this issue with the Prime Minister of India, who has directed the Petroleum Ministry to start consultations with the Ministries of Law and Finance to clarify the definition of ''mineral oil''. The Petroleum Ministry has already extended the last date for bidding for the NELP-VII round of bidding in respect of 57 blocks to allow for clarity on this issue, because in various presentations and notices for bidding in previous rounds, the Petroleum Ministry had highlighted the availability of this seven year tax holiday for petroleum *and* natural gas.

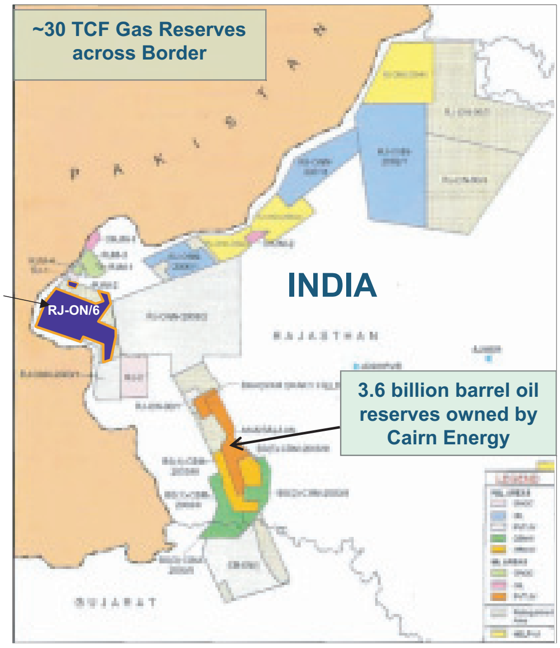
Block RJ-ON/6

The on-shore Block RJ-ON/6, operated by Focus, is located in north western India in the state of Rajasthan and currently covers an area of approximately 4,026 km^2.



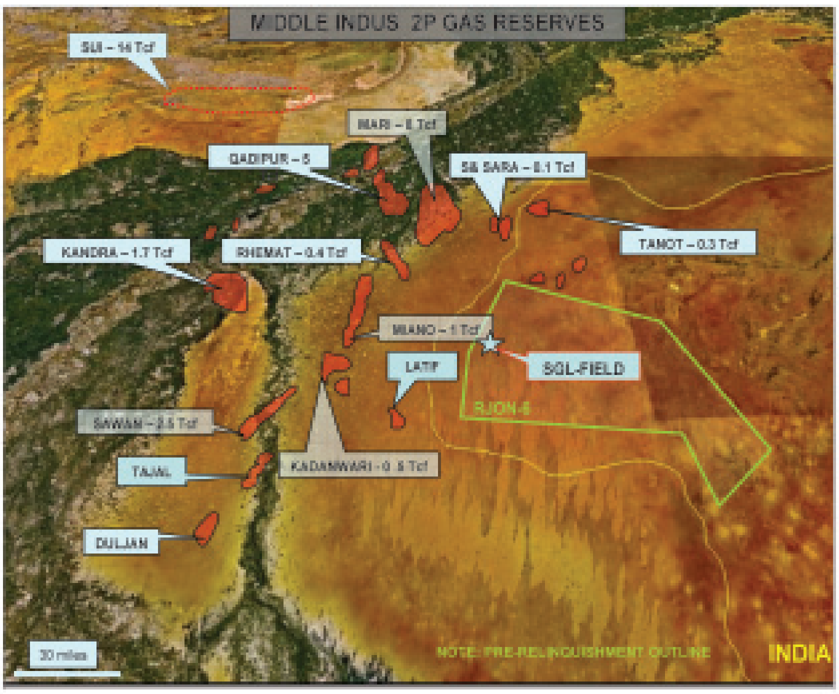
Map of RJ-ON/6 Block

Indus Basin (Source: USGS)



Regional Exploration Map (Source: DGH)

The Block is part of the Indus Basin, which straddles eastern Pakistan and western India. As stated in the CPR, the Indus Basin is a proven and producing hydrocarbon province, encompassing an area of approximately 160,000 km^2. More than 90 oil and gas fields have been discovered to date in the Basin, mostly on the Pakistan side of the border, whilst the Indian side has remained somewhat under-explored. There are several discovered and producing gas fields in this Basin including Sui, Quadipur, Mari, Sawan, Miano and Kadanwari. These fields are located within a short distance of the western boundary of the Block. On the eastern side, the Block shares a boundary with a 13,195 km^2 block RJ-ONN-2003/2, which in turn shares a boundary with a block, RJ-ON-90/1, owned by Cairn Energy Plc (''Cairn''), where Cairn has announced several large oil discoveries and is expected to commence oil and gas production soon. The Block also shares a boundary on the south side with a block, RJ-ONN-2003/1, owned by Cairn and ENI, which is currently being explored. The north side of the Block contains existing gas producing fields owned by ONGC and Oil India Limited.



(Location map and nearby mid-Indus gas fields)

Competent Person Report

The Company has commissioned an independent Competent Person's Report by TRACS, which is set out in full in Part IV of this Document and describes in detail the geology, reserves and resources volumes, other leads and plays, NPV10 values for the reserves, contingent resources & prospects, gas marketing, budgets and timeline relating to the Block. TRACS, for the purpose of reporting SGL field reserves, has relied on an earlier independent report issued by D&M, which is included in this Document as an appendix to the CPR. TRACS has confirmed that it is not aware of any material change in the figures stated in the report issued by D&M as at the date of this Document.

A summary of the gas volumes reported by TRACS is set out below, Please refer to Part IV of this Document for full definitions of terms.

1P+2P Reserves		**90% Interest**		**63% Interest**		
Asset	**Gross Volumes(1)**	**Net Entitlement(2)**	**NPV10 $MM**	**Net Entitlement**	**NPV10 $MM**	**Risk Factor**
	Bscf	bcf	bcf	bcf	$MM	
SGL	160	123	$266	86	$186	NA

P50 Contingent Resources		**90% Interest**		**63% Interest**		
Asset	**Gross Volumes**	**Net Entitlement**	**NPV10 $MM**	**Net Entitlement**	**NPV10 $MM**	**Risk Factor(3)**
	Bscf	bcf	bcf	bcf	$MM	
SSF	369	257	$660	180	$462	0.800

P50 Prospective Resources		**90% Interest**		**63% Interest**		
Asset	**Gross Volumes**	**Net Entitlement**	**NPV10 $MM**	**Net Entitlement**	**NPV10 $MM**	**Risk Factor(4)**
SFT-1/L	170	107	$260	75	$182	0.302
SFT-2/L	154	96	$236	67	$165	0.096
SFT-3/L	149	88	$226	62	$158	0.206
SFT-4/L	161	96	$251	67	$176	0.147
Total Risked	121	74	$185	52	$129	

NPV Values for P50 Volumes — 90% and 63% Interest

Notes:

(1) Gross Reserves are reserves attributable for the licence block excluding CO_2 except to the extent permitted within sales gas contracts.

(2) Net Entitlement Volumes are gross recoverable volumes adjusted for working interest and government profit gas take and are net of the volumes which may not be commercially sold.

(3) The Geological Chance of Success (GCoS) of Contingent Resources is 100%. ''Risk Factor'' for these resources means the estimated chance, or probability, that the volumes will be commercially extracted, which is contingent on a flow test.

(4) ''Risk Factor'' for Prospective Resources, means the chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface. This, then, is the chance or probability of the Prospective Resource maturing into a Contingent Resource.

In order to make a proper assessment of the reserves, investors should not rely solely on this summary information but should read the whole of this Document, including the Competent Person's Report set out in Part IV of this Document and the report issued by D&M set out in the appendix to the CPR.

Production Sharing Contract

The Group holds a 90 per cent. Participating Interest through its wholly owned subsidiaries, iServices and Newbury, under the terms of the PSC. The Block was awarded to Focus by the GOI during 1998 under an international competitive bidding process constituted in the sixth pre-NELP bidding round. On 13 January 2006, Focus assigned a 65 per cent. Participating Interest to iServices and a 25 per cent. Participating Interest to Newbury. Focus is the operator of the Block and has retained a 10 per cent. Participating Interest in the Block. The PSC became effective on 21 August 1999, being the date on which the PEL was granted to ONGC. An extension of 18 months was granted (without set-off against the exploration period) and accordingly phase one of the seven year exploration phase commenced on 21 February 2001.

The Block area was initially 5,378 km^2 of which 1,352 km^2 was relinquished under the terms of the PSC at the end of the first of three exploration phases leaving a Block area of 4,026 km^2. Upon expiry of the second phase (on 20 August 2007) the Participants were entitled to retain 25 per cent. of the Block under the terms of the PSC. However, the GOI permitted the Participants to retain the entire area of 4,026 km^2, and has accepted this as the ''discovery area'' for the purposes of the PSC.

SGL was declared a discovery in May 2006 and SSF was declared a discovery in February 2008. The SGL discovery area has been tested and was declared as ''commercial'' on 22 January 2008, pursuant to which about 195 km^2 area has been proposed as a ''development area''. The Operator is required to submit a field development plan for this development area by 21 January 2009. Upon approval of the field development plan and the extent of the area of the development by the Management Committee, the area approved will be known as SGL Field and the Participants can develop and produce hydrocarbons from SGL until the termination of PSC. The SSF discovery is yet to be appraised. The Participants plan to test the SSF discovery during 2008.

Under the PSC, following expiry of the three phases of the exploration period, the Participants may retain only the development areas and the discovery areas. The third phase of the exploration period expired on 20 February 2008 and the PEL stands expired. However, the Operator has requested an extension of 297 days (until 13 December 2008) on account of excusable delays in extending the PEL in accordance with the terms of the PSC. DGH has recommended the Operator's request for this extension to the GOI and a decision from the GOI is awaited. Under the terms of the PSC, the Participants are eligible for a further 2½ year exploration period to complete appraisal of the discoveries made in discovery areas.

The Company has recently submitted an appraisal plan covering an aggregate discovery area of 3,200 km^2 in respect of the SGL and SSF discoveries. Upon approval of the appraisal plan by the Operating Committee and Management Committee, this area of 3,200 km^2, as reduced by the area approved as the ''SGL Field'', will be declared as an ''appraisal area''.

Should the 297 day extension be granted by the GOI, the Participants can retain the discovery and appraisal area until June 2011. The Participants can request further time for the appraisal of the SSF discovery as, under the PSC, the Operator is allowed to declare commerciality within 5 years from the date of discovery. Considering that the SSF discovery was notified in February 2008, the Directors believe that it may be possible to retain the appraisal area for the SSF discovery until February 2013.

The PSC is due to expire in August 2024, but can be extended by mutual agreement for a further five years or, in the case of commercial production of non associated natural gas (''NANG''), for a period of up to ten years. Provided that NANG is produced from the Block (and it is the Directors' belief that it will be) on a commercial basis, the PSC is likely to be extended until August 2034.

The PSC requires that the gross revenue from oil or gas sold is split into Cost Oil/Gas and Profit Oil/Gas. Cost Oil/Gas is that proportion of the revenue which is required to cover the costs incurred by the Participants under the PSC. These consist of production costs, exploration costs and development costs and are all recoverable at a rate of 100 per cent. Unrecovered costs can be carried forward indefinitely. The remainder, the Profit Oil/Gas, is then split between the GOI and the Participants. The apportionment of the Profit Oil/Gas is determined by reference to an investment multiple, which is based on the previous year's activity. The investment multiple is the net revenue (gross revenue less Profit Oil/Gas paid to the GOI minus production costs, less a deduction for notional tax) generated by the Participants (excluding ONGC) divided by the total of exploration and development expenditure by the Participants (excluding ONGC). A summary of this arrangement of sharing Profit Oil/Gas is as follows:

Investment Multiple	Participants Share	GOI Share
< 1.0	100	0
≥1.0 but < 1.5	90	10
≥1.5 but < 2.0	75	25
≥2.0 but < 2.5	65	35
≥2.5 but < 3.0	55	45
≥3.0 but < 3.5	35	65
≥3.5	25	75

The Licensee

ONGC, which is a GOI owned company, is the Licensee of the Block. ONGC is required to pay 100 per cent. of applicable royalty, cess taxes and licensing fees in respect of the revenues derived from the Block. In accordance with the terms of the PSC, ONGC, as a GOI nominee, can acquire a 30 per cent. Participating Interest in each discovered field and such right can be exercised within 90 days of the declaration of commerciality in respect of each discovered field, without ONGC paying any of the past costs incurred in respect of the field. Commerciality has been declared for one discovery to date; (SGL) which was declared commercial on 22 January 2008. Under the terms of the PSC, ONGC had until 21 April 2008 to exercise its back-in rights in respect of this field. However, following a request from ONGC, the Participants have granted ONGC until 5 June 2008 (or such longer period as the parties may agree) to determine whether it wishes to exercise its rights. If the Participants have not received notice from ONGC on or before 5 June 2008, the option will lapse. However, if this right is exercised, the Group participating interest will be reduced to 63 per cent in respect of the SGL field and ONGC will remain responsible for its liability to pay applicable royalty, cess taxes and licence fees. Focus, on behalf of itself and the Group, has made a proposal to ONGC under which the Participants will pay all applicable royalties, cess taxes and licence fees that are currently the obligation of ONGC in return for ONGC waiving their back-in rights in full in respect of all existing and future discovered commercial fields. This proposal is being considered by ONGC and may be rejected or accepted in full or with such modified terms as the parties to the PSC may agree.

Management & Operation of the Block

Focus is the Operator of the Block and has a 10 per cent. Participating Interest in the Block. Focus is owned by Mr. Ajay Kalsi. The 10 per cent. interest owned by Focus is the minimum Participating Interest it must maintain as the Operator of the Block, save that if the GOI exercises its 30 per cent. option, Focus can remain as the Operator notwithstanding that its Participating Interest would be reduced to a minimum of 7 per cent. Focus has over 7 years' operating experience and currently operates a total of four substantial on-land/offshore oil and gas blocks in India. As the Operator, Focus has day to day responsibility for conducting the operations in the Block.

Under the terms of the PSC, a management committee must be formed to review the proper performance of petroleum operations in respect of the Block. The GOI (through the DGH) along with the ONGC has the right to nominate three out of six members to the Management Committee and all decisions of the Management Committee require unanimous approval of these three members. The remaining three members are nominees, appointed by Focus, iServices and Newbury.

The Management Committee has extensive approval rights over certain matters under the PSC, including the annual work programme and budgets for development/production, proposals for appraisal programmes, the development plans, approvals, delineation and modification of field/development areas, the appointment of auditors, the collaboration with licensees or contractors of other areas, claims and settlements, proposals regarding abandonment, extension of the Exploration Period and security over petroleum assets, reserves or production of petroleum.

The Group, Focus and ONGC each appoint representatives to the Operating Committee constituted under the Operating Agreement which governs the operations of the Block and the rights and obligations of the respective participants.

Operating Agreement

Focus has been designated as the sole operator of the Block under the terms of the Operating Agreement entered into on 30 June 1998 (as amended) and made between Focus, iServices, Newbury and ONGC. Focus may be replaced as the Operator in accordance with the terms of the Operating Agreement.

Under the terms of the Operating Agreement, all operations are to be conducted by the Operator for and on behalf of all Participants in accordance with the policies, programmes and budgets approved in accordance with the provisions of the PSC and in accordance with generally accepted petroleum industry practice.

The operations carried out by the Operator are coordinated by the Operating Committee, which provides direction, control and administration for such operations. All parties to the Operating Agreement have the right to be represented on the Operating Committee. The Operator is subject to various restrictions on the amount of costs which it can incur without reference to the Operating Committee.

All assets acquired by the Operator in order to undertake joint operations are owned by the Participants in proportion to their respective contributions to the costs of acquisition of such assets. Costs and expenses borne by the Operator for joint operations in respect of the Block are to be borne by the Participants in proportion to their Participating Interests.

Where a Participant is in default of a cash call, such party has the right to remedy its default up to the time of reduction of its Participating Interest by making payment of the amount due together with interest thereon calculated at LIBOR plus 2 per cent. per annum if payment is made within one month, and thereafter with interest at the average prevailing LIBOR rate throughout each subsequent month plus 2 per cent., such interest being compounded monthly. If default of a cash call continues for not less than 30 Business Days from the date of the first written notice of default, the non-defaulting parties may exercise all the powers and rights of the defaulting party with respect to the joint operations, including participating in the Management Committee and the Operating Committee. If the default continues for more than 90 days from the due date (''**Default Period**''), a proportion of the defaulting party's Participating Interest shall be forfeited to the non-defaulting parties willing to accept such interest. If the defaulting party forfeits 50 per cent. or more of its Participating Interest, such party may, at the discretion of the willing non-defaulting parties, forfeit all of its Participating Interest to the willing non-defaulting parties. In the event the Participating Interest of the defaulting party falls to less than 10 per cent., the non-defaulting parties shall assume such Participating Interest of the defaulting party.

Subject to certain provisions of the PSC, the approval of the GOI and applicable rights of pre-emption, each Participant has the right at any time to transfer and assign to an affiliate its rights in the Block under the Operating Agreement provided the assignee assumes all of the transferring Participant's obligations in this regard.

Development Status & Work Programme

As at the date of this Document, the Participants have completed the following work programme in respect of the Block:

(i) acquisition/processing and interpretation of 623 LKM of 2D Seismic & 290 km^2 of 3D Seismic;

(ii) the acquisition of additional 46 km^2 of 3D Seismic as of May 2008;

(iii) reprocessing of 4,700 LKM of existing 2D Seismic;

(iv) drilling 9 exploratory wells with a total aggregate depth of 26,105 m. A tenth exploratory well drilling is in progress and as of the date of this Document, has been drilled to a depth of over 3,400 m.

Pursuant to the PSC, the Participants are obliged to drill 4 wells in during phase III of the exploration period. Notwithstanding this, the Participants have drilled only 3 wells. However, on 6 May 2008, the Operator notified DGH that the Participants have completed all of the minimum work programme in accordance with the terms of the PSC, considering the set-off of one extra well drilled during phase II of the exploration period and the extra metres drilled in each of the 3 wells drilled during phase III of the exploration period. The Directors understand that under GOI policy set off is generally permitted. If the GOI confirms this set-off, it is expected that the minimum work programme as required under the PSC will be considered to have been completed.

The Block contains two on-shore gas discovery areas, SGL and SSF, and the Participants will commence the development of the SGL discoveries shortly after Admission. The Directors expect saleable production to start from the SGL field during the second half of 2009.

The Participants are required to submit a field development plan (''FDP'') for the SGL field before January 2009 and when this FDP is approved by the Management Committee, the Participants will commence installing a gas dehydration and processing plant and infrastructure to commence the gas supplies.

During April 2008 to March 2009, the Participants intend to consider undertaking the following work programme to the extent permitted by the PSC and subject to the availability of funds:

(i) commencement of development of SGL field;

(ii) testing and commencement of appraisal of SSF discovery;

(iii) drilling of exploratory wells in the prospects identified in the CPR;

(iv) acquisition of an additional 400 km^2 of 3D seismic data in the Block; and

(v) processing and interpretation of acquired 3D seismic data.

Marketing

The Group (through its wholly owned subsidiaries) and along with Focus, has entered into a term sheet with GAIL for gas supplies of around 33 MMscf per day, which will be delivered to an existing power plant located in Ramgarh, Rajasthan. Pursuant to the agreed terms, GAIL, at its own cost, will install a pipeline between the SGL field and Ramgarh within 10 months of the satisfaction of certain conditions precedents which under the term sheet are expected to be satisfied by 15 June 2008 or such longer period as may be agreed. GAIL has agreed to a ''Take or Pay'' obligation with respect to 7 MMscf/day of gas beginning 10 months after the date of satisfaction of the conditions precedent with the balance beginning 24 months after the date of satisfaction of the conditions precedent. As the basic contract period runs until 29 June 2023, it will translate into total net gas sales of approximately 131 bscf, as against 160 bscf of gross reserves from the SGL field. The term sheet (as amended) provides for mutual discussions between the parties to take place in respect of the sale and purchase of any additional gas from the Block on such terms as may be agreed from time to time.

The Directorate of Petroleum of Rajasthan has stated that a number of companies, including Gujarat Gas Company Ltd., Haryana City Gas Distribution Ltd, Adani Energy Ltd, GSPCL, GAIL, Indraprastha Gas Ltd, Mahanagar Gas Ltd, Indian Oil Corporation Limited, Bharat Petroleum Corporation Ltd, Reliance and Shell India have submitted a proposal to the state government in order to establish a gas grid and city gas distribution in Rajasthan state. The Group plans to market its gas to these companies.

The Company also plans to promote the use of gas by industrial and commercial consumers located in Rajasthan, which are currently using oil-based fuels, as it is expected that these consumers will be in a position to pay an equivalent price for the gas to that paid for oil. In view of the gas supply shortage in India and the likely benefits that these consumers will derive from use of gas instead of oil-based fuels, the Board believes that the Company will be able to sell the gas owned by it at competitive prices.

Financing Strategy

In addition to raising the proceeds from the Placing, the Company is negotiating a reserve based lending facility of up to $150 million from a major international lender which is contingent on the satisfaction of conditions precedent in the GAIL term sheet (as amended) described above, market conditions, credit committee approval and satisfactory loan documentation. The Directors believe that the terms of this facility are reasonable given the current state of the financial markets. The amount which may be drawn down will be calculated and limited to a percentage of the net present value of the contracted gas supplies. The security package will require pledges by the Company of the shares of its subsidiaries. Similar debt financing may be available based on future oil and gas reserves in respect of which the Group is able to enter into firm sales arrangements.

The Company will also consider raising additional equity capital as needed for any future capital requirements and other opportunities including exploration within the Block and the potential farm-in of other oil and gas blocks that may be offered to the Group.

Financial Information

The Company was incorporated on 4 March 2008 and on 5 May 2008 it entered into a share exchange agreement for the acquisition of 100 per cent. of the issued shares of iServices and Newbury in consideration for issuance of 167,670,000 shares of the Company to Gynia. The share exchange agreement was completed and 167,670,000 Ordinary Shares were issued to Gynia on 27 May 2008.

In order to make a proper assessment of the results and financial position of the Company, investors should not rely solely on the summary information set out below but should read the whole of this document, including the complete accountants' reports set out in Part VI.

Set out below is a combined summary of the historic financial information of iServices and Newbury for the three year period ended 31 March 2007 and the unaudited six month period to 30 June 2007 which has been extracted without material adjustment from the accountants' report set out in Part VI of this document.

	Six months to 30 September, 2007	Year ended 31 March, 2007	Year ended 31 March, 2006	Year ended 31 March, 2005
	($)	($)	($)	($)
Profit & Loss Account				
Revenue	—	—	—	—
Loss before tax	(100,172)	(181,838)	(282,672)	(269,120)
Loss after tax	(100,172)	(181,838)	(282,672)	(269,120)
Balance Sheet				
Non Current Assets	45,894,931	36,678,185	24,471,572	13,955,227
Current Assets	11,666,097	11,288,253	6,713,963	4,994,509
Non Current Liabilities	311,200	197,092	112,404	63,389
Current Liabilities	34,458,856	24,878,202	27,090,422	19,426,482
Equity	22,790,972	22,891,144	3,982,709	(540,135)

Since 30 September 2007 to the date of this document, iServices and Newbury have incurred an estimated additional cost of approximately around US$ 10 to 11 million of non-current assets, which include expenditure on exploration and development costs in the Block. Generally, under the terms of the PSC, the costs incurred by the Group on exploration and development in the Block are recoverable as Cost Oil/Gas in addition to the Group's share of future Profit Oil/Gas.

Set out below is a summary of the unaudited financial statements of the Company as of 10 May 2008 which has been extracted without material adjustment from the accountants' report set out in Part VI A of this document.

Balance Sheet	**($)**
Current Assets	33,550
Current Liabilities	(669,000)
Net Liabilities	(665,450)
Represented by:	
Shareholder's equity	0
Accumulated Losses	(665,450)
Total Shareholder's equity	(665,450)

In order to finance the current liabilities stated in the summary above and the costs incurred and to be incurred by Focus on behalf of the Group during the period beginning on 1 October 2007 and ending on 31 May 2008, the Group has entered into a financing arrangement with Focus, whereby Focus has agreed to defer the payment of outstanding liabilities due to Focus from the Group. Pursuant to these arrangements, the Group will be required to repay the amount of outstanding liabilities due to Focus as of 31 May 2008, on or before 30 September 2008, provided the Group will not be required to utilise the proceeds of the Placing for payment of these outstanding liabilities. The Group plans to repay this amount from the proceeds of the reserve based lending facility being negotiated as described in the section entitled ''Financing Strategy'' of this Part I.

As an interim arrangement, Focus has arranged a debt with its bankers, primarily secured against assets owned by Focus and Mr. Ajay Kalsi and a charge on the Group's share of future receivables from the sale of up to 7 MMScf/d of gas to GAIL under the term sheet described in paragraph 10 of Part VII of this Document, whereby Focus will be able to draw a maximum amount of INR 820 million (equivalent to approximately US$20.5 million), of which the Group will repay 90 per cent. over the next 6-7 years out of its future gas sales revenues. The Group can also elect to prepay this amount at any time. 90 per cent. of the amount drawn by Focus under the aforesaid debt facility from time to time will be set off against the outstanding liabilities due to Focus.

If the Group is unable to repay the balance of the outstanding liabilities or before 30 September 2008 after the set-off described above, Focus shall have the option (subject to certain conditions) to convert the outstanding amount into a five year loan. This right is contained in the amendment agreements described in paragraph 10.2 of Part VII of this Document.

The debt facility under negotiation, if entered into, will provide funds for the settlement of the remaining outstanding liabilities due to Focus and provide scope for activities beyond that currently planned. The Directors believe that the existing and proposed funding arrangements can see the Company through to production.

Reasons for the flotation and use of proceeds

The Directors are seeking Admission to AIM in order to raise funds to part finance the exploration, appraisal and development of its hydrocarbon assets, including appraising and developing the SGL and SSF discoveries, installing gas processing facilities acquiring additional 3D Seismic and drilling of additional exploratory wells to the extent permitted under the PSC and available funds. The Placing Proceeds will further provide the Group with additional working capital to execute its business strategy outlined in this Part I. It is anticipated that Admission will raise the Company's profile, give it access to capital markets and help diversify its shareholder base.

Dividend Policy

The Directors currently propose to re-invest the Group's earnings to finance the growth of the business in the short to medium term and intend to commence the payment of dividends only when they consider it to be commercially prudent to do so, having regard to the availability of the Group's distributable profits and the retention of funds required to finance future growth.

Control by significant shareholder

Upon completion of the Placing, Gynia will have an interest in approximately 89.4 per cent. of the Enlarged Share Capital. Gynia will therefore be able to exercise significant influence over certain corporate governance matters requiring shareholder approval, including the election of directors and the approval of significant corporate transactions and any other transactions requiring a majority vote.

The Company, Arden Partners, Gynia and Mr Ajay Kalsi have on the date of this Document entered into a relationship agreement to regulate the arrangements between them following Admission. The relationship agreement applies for as a long as Gynia directly or indirectly holds in excess of thirty per cent. of the issued share capital of the Company and the Company's shares remain admitted to trading on AIM. The relationship agreement includes provisions to ensure that:

(i) the Board and its committees are able to carry on their business independently of the personal interests of Gynia;

(ii) the constitutional documents of the Company are not changed in such a way which would be inconsistent with the relationship agreement;

(iii) all transactions between the Group and Gynia (or its affiliates) are on a normal commercial basis and at arm's length;

(iv) in the event of a conflict of interests between Gynia and the Board, no person who is connected with Gynia is appointed as a Non-Executive Director of the Company and no existing Non-Executive Director is removed as a director of the Company unless such appointment or removal has been previously approved by the nomination committee of the Board and that to the extent that any recommendation of the nomination committee concerning the composition of the Board which has been approved by the Board requires the approval of the shareholders of the Company then Gynia will vote its Ordinary Shares in favour; and

(v) certain restrictions are put in place to prevent interference by the Shareholder with the business of the Company.

The Board of Directors

The Board comprises two executive directors and two non-executive directors, both of whom are considered to be independent. Brief biographies of the Directors are set out below.

Mr Ajay Kalsi, founder and CEO (aged 47)

Mr. Kalsi is a successful businessman from India who has established and built a portfolio of companies in a range of business sectors including oil and gas, footwear premium brands (Barker & Barker Black), commodity trading, real estate and business process outsourcing. He has international business experience and over seven years of oil and gas industry experience with various oil and gas assets in India (both onshore and offshore), including acting as the operator on these blocks. He holds a M. Phil in Economics from Cambridge University and a BSc (Economics) from the London School of Economics.

Mr John Scott, CFO (aged 49)

Mr Scott entered the oil industry in 1980 with the British National Oil Corporation and worked in a variety of technical and commercial roles. Following an MBA at London Business School, he joined the energy group of Citibank and subsequently gained corporate finance experience at ABN Amro and Standard Bank. Mr Scott returned to the industry with Halliburton in a senior financial role and has been finance director of the Toronto Stock Venture Exchange listed Exile Resources Inc.

Mr Marc Holtzman, independent non-executive chairman (aged 48)

Mr. Holtzman has recently been appointed as Managing Director and Vice Chairman of Barclays Capital in London. He has over two decades of International business, financial, political and public service experience across America, Russia and Eastern Europe, in various capacities, including being co-founder of MeesPierson EurAmerica (later acquired by ABN Amro) and Vice-Chairman of ABN Amro in London, senior adviser to Salomon Brothers, several partnerships in Kazakhastan financial sectors, president of the University of Denver, Secretary of Technology of Colorado State and senior positions in various committees and non-profit organizations. He holds a BA in economics from Lehigh University.

Mr John Behar, independent non executive director (aged 38)

Mr. Behar has over 14 years' financial services and investment banking experience, most recently involved in listings on the Luxembourg Stock Exchange for Indian mid-market companies, as well as private equity transactions across a range of countries and deal sizes. He is the founder and MD of Prospect Capital, a London based corporate finance advisory firm and is the Chief Executive of PL Capital, an international investment banking joint venture with Prabhudas Lilladher, one of India's oldest institutional brokerages and has also acted as a consultant to ICICI Bank UK, part of the major Indian banking and private equity group. Mr. Behar holds a finance MBA from Cass Business School.

The board is supported by an advisory team consisting of Paul Fink (Exploration Adviser and previously VP Exploration — OMV AG) and Vikas Agarwal (VP M&A — Focus Energy Limited). It is the Company's intention to augment the senior management team in due course with skilled geological/geophysical and exploration team members.

Corporate Governance

The Directors recognise the importance of sound corporate governance and intend for the Company to comply with the main provisions of the QCA Guidelines insofar as they are appropriate given the Company's size and stage of development.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. Following Admission, the Directors intend to hold Board meetings at least quarterly and at such other times as they deem necessary. The Board will create a remuneration committee, an audit committee and a nomination committee with effect from Admission.

The audit committee will initially consist of John Behar as chairman and Marc Holtzman. It will meet at least twice each year and will be responsible for ensuring that the financial performance of the Group is properly monitored and reported on and for meeting with the auditors and reviewing findings of the audit with the external auditor. It is authorised to seek any information it properly requires from any employee and may ask questions of any employee. It will meet with the auditors once a year without any members of management being present and is also responsible for considering and making recommendations regarding the identity and remuneration of such auditors.

The remuneration committee will initially consist of Marc Holtzman as chairman and John Behar. It will meet at least once each year and will consider and recommend to the Board the framework for the remuneration of the executive directors of the Company and any other senior management. It will further consider and recommend to the Board the total individual remuneration package of each executive director including bonuses, incentive payments and share options or other share awards. In addition, subject to existing contractual obligations, it will review the design of all share incentive plans for approval by the Board and the Company's shareholders and, for each such plan, will recommend whether awards are made and, if so, the overall amount of such awards, the individual awards to executive directors and the performance targets to be used. No director will be involved in decisions concerning his own remuneration.

The nomination committee will initially consist of Marc Holtzman as committee chairman and John Behar. The nomination committee will meet at least once each year and will consider the selection and re-appointment of Directors. It will identify and nominate candidates to all Board vacancies and will regularly review the structure, size and composition of the Board (including the skills, knowledge and experience) and will make recommendations to the Board with regard to any changes.

The Company has adopted a share dealing code (based on the Model Code) and the Company will take all proper and reasonable steps to ensure compliance by the Directors and relevant employees.

Guernsey companies are not otherwise subject to a corporate governance regime.

Share Options

The Board recognises the need to attract, incentivise and retain key Directors and members of staff. Accordingly, conditional upon Admission, the Company has granted options to each of Mr Scott, Mr Holtzman and Mr Behar to subscribe for Ordinary Shares. Further details of these options are set out in paragraph 10.15 of Part VII of this Document.

The City Code on Takeovers and Mergers

The Code applies to offers for all listed and unlisted public companies considered by the Panel to be resident in the UK, the Channel Islands or the Isle of Man. The Panel will normally consider a company to be resident only if it is incorporated in the United Kingdom, the Channel Islands or the Isle of Man and has its place of central management in one of those jurisdictions. Although the Company is incorporated in Guernsey and its place of central management is in Guernsey, the Panel considers that the Code does not apply to the Company. It is emphasised that although the Ordinary Shares will trade on AIM, the Company will not be subject to takeover regulations in the UK. However, certain provisions analogous to parts of the Code in particular the making of mandatory offers have been incorporated into the Articles as further set out in paragraph 5 of Part VII of this Document.

Disclosure and Transparency Rules

As a company incorporated in Guernsey, Shareholders are not obliged to disclose their interests in the Company in the same way as shareholders of certain companies incorporated in the UK. In particular, the relevant provisions of chapter 5 of the DTR do not apply. While the Articles contain provisions requiring the disclosure of voting rights in Ordinary Shares which are similar to the provisions of the DTR, this may not always ensure compliance with the requirements of Rule 17 of the AIM Rules. Furthermore, the Articles may be amended in the future by a special resolution of the Shareholders.

Further information

Your attention is drawn to Part III of this Document which contains certain risk factors relating to an investment in the Company and to Parts II, IV, V, VI and VII of this Document which contain further additional information on the Group.

PART II

THE PLACING

Details of the Placing

The Company is proposing to raise approximately £23.4 million (net of expenses) through a conditional placing by Arden Partners of 15,243,922 Placing Shares at 164p per share. The Placing Shares will represent approximately 8.33 per cent. of the Company's Enlarged Share Capital. Except under the Option Agreement and the Directors' option agreements described in paragraph 10.15 of Part VII of this Document, there are no options granted at the date of Admission.

The New Ordinary Shares will rank, on issue, *pari pasu* with the Existing Ordinary Shares including the right to receive dividends and other distributions, thereafter, declared, made or paid.

Pursuant to the Placing Agreement, Arden Partners has conditionally agreed with the Company, on and subject to the terms set out therein, to use reasonable endeavours to procure institutional and other investors to subscribe for Placing Shares at the Placing Price. To the extent that the New Ordinary Shares are not subscribed by Placees, Arden Partners will be required to subscribe for such New Ordinary Shares. The Placing is conditional, *inter alia*¸ upon the Placing Agreement becoming unconditional and not being terminated in accordance with its terms and Admission taking place.

The Company and the Directors have, under the Placing Agreement, given certain warranties (which, so far as the Directors are concerned, are limited in amount), in favour of Arden Partners. In addition, the Company has given Arden Partners an indemnity which applies in certain circumstances.

Arden Partners is entitled to terminate the Placing Agreement as its absolute discretion in certain specified circumstances prior to Admission, including, *inter alia*, for a breach of the terms of the Placing Agreement in any material respect by the Company or the Directors or if an event occurred or a matter arose prior to Admission which has rendered any of the warranties untrue or incorrect in any material respect or in the case of an event of force majeure arising (as defined in the Placing Agreement).

On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £300 million.

Further details of the Placing Agreement are set out in paragraph 10.3 of Part VII of this Document.

Allocation and Placing

The Placing Price and the basis of allocation have been determined by Arden Partners after consultation with the Company. In doing so, they have taken into account various matters, including the level and the nature of the demand for Placing Shares and the desire for an orderly after-market. All Placing Shares are being sold at the Placing Price.

The rights attaching to the Placing Shares will be uniform in all respects with the Existing Ordinary Shares and will form a single class for all purposes.

Arden Partners, and any of its affiliates acting as an investor for its own account, may purchase Ordinary Shares pursuant to the Placing and, in that capacity, may retrain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities or any other related investments in connection with the Placing or otherwise. Accordingly, references in this Document to Ordinary Shares being offered or otherwise dealt with should be read as including any offer to purchase or dealing by Arden Partners and any of its affiliates acting as an investor for its own account. Arden Partners does not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

Lock-in and orderly market arrangements

Gynia currently holds 97.5 per cent. of the issued share capital of the Company comprising 163,478,252 Ordinary Shares, which following Admission will represent approximately 89.4 per cent. of the Enlarged Share Capital.

Pursuant to Rule 7 of the AIM Rules both Gynia and the Directors have, under the terms of the Placing Agreement, agreed with Arden Partners not to dispose of, or agree to dispose of, directly or indirectly, and procure that their connected persons shall not dispose of or agree to dispose of, any Ordinary Shares or interests therein at any time prior to the first anniversary of the date of Admission save in certain circumstances including the event of the acceptance of an offer for the entire issued share capital of the Company, the death of a Director or connected person, an intervening court order or with the consent of Arden Partners. In addition, the parties have agreed to certain orderly market arrangements with regard to their shareholdings in the period up to the second anniversary of the Admission Date.

Further details of the lock-in arrangements are summarised in the Placing Agreement summary paragraph 10.3 of Part VII of this Document.

Admission, settlement and dealings

Application has been made for Admission of the Enlarged Share Capital to trading on AIM. It is expected that Admission to trading will become effective and that dealings in the Ordinary Shares will commence at 8:00 am on 6 June 2008.

The Articles permit the Company to issue shares in uncertificated form in accordance with the CREST Regulations.

Application has been made for all of the issued and to be issued Ordinary Shares to be eligible for Admission to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under the CREST system.

It is expected that, subject to the satisfaction of the conditions of the Placing, the New Ordinary Shares will be registered in the names of the Placees subscribing for them and issued either:

- in certificated form, where the placees so elects, with the relevant share certificate expected to be despatched by post, at the placee's risk, by 20 June 2008; or
- in CREST, where the placee so elects and only if the placee is a ''system member'' (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Placing Shares subscribed for expected to take place on 6 June 2008.

Notwithstanding the election by Placees as to the form of delivery of the New Ordinary Shares, no temporary documents of title will be issued. All documents or remittances sent by or to a Placee, or as they may direct, will be sent through the post at their risk.

Pending the despatch of definitive share certificates (as applicable), instruments of transfer will be certified against the Company's register of members.

PART III

RISK FACTORS

THE ATTENTION OF PROSPECTIVE INVESTORS IS DRAWN TO THE FACT THAT OWNERSHIP OF SHARES IN THE COMPANY WILL INVOLVE A VARIETY OF RISKS WHICH, IF THEY OCCUR, MAY HAVE A MATERIALLY ADVERSE EFFECT ON THE GROUP'S BUSINESS OR FINANCIAL CONDITION, RESULTS OR FUTURE OPERATIONS. IN SUCH CASE, THE MARKET PRICE OF THE ORDINARY SHARES COULD DECLINE AND AN INVESTOR MIGHT LOSE ALL OR PART OF HIS OR HER INVESTMENT. IN ADDITION TO THE INFORMATION SET OUT IN THIS DOCUMENT, THE FOLLOWING RISK FACTORS SHOULD BE CONSIDERED CAREFULLY IN EVALUATING WHETHER TO MAKE AN INVESTMENT IN THE COMPANY. THE FOLLOWING FACTORS ARE NOT SET OUT IN ANY ORDER OF PRIORITY. IN PARTICULAR, THE COMPANY'S PERFORMANCE MIGHT BE AFFECTED BY CHANGES IN MARKET AND/OR ECONOMIC CONDITIONS AND IN LEGAL, REGULATORY AND TAX REQUIREMENTS. ADDITIONALLY, THERE MAY BE RISKS OF WHICH THE BOARD IS NOT AWARE OR BELIEVES TO BE IMMATERIAL WHICH MAY, IN THE FUTURE, ADVERSELY AFFECT THE GROUP'S BUSINESS AND THE MARKET PRICE OF THE ORDINARY SHARES. BEFORE MAKING A FINAL INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY WHETHER AN INVESTMENT IN THE COMPANY IS SUITABLE FOR THEM AND, IF THEY ARE IN ANY DOUBT, SHOULD CONSULT WITH AN INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 WHO SPECIALISES IN ADVISING ON THE ACQUISITION OF SHARES AND OTHER SECURITIES IN THE UK.

GENERAL EXPLORATION, DEVELOPMENT AND PRODUCTION RISKS

Exploration, development and production risks

The Group's strategy is predominantly driven by the exploration, exploitation, appraisal, development and production of its existing assets. There are risks inherent in the exploration, exploitation, appraisal, development and production of oil and gas reserves and resources. Whilst the rewards can be substantial, there is no guarantee that exploration will lead to further commercial discoveries. Exploration and production activities by their nature involve significant risks. Risks such as delays in the construction and commissioning of drilling platforms or other technical difficulties, lack of access to key infrastructure, adverse weather conditions, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected geological formations, explosions and other acts of God are inherent to the business. Although in many cases these represent insurable risks, the Group may also become subject to other hazards (including pollution and oil seepage liability) against which it is not insured or is under insured. The occurrence of any of these incidents can result in the Group's current or future project target dates for drilling or production being delayed or interrupted, increased capital expenditure and production costs and result in liability to the Participants of the field. The Group's current business is dependent on the continuing enforceability of the PSC and exploration and development licences summarised in this Document.

Oil and gas reserves or resources

Unless stated otherwise, the oil and gas reserves and resources data contained herein are extracted from a report by TRACS. The reserves and resources data contained in this Document have been estimated by TRACS unless stated otherwise. Estimating the quantity of reserves and resources and projecting future rates of production is a subjective process and has inherent uncertainties, including factors beyond the Company's control.

The estimates of reserves and resources data contained should not be construed as exact. Reserves estimates contained in this Document are based on production, prices, costs, ownership, geophysical, geological and engineering data and other information collated by Indus Gas. The estimates may prove to be incorrect after further drilling, testing and production. Forward-looking statements contained herein (including data included in the report by TRACS or taken from the report by TRACS and whether expressed to have been estimated by TRACS or otherwise) concerning the Group's reserves and resources definitions should not be unduly relied upon by potential investors. Certain categories of reserves and resources (such as Prospective and Contingent Resources) are inherently riskier than certain other categories (such as Proved Reserves). If the assumptions upon which the estimates of the Company's gas reserves or resources are based prove to be incorrect, Indus Gas may be unable to recover and produce the estimated levels or quality of oil or gas set out in this Document and the Group's business, prospects and financial results could be materially and adversely affected.

Assumptions underlying reserve and resource estimates

Estimation of underground accumulations of oil or gas is a subjective process aimed at understanding the statistical probabilities of recovery. Estimates of the quantity of economically recoverable oil or gas reserves, rates of production, net present value of future cash flows and the timing of development expenditures depend upon several variables and assumptions, including the following:

- production history compared with production from other comparable producing areas;
- interpretation of geological and geophysical data;
- effects of regulations adopted by governmental agencies;
- future oil and gas prices;
- capital expenditure; and
- future operating costs, royalties, tax on the extraction of commercial minerals, development costs and workover and remedial costs.

Considering that all reserve estimates are subjective, each of the following items may differ materially from those assumed in estimating reserves:

- the quantities and qualities that are ultimately recovered;
- the production and operating costs incurred;
- the amount and timing of additional exploration and future development expenditures; and
- future oil and gas sales prices.

Many of the assumptions used in estimating reserves are beyond the Group's control and may prove to be incorrect over time. Evaluations of reserves necessarily involve multiple uncertainties. The accuracy of any reserves or resources evaluation depends on the quality of available information, petroleum engineering and geological interpretation. Exploration drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in the Group's reserves or resources data. Moreover, different reservoir engineers may make varying estimates of reserves and cash flows based on the same available data. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be material. Uncertainties exist with respect to the estimation of resources in addition to those set forth above that apply to reserves. The probability that Prospective Resources will be discovered, or be economically recoverable, is considerably lower than for Proven, Probable and Possible Reserves. Volumes associated with Prospective Resources should be considered highly speculative.

Appraisal and development

Appraisal results for discoveries are also uncertain. Appraisal and development activities involving the drilling of wells across a field may be unpredictable and not result in the outcome planned, targeted or predicted, as only by extensive testing can the properties of the entire field be fully understood.

Production

The Participants' production operations involve risks common to its industry, including blowouts, oil spills, explosions, fires, equipment damage or failure, natural disasters, geological uncertainties, unusual or unexpected rock formations and abnormal geological pressures. In the event that any of these occur, environmental damage, injury to persons and loss of life, failure to produce oil or gas in commercial quantities or an inability to fully produce discovered reserves could result. The Participants' drilling activities may be unsuccessful and the actual costs incurred in drilling, operating wells and completing well workovers may exceed budget. The Participants may be required to curtail, delay or cancel any drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. The occurrence of any of these events could have a material adverse effect on the Participants' business, prospects, financial condition and operations.

Exploration

Exploration activities are capital intensive and their successful outcome cannot be assured. The Operator undertakes exploration activities and incurs significant costs (shared with the Group) with no guarantee that such expenditures will result in the discovery of commercially deliverable oil or gas. The Operator is exploring in geographic areas, where environmental conditions are challenging and costs can be high. The costs of drilling, completing and operating wells is often uncertain. As a result, the Participants may incur cost overruns or may be required to curtail, delay or cancel drilling operations because of many factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions, compliance with environmental regulations, governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. Capital expenditure commitments may vary (or be increased) as a result of actual exploration performance.

Contractual work commitments

The Participants will be subject to contractual work commitments, from time to time, which may include minimum work programmes to be fulfilled within certain time restraints. Specifically these commitments may cover certain depths of wells to be drilled, seismic surveys to be performed and other data acquisition. Failure to comply with such obligations, whether inadvertent or otherwise, may lead to fines, penalties, restrictions and withdrawal of licences with consequent material adverse effects.

Interruptions in availability of exploration, production or supply infrastructure

The Participants may suffer from delays or interruptions due to lack of availability of drilling rigs or construction of infrastructure, including pipelines, storage tanks and other facilities, which may adversely impact the Company’s operations and could lead to fines, penalties, criminal sanctions against the Company and/or its officers or some or all of the Participants’ licences being withdrawn. Delays in obtaining licences, permissions and approvals required by the Participants in the pursuance of its business objectives could likewise have a material adverse impact on the Group’s business and the results of its operations.

Third party contractors and providers of capital equipment

The Participants contract or lease services and equipment from third-party providers and suppliers. Such equipment and services can be in short supply and may not be readily available at the times and places required. In addition, the costs of third-party services and equipment have increased significantly over recent years and may continue to rise. This may, therefore, have an adverse effect on the Group’s business. In addition, the failure of a third party provider or supplier of equipment or services could have a material adverse impact on the Group’s business and the results of its operations.

Decommissioning costs

Licensees are invariably obliged under the terms of relevant licences or local law, to dismantle and remove equipment, cap or seal wells and generally make good production sites. Decommissioning estimates based on currently known facts and circumstances including the current extent of the Participants’ operations. No guarantee can be given that such provisions shall in due course turn out to be sufficient.

RISKS RELATING TO THE BUSINESS

Business relationships

The Group relies significantly on strategic relationships with other entities in the oil and gas industries in India such as the Operator and GAIL, and also certain regulatory and governmental departments. The Company’s agreements are subject to approval of proposed work programmes. Failure to obtain unanimous approval may result in the delay of execution of various work programmes. Such delays may have an adverse impact on the Company’s valuation.

Attraction and retention of key employees

The Group relies heavily on a small number of key individuals, in particular the Executive Directors and senior management, for the conduct of its day-to-day activities and implementation of its growth strategy. In addition, personal connections and relationships of its key management are important to the conduct of its business. The Group's business and operations may be negatively affected by the departure of any of these individuals, or any of a number of other key employees. There can be no guarantee that the Group will be able to continue to attract and retain required employees.

Failure to renew or retain statutory or regulatory permits and approvals

Certain statutory and regulatory permits and approvals are required in order to operate the oil and gas exploration and production businesses, while new permits and approvals will be required for future operations. In particular, the Licensee is required to hold a valid PEL in accordance with Indian law. The PEL currently stands expired and the Operator may be requested to stop exploration activities until it is refreshed. There can be no assurance that the relevant authorities will issue any of such permits and approvals in the time-frame anticipated or at all and the Group's experience is that delays occur from time to time. Failure to maintain or obtain required permits or approvals may result in the interruption of the Participants' operations and may have a material adverse effect on the Group's financial condition and results of operations.

Sales risk

iServices and Newbury have signed a term sheet (as amended) with GAIL which relies on the satisfaction of certain conditions precedent. Further details of this term sheet and its amendment are set out in Part VII of this Document. Future sales volumes beyond the current GAIL sales may also include conditions that require satisfaction either before or after entering into a sales contracts. Future sales terms for the Company will result from a process of negotiation having taken into consideration the status of the gas market.

Dependence on one line of business

The future economic development of the Group is likely to be strongly influenced by demand for natural gas in comparison to other sources of fuel and exact levels of demand are difficult to assess. In addition, potential sales derived from the supply of natural gas, particularly under the GAIL term sheet described in paragraph 10 of Part VII of this Document, are largely dependant on GAIL constructing a pipeline to transport the gas to its destination. There can be no assurance that the Participants' efforts to market natural gas will be successful.

Tax risks

The Participants are subject to sales, employment and corporation taxes in its local jurisdiction. The application of taxes to the Participants may change over time due to changes in laws, regulations or interpretations by the relevant tax authorities. Whilst no material changes are anticipated in such taxes any such changes may have a material adverse effect on the Group's financial condition and results of operations.

Tax exemption

The Group expects to be able to take advantage of a seven year tax exemption which is currently available under the Income Tax Act in India. The ongoing applicability of this tax exemption has been subject to much debate in the Indian and worldwide press recently after the presentation of the 2008-2009 budget proposals. It is understood from recent newspaper reports that a government assurance has been given that the current exemption will be maintained. While the Directors believe this to be the case, there are no guarantees that the GOI's position will not change again in future.

Health, safety and the environment

The Participants' operations are subject to laws and regulations relating to the protection of human health and safety and the environment. Failure, whether inadvertent or otherwise, by the Participants (or any of them) to comply with applicable legal or regulatory requirements may give rise to significant liabilities. The Group's health, safety and environment policy is to observe local and national legal and regulatory requirements. The terms of licences or permissions may include more stringent environmental and/or health and safety requirements. The obtaining of exploration, development or production licences and permits may become more difficult or be the subject of delay due to governmental, regional or local environmental consultation, approvals or other considerations or requirements.

Current and future financing

The Group's business necessarily involves significant capital expenditure. In addition, if the Group is required to provide further capital in pursuit of additional opportunities, the Group may have a need to seek further external debt and future equity financing. There is no guarantee that such additional funding, if required, will be available on acceptable terms at the relevant time. Furthermore, any additional debt financing may involve restrictive covenants which may limit or affect the Group's operating flexibility. If additional funds are raised through the issue of equity or equity-linked instruments, Shareholders may experience a dilution in their percentage holdings in Ordinary Shares.

Reliance on Operator

The Group relies on Focus, as Operator, to carry out all of the functions which it is required to undertake under the PSC and the JOA. For example, the Operator is required to maintain a certain level of insurance and to select and engage all of the workers at the Block. In the event that Focus' ability to fulfil its obligations as Operator is compromised, the Group's operations are likely to be disrupted.

Government rights

ONCG has a continuing right to exercise its back-in rights in respect of discovered fields in the Block. Any such exercise would reduce the Group's overall participation in the Block and therefore may impact on its future profitability. However, TRACS has considered these back-in rights when preparing the CPR.

Furthermore, whilst assets purchased by the Participants for use in petroleum operations in respect of the Block shall be owned by the Participants in proportion to their Participating Interests, ONGC has the right to require vesting of full title and ownership in it, free of charge and encumbrances, of any or all assets, whether fixed or movable, acquired and owned by the Participants for use in petroleum operations inside or outside the Block, such right to be exercisable at ONGC's option either on recovery of the costs of the assets or upon expiry or termination of the PSC.

Security documents

Under the security documents described in paragraph 10 of Part VII of this Document, iServices and Newbury have granted security in favour of PNB in respect of the obligations of Focus under the PNB Facility Agreement. This security is in the form of corporate guarantees and a charge over future receivables of the Group. Any default under the PNB Facility Agreement could lead to enforcement action being taken against members of the Group and this could affect its profitability.

Uninsured risks

Substantial damages may be claimed against the Group due to events arising from the inherently hazardous nature of its operations and omissions of sub-contractors. Any indemnities the Group may receive from such sub-contractors may be difficult to enforce if they lack adequate resources. The Group considers that the extent of the insurance cover taken out by the Operator is reasonable based on the costs of cover and, the risks associated with its business and industry practice. The Group is unable to provide any guarantee that expenses relating to losses or liabilities will be fully covered by the proceeds of applicable insurance. The Group may suffer material losses from uninsurable or insured risks or insufficient insurance coverage. The Group is also subject to the future risk of unavailability of insurance, increased premiums or excesses, and expanded exclusions.

Currencies

The Group reports the results of its operations and financial condition in US dollars. The share price of the Company will continue to be quoted on AIM in UK sterling. As a consequence Shareholders may experience fluctuations in the market price of the Ordinary Shares as a result of, amongst other factors, movements in the exchange rate between UK sterling and the US dollar.

Foreign exchange risk

Any proceeds of the Group's gas sales in India are expected to be received in US dollars. The majority of the Group's expenditure requirements are in US dollars. The Group has general and administrative expenditure with respect to offices in India and United Kingdom, therefore the Group is exposed to foreign exchange risk against Indian Rupees, US Dollars and UK Sterling. As the Company will be listed on AIM, any funds which may be raised through the issue of share capital will be denominated in UK Sterling, however the majority of the Group's capital expenditure will be in US dollars.

Commodity price risk

Historically, gas prices have fluctuated widely and are affected by numerous factors over which the Group has no control, including world production levels, international economic trends, currency exchange rate fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict. The production estimates for the Block and the gas prices estimated will vary depending upon market conditions, which are not within the control of the Group.

Due to the physical nature of gas, transportation has been limited to pipelines and thus monetisation is restricted to regional markets. This results in significant variation in the price realised, driven by regional variation in supply and demand. Numerous factors will affect future gas prices, including domestic supply, domestic economic growth, consumption patterns and the locations of gas field, of which all will have an impact on the price realised, but are still outside the control of the Group.

Future litigation

From time to time, the Group may be subject to litigation arising out of its operations. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact the Group's business, results of operations or financial condition. While the Company assesses the merits of each lawsuit and defends itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Group's business.

RISKS RELATING TO INDIA

Financial instability in other countries may cause increased volatility in Indian financial markets

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm portfolio companies' business, financial performance and prices of their securities, which will in turn affect the Group's investments and returns.

Hostilities in India may have a material adverse effect on investments by the Group

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult, and such political tensions could create a greater perception that investments in companies with operations in India involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on investments by the Group in securities or debt of Indian companies.

Climate

The Participants operate in areas with extreme and seasonal weather conditions, including severe storms and monsoons. Each of these climate conditions can adversely affect the Participants' operations.

Natural disasters

The existing operations of the Participants and new projects that may be undertaken are subject to the impacts of any natural disaster such as earthquakes, epidemics, fires and floods etc. No assurance can be given that the Participants will not be affected by future natural disasters. The Participants have taken out insurance policies in respect of damage to its existing projects although these policies contain exclusions in respect of certain causes of damage such as war or certain natural disasters.

Environmental factors

The Participants' operations are, and will be, subject to environmental regulation (with regular environmental impact assessments and evaluation of operations required before any permits are granted to the Participants) in all the jurisdictions in which it operates. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement measures being implemented, increases in fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Compliance with environmental regulations could increase the Group's costs. Should the Participants' operations not be able to comply with this mandate, financial penalties may be levied.

INVESTMENT AND AIM RISKS

Suitability of Ordinary Shares as an investment

The Ordinary Shares may not be a suitable investment for all people receiving this Document. Before making any investment, potential investors should consult an investment adviser, authorised by the FSA, who specialises in advising on the acquisition of listed securities. The value of the Ordinary Shares and the income received from them can go down as well as up and investors may get back less than their original investment.

Risks relating to investment in the Company's Ordinary Shares

Share prices may fluctuate from time to time for various reasons. As well as being affected by the Company's actual or forecast operating results, the market price of the Ordinary Shares may fluctuate significantly as a result of factors beyond the Group's control, including among others:

- the change in world oil and natural gas prices;
- the results of exploration, development and appraisal programmes and production operations;
- changes in research analysts' recommendations or any failure by the Group to meet the expectations of research analysts;
- changes in the performance of the oil and gas sector as a whole and of any of the Group's competitors;
- fluctuations in share prices and volumes, and general market volatility; and
- involvement of the Group in any litigation.

Substantial shareholder influence

Following Admission, Mr. Ajay Kalsi will own a significant percentage of the Company so technically would have the ability to exercise influence on the business and may cause or take actions that are not in, or may conflict with, the best interests of the Company or its Shareholders. However, Mr. Ajay Kalsi has entered into a Controlling Shareholder Agreement designed to help protect minority investor rights.

Share price effect of sales of Ordinary Shares by significant shareholder

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by Mr. Ajay Kalsi following expiry of the lock-in period, as explained in the paragraph headed 'Lock-in and orderly market arrangement' in Part II of this Document, or the perception by the market that such sales could occur.

Guernsey law

The Company is a limited company incorporated under the Companies (Guernsey) Law, 1994 (as amended). Guernsey law does not make a distinction between private and public companies and some of the protections and safeguards that investors may expect to find in relation to a public company under the Act are not provided for under Guernsey law.

Dividends

The initial focus of the Group will be the achievement of capital growth for Shareholders and therefore the Group will only consider the payment of dividends as and when it is appropriate to do so. As such, it is not possible at this stage to give an indication of the likely level or timing of any future dividends. To the extent that any dividends are paid they will be paid in accordance with any applicable laws and the regulations to which the Group is subject. The amount of the dividends paid to Shareholders will fluctuate according to the levels of profits earned by the Group and will be dependent on sufficient distributable reserves being available to the Group.

Investment risk and AIM

The Ordinary Shares will be quoted on AIM rather than the Official List. The AIM Rules are less demanding than those of the Official List and an investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence for some time but its future success and the liquidity in the market for the Ordinary Shares cannot be guaranteed. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment. The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets. The price at which investors may dispose of their Ordinary Shares will be influenced by a number of factors, some of which will be outside the Group's control. On any disposal Shareholders may realize less than the original amount invested. Stock markets have also from time to time experienced extreme price and volume fluctuations, which have affected the market prices of securities and which have been unrelated to the operating performance of the companies affected. These broad market fluctuations, as well as general economic and political conditions, could adversely affect the market price of the Ordinary Shares.

Forward looking statements

Certain statements in this Document constitute ''forward-looking statements''. Forward-looking statements include statements concerning the plans, objectives, goals, strategies and future operations and performance of the Company and the assumptions underlying these forward-looking statements. The Company uses the words ''anticipates'', ''estimates'', ''expects'', ''believes'', ''intends'', ''plans'', ''may'', ''will'', ''should'', and any similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Company's actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this Document. The Company is not obliged, and does not intend, to update or to revise any forward-looking statements, whether as a result of new information, future events or otherwise except to the extent required by any applicable law or regulation. All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on behalf of the Company, are expressly qualified in their entirety by the cautionary statements contained throughout this Document. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward-looking statements.

Independent Consultants Report for THE COMPANY on Block RJ-ON/6, Rajasthan, India

29 May 2008

TRACS INTERNATIONAL

**COMPETENT PERSON REPORT ON
THE COMPANY RESERVES AND RESOURCES,
BLOCK RJ-ON/6, RAJASTHAN, INDIA**

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29 May 2008

Gentlemen,

Independent Report on BLOCK RJ-ON/6, RAJASTHAN, INDIA

In response to your request, TRACS International Consultancy Limited (''TRACS'') has conducted an independent evaluation of the Block RJ-ON/6, Rajasthan, India in which Indus Gas Limited, (hereafter known as the Company), though its wholly owned subsidiaries, iServices Investments Limited, Mauritius and Newbury Oil Company Limited, Cyprus holds a 90% interest and Focus Energy Limited, India retains balance 10% interest. The Government of India has a right to acquire a 30% interest in respect of any discoveries for which commerciality has been established. If the Government exercise such right in respect of all the discovered fields, the Company's interest in the Block will reduce to 63% and Focus Energy's to 7%. As of the date of this report, Government has not so far exercised this right in respect of SGL field, for which the commerciality has been established on January 21, 2008 and this right will expire on May 5, 2008 or a later date if mutually agreed by the parties. Accordingly, tables showing volumes for a 63% interest are shown below for information only.

The RJ-ON/6 Block comprising an area of 4,026.16 sq km currently contains one appraised field, a discovery, four prospects and a number of leads.

Following this evaluation, TRACS can report that the Company has net entitlement 2P (Proved plus Probable) Reserves, best estimate (2C) Contingent Resources and Risked Prospective Resources of 123 Bscf, 257 Bscf and 74 Bscf respectively. The total net economic value (NPV10) of the Company's interest in the Block (P50 — best estimate) is estimated to be US$ 266 million, US$ 660 million and US$ 185 million for 2P Reserves, 2C Contingent Resources and Risked Prospective Resources respectively.

The estimated ranges of Recoverable Reserves are summarised in the table below.

Operator: Focus Volumes (Bscf) Classification	**Proved 1P**	**Proved & Probable 2P**	**Proved, Probable & Possible 3P**
Gross Reserves[(1)]	67	160	485
Net Attributable Reserves[(2)] @ 90% Interest	51	123	371
Net Attributable Reserves[(2)] @ 63% Interest	36	86	260

Notes:

(1) Gross Reserves are reserves attributable for the licence block excluding CO_2 except to the extent permitted within sales gas contracts.

(2) Net Entitlement Reserves are gross reserves adjusted for working interest and government profit gas take and are net of the volumes which may not be commercially sold.

The estimated ranges of recoverable Contingent Resources are summarised in the table below.

Operator: Focus Volumes (Bscf) Classification	Mean Estimates Mean	Low Estimates 1C	Best Estimates 2C	High Estimates 3C	Risk Factor[2]
Gross Resources	409	205	369	665	0.8
Net Attributable Resources[1] @ 90% Interest	286	143	257	464	0.8
Net Attributable Resources[1] @ 63% Interest	200	100	180	325	0.8

Notes:

(1) The Geological Chance of Success (GCoS) of Contingent Resources is 100%. ''Risk Factor'' for these resources means the estimated chance, or probability, that the volumes will be commercially extracted, which is contingent on a flow test.

(2) Net Entitlement Contingent Resources are gross contingent resources adjusted for working interest and government profit gas take and are net of the volumes which may not be commercially sold.

The estimated ranges of recoverable Prospective Resource are summarised in the table below.

Operator: Focus Volumes (Bscf)	Mean Estimates	Low Estimates	Best Estimates	High Estimates	Mean Estimates	Low Estimates	Best Estimates	High Estimates	Risk Factor[2]
	(Unrisked)				(Risked)				
Gross Resources	880	235	634	1,780	166	45	120	331	
Net Attributable Resources[1] @ 90% Interest	539	143	387	1,091	102	28	74	204	Refer Tables 1-2(a) and 1-2(b)
Net Attributable Resources[1] @ 63% Interest	377	100	271	764	71	19	52	143	

Notes:

(1) ''Risk Factor'' for Prospective Resources, means the chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface. This, then, is the chance or probability of the Prospective Resource maturing into a Contingent Resource.

(2) Net Entitlement Prospective Resources are gross prospective resources adjusted for working interest and government profit gas take and are net of the volumes which may not be commercially sold.

The work was undertaken by a team of TRACS professional petroleum engineers and geoscientists based on data supplied by the Company. The data comprised details of licence and acreage interests, basic exploration geological and geophysical data, interpreted data, and technical presentations. TRACS have exercised due diligence on all technical information supplied by the Company. TRACS have not independently checked title interests with Government or licence authorities. TRACS has not conducted a site visit to independently verify the existence of physical assets.

In estimating prospective resources we have used the standard petroleum engineering techniques. These estimates are made in accordance with the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers (SPE), the World Petroleum Congress (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE). An abbreviated description of the PRMS definitions is appended as Appendix 2.

Qualifications

TRACS International Consultancy Limited is an independent consultancy specialising in petroleum reservoir evaluation and economic analysis. Except for the provision of professional services on a fee basis, TRACS International Consultancy does not have a commercial arrangement with any other person or company involved in the interests that are the subject of this report.

The project was managed and signed off by Mark Graham (B.Sc.), a TRACS director. Mr. Graham, a petroleum engineer, has 29 years experience and co-founded TRACS in 1992 since when the company has conducted valuations for many energy companies and financial institutions.

Basis of Opinion

The evaluation presented in this report reflects our informed judgement based on accepted standards of professional investigation, but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and subsurface reservoir data.

It should be understood that any evaluation, particularly one involving exploration and future petroleum developments, may be subject to significant variations over short periods of time as new information becomes available.

Yours faithfully,

Mark Graham

Director

TRACS INTERNATIONAL

INDEPENDENT CONSULTANTS REPORT

ON THE COMPANY

BLOCK RJ-ON/6, RAJASTHAN, INDIA

This report relates specifically and solely to the subject petroleum licence interests and is conditional upon the assumptions made therein. This report must therefore be read in its entirety.

This report was prepared in accordance with standard geological and engineering methods generally accepted by the oil and gas industry. Estimates of prospective hydrocarbon resources should be regarded only as estimates that may change as additional information become available. Not only are these estimates based on the information currently available, but are also subject to uncertainties inherent in the application of judgemental factors in interpreting such information. TRACS International Consultancy Ltd. shall have no liability arising out of, or related to, the use of the report.

29 May 2008

1. Introduction

TRACS International Consultancy Limited (''TRACS'') has conducted an independent evaluation of the Block RJ-ON/6, Rajasthan, India, in which as of April 2008 Indus Gas Limited (hereafter known as the Company), through its two wholly owned subsidiaries, iServices Investments Limited, Mauritius and Newbury Oil and Gas Company Limited, Cyprus holds 90% interest.

The RJ-ON/6 Block comprising an area of 4,026.16 sq km contains one partially appraised field (SGL), a discovery (SSF), four prospects (SFT1, SFT2, SFT3 and SFT4) and a number of leads. Relative to the large block size, seismic coverage is generally sparse, with the exception of the SGL and SSF discovery area. It can therefore be reasonably expected that some leads may be upgraded to prospect status once the operator (Focus Energy Limited) has completed the ongoing 3D seismic acquisition campaign. This 3D survey will cover ca. 726 sq km of which circa 326 sq km has already been acquired as of 31 March 2008 and is about to be processed.

Licence terms and conditions for the block are governed by a Production Sharing Contract dated 30th June 1998 (PSC), which includes the following parties; Focus Energy Limited, India (Focus) 10%, and the Company 90% (consisting of the interests of iServices Investments Limited, Mauritius (iServices) 65% and Newbury Oil Company Limited, Cyprus (Newbury) 25%).

NOTE: Government of India, through its designated nominee (GOI) has the right to exercise an option to become a 30% (non-carried) partner in respect of each such discovered field for which the Company establishes the commerciality. The Company has established commerciality in respect of SGL field on 21 January 2008 and GOI option in respect of SGL field will expire on May 5th 2008 or a later date if mutually agreed by the parties. The right has not been exercised so far on the date of this report. If GOI chose to exercise this right in respect of all commercial discoveries, the Block 'ownership' will be split as follows: Focus Energy Limited, India (Focus) 7%, GOI 30% and the Company 63% (consisting of the interests of iServices Investments Limited, Mauritius (iServices) 45.5% and Newbury Oil Company Limited, Cyprus (Newbury) 17.5%).

DeGolyer and MacNaughton (D&M) prepared a Reserves Report for the SGL Field (dated 31st May 2007) and this report remains the basis for the GIIP and full stream (includes CO_2) Reserves volumes quoted in this report. The basis of the Reserve volumes has not been independently reviewed by TRACS however TRACS have independently reviewed the client defined development plans and have prepared production profiles and economic cash flows consistent with the D&M reserves numbers. The report by D&M is attached herewith in its entirety as ''Appendix 1''. We are not aware of any material change in the figures contained in the report prepared by D&M.

TRACS has reviewed information on a discovery (SSF) and a number of prospects (other than the SGL volumes) provided by the Company on their RJ-ON/6 license in Rajasthan, India. All the data reviewed has been supplied by the Company and reflects the status as of March 2008. TRACS have brought their understanding of the area and their resource assessment experience to bear in judging whether the assumptions made are valid and reasonable. Independent checks have been made to confirm client interpretations and where required original work has been performed to reconcile differences.

The estimated ranges of full stream (including CO_2) and net entitlement Reserves at 90% interest and 63% interest are summarised in the table below.

Classification (in Bscf)	1P	2P	3P
Full Well Stream Reserves as per D&M report	80	192	578
Gross Reserves(1)	67	160	485
Net Entitlement @ 90% Interest(2)	51	123	371
Net Entitlement @ 63% Interest(2)	36	86	260

Table 1-1 Estimate of Block RJ-ON/6 Reserves

Notes

(1) Gross Reserves are reserves attributable for the licence block excluding CO_2 except to the extent permitted within sales gas contracts.

(2) Net Entitlement Reserves are gross reserves adjusted for working interest and government profit gas take and are net of the volumes which may not be commercially sold.

Of the three discovery and appraisal wells on SGL and SSF, SGL-1 has been cased, perforated and is ready to produce gas for commercial sales, whilst SGL-2 well has been cased and only needs to be perforated to start producing. SSF-2 is still to be tested and will be completed upon successful testing, which is likely to be tested during 2008.

The Company has signed a term sheet dated November 2nd, 2007 with the Gas Authority of India Limited (GAIL) for sale of up to 35.31 million cubic feet per day (MMscf/d) of gas. Out of these supplies, GAIL expects to sell 33.5 MMscf/d to an existing nearby power station initially for 12 years with the condition that the daily contracted quantity will be mutually agreed for the remaining period of the contract after expiry of this twelve year period. GAIL expects to sell remaining quantities to other customers. The term sheet requires 7 MMscf/d to be initially supplied without CO_2 removal for about 8 months after which entire contracted gas quantity of 35.31 MMscf/d must be supplied to the GAIL with CO_2 removed. The Company plans to install a CO_2 removal and dehydration plant to comply with quality specifications provided under the term sheet.

The terms require GAIL to lay a pipeline between the SGL field and an existing power station within 10 months of the satisfaction of certain conditions precedent. These are that GAIL management approve the construction the pipeline and the signing of a Heads of Agreement (HoA) between GAIL and their downstream customers. These conditions are likely to be confirmed by 31 July 2008 allowing construction of the pipeline and gas on stream in 2009. The pipeline is being designed to carry at least 20% additional quantity over and above the contractual quantity of 35.31 MMscf/d and GAIL has indicated its desire to purchase any additional gas that can be produced from the SGL field.

The Company will consider construction of a second 150 km pipeline to connect SSF discovery to Jaisalmer to accommodate the SSF Field development, in case a third party e.g. GAIL does not construct the same. This pipeline, if built by the Company, is expected to be operating by 2011. Other subsequent discoveries will also be tied to this pipeline.

The full description of the Gross and Net Entitlement risked and unrisked volumes (under a 90% Working Interest) is shown in Table 1-2.

	Gross Reserves (1)				Net Entitlement(2) Reserves @ 90% Interest				
Operator: Focus Asset	Mean	1P Bscf	2P Bscf	3P Bscf	Mean	1P Bscf	2P Bscf	3P Bscf	Risk Factor
SGL	NA	67	160	485	NA	51	123	371	NA

Operator: Focus	Gross Contingent Resources				Net Entitlement(2) Contingent Resources @ 90% Interest				
Classification Asset	Mean	1C Bscf	2C Bscf	3C Bscf	Mean	1C Bscf	2C Bscf	3C Bscf	Risk Factor(3)
SSF	409	205	369	665	286	143	257	464	0.8

Operator: Focus	Gross Prospective Resources				Net Entitlement(2) Prospective Resources @ 90% Interest				
Classification Asset		Low Est. Bscf	Best Est. Bscf	High Est. Bscf	Mean	Low Est. Bscf	Best Est. Bscf	High Est. Bscf	Risk Factor(4)
SFT-1/P	248	57	170	511	157	36	107	322	0.302
SFT-2/P	251	42	154	560	156	26	96	348	0.096
SFT-3/P	178	67	149	325	105	40	88	192	0.206
SFT-4/P	203	69	161	384	121	41	96	229	0.147
Total Unrisked Gross Prospective Resources	880	235	634	1,780	539	143	387	1,091	
Risked Totals	166	45	120	331	102	28	74	204	

Table 1-2 TRACS Estimate of Block RJ-ON/6 Recoverable Volumes — 90% Interest

In the event that the Government of India (GOI) exercises its right of 30% back in all the discovered fields for which commerciality has been established, the Company's net interest in the Block will be reduced to 63% and will be as represented in the following Table 1-2(b):

Operator: Focus	Gross Reserves [(1)]				Net Entitlement[(2)] Reserves @ 63% Interest				Risk Factor
Classification Asset	Mean	1P Bscf	2P Bscf	3P Bscf	Mean	1P Bscf	2P Bscf	3P Bscf	
SGL	NA	67	160	485	NA	36	86	260	NA

Operator: Focus	Gross Contingent Resources				Net Entitlement[(2)] Contingent Resources @ 63% Interest				Risk Factor[(3)]
Classification Asset	Mean	1C Bscf	2C Bscf	3C Bscf	Mean	1C Bscf	2C Bscf	3C Bscf	
SSF	409	205	369	665	200	100	180	325	0.8

Operator: Focus	Gross Prospective Resources				Net Entitlement[(2)] Prospective Resources @ 63% Interest				Risk Factor[(4)]
Classification Asset	Mean	Low Est. Bscf	Best Est. Bscf	High Est. Bscf	Mean	Low Est. Bscf	Best Est. Bscf	High Est. Bscf	
SFT-1/P	248	57	170	511	110	25	75	226	0.302
SFT-2/P	251	42	154	560	109	18	67	244	0.096
SFT-3/P	178	67	149	325	74	28	62	134	0.206
SFT-4/P	203	69	161	384	85	29	67	161	0.147
Total Unrisked Gross Prospective Resources	880	235	634	1,780	377	100	271	764	
Risked Totals	166	45	120	331	71	19	52	143	

Table 1-3 TRACS Estimate of Block RJ-ON/6 Recoverable Volumes — 63% Interest

Notes:

(1) Gross Reserves are reserves attributable for the licence block excluding CO2 except to the extent permitted within sales gas contracts.

(2) Net Entitlement Volumes are gross recoverable volumes adjusted for working interest and government profit gas take and are net of the volumes which may not be commercially sold.

(3) The Geological Chance of Success (GCoS) of Contingent Resources is 100%. ''Risk Factor'' for these resources means the estimated chance, or probability, that the volumes will be commercially extracted, which is contingent on a flow test.

(4) ''Risk Factor'' for Prospective Resources, means the chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface. This, then, is the chance or probability of the Prospective Resource maturing into a Contingent Resource.

2. Geological Summary and Data Base

2.1. Geological Summary

Block RJ-ON/6 is located on the eastern flank of the Mid — Indus Basin (Figure 3.1). The total sediment thickness ranges from ca. 3,500m in the east to probably more than 8,000m in the western part of the license. It is part of the much larger Indus Basin which is a proven and producing hydrocarbon province, encompassing an area of ca. 160,000 sq km (63,000 square miles). More than 90 oil and gas fields have been discovered to date, mostly on the Pakistan side of the basin and the Indian side remains rather under explored.

A large number of producing fields exist (see Figure 3.1) within Tertiary carbonates and paralic clastics and Lower Cretaceous shallow marine deposits including the Company's Lower Cretaceous SGL gas discovery proving of the presence of a prolific hydrocarbon system. The most promising hydrocarbon play fairway in RJ-ON/6 is the Lower Cretaceous, which contains reservoir and source rocks both in the Berriasian B&B formation and the mostly Albian Pariwar formation.

The oil & gas producing Middle Indus Basin (Figure 3.1), with RJ-ON/6 being located on its eastern flanks, can presently be viewed as a foreland basin to the Kirthar and Sulaiman foldbelts of Pakistan. Three large megacycles of sedimentation are evidence for its long tectonic evolution which has led to the creation a hydrocarbon province containing a number of different proven hydrocarbon play types. Figure 3.3 shows a general stratigraphic column and a sequence stratigraphic chart for the prolific Lower Cretaceous hydrocarbon play.

Exploration activity by the license operator, Focus, has been driven by their conclusion that both the Albian Pariwar formation (Lower Cretaceous) and the mostly Berriasian (Cretaceous) aged clastics of the so called Baisakhi — Bedesir (''B&B'') formation are likely to contain the most promising reservoir targets and that the over lying Lower and Upper Goru marine shales provide an effective seal across the region. The shales also act as effective source rocks and are generally in the mature gas window within the western part of license RJ-ON/6 and the adjacent hydrocarbon producing areas to the west in Pakistan. As a result most of the prospects in this area are gas prospects. At shallower depths condensate and oil can be expected, such as in the BP operated Badin oil fields further south.

The onset of the B&B deposition is characterized by widespread marine shales of partly late Jurassic age which are prolific oil source rocks. In well Saatchi-1 the operator has retrieved a sample of excellent quality light oil out of the lowest B&B sequence from a low permeability sandstone interval (4,089m KB). Geochemical analysis has typed the oil back to a mainly marine source rock.

The main plays within the Lower Cretaceous mega-sequence are shallow marine and potentially turbidite reservoir sands trapped by structural — stratigraphic combination traps. The high productivity gas fields just across the border in Pakistan (where individual production well rates as high as 100 MMscf/d have been encountered) are mainly facies change related pinchout traps.

Within the Cretaceous petroleum system there is therefore good evidence for source, reservoir and seal. However, the trapping mechanism is more problematic as there is little evidence for purely structural traps. The target prospects are therefore a combination of structural (faulting) and stratigraphic traps or, in some cases, stratigraphic only.

Focus, in collaboration with Fugro Robertson, has devised a sequence stratigraphic framework which allows better recognition of the major stratigraphic surfaces and their related stratigraphic trapping conditions. These have been used in the mapping of the prospects in an attempt to better understand the likely reservoir units. Figure 3.3 provides a summary of the stratigraphic framework.

Focus has also undertaken a regional prospectivity study of the Tertiary plays and concludes that the Paleocene Sanu Formation is the most promising Tertiary formation in RJ-ON/6. The regional study has revealed the presence of a very large depocentre in the western part of RJ-ON/6. This has resulted in thick Tertiary deposits forming.

In RJ-ON/6 average Sanu formation thicknesses of between 600 and 800 meters can be expected, whereas further east, such as in well Bhuana-1 the total thickness is reduced to approximately 186m. The thickest and lowermost unit is usually described as the ''Sanu — D6'' formation, which lies directly above the Base Tertiary unconformity. It was deposited in a generally paralic to shallow marine depositional environment. The Sanu-D6 sandstone deposition is followed by a thick shale and clay unit with intermittent limestones and coal and provides an excellent seal of 200 — 300m of thickness.

The topmost part, comprising the ''Sanu-D2'' sandstone unit can range from 20 to 100m of thickness within RJ-ON/6 and is sealed by a clay unit of variable thickness, ranging from 10 to 40m. The combination of a relatively thin sandstone unit encased by shales and clays makes this interval an ideal target for structural — stratigraphic traps. The massive Sanu-D6 sandstone unit on the other hand usually contains some intervals with excellent reservoir quality, but therefore has in general higher seal (lateral leakage) risk from a hydrocarbon exploration viewpoint.

The Tertiary petroleum system appears to have good evidence for source, seal and reservoir but as with the Cretaceous system, there is a risk on trapping. Some faulting may occur that could provide a degree of structural trapping but some element of stratigraphic trapping will also be required.

In volumetric terms the Cretaceous discoveries of the Middle Indus basin sit in a wide range from 10 Bscf to 10,000 Bscf. If the interval is restricted to the Cretaceous Lower Goru only the range narrows somewhat but is still 300 Bscf to 3000 Bscf. While, the Company's discoveries so far have been on the low side of this range, it is possible that future discoveries in the undrilled prospects could be larger.

2.2. Database

The Company provided TRACS with a Kingdom Project containing seismic data, well data, interpreted horizons, grids and prospect polygons.

The seismic database provided consists of 578 line km of 2D seismic data acquired and processed by Focus in 2003. In addition to this dataset 4,700 line km of various 2D vintages and variable quality, acquired between 1980 and 1992 and reprocessed by Focus between 2005 and 2006 were also provided.

There are sixteen wells on the block. TRACS carried out independent petrophysical analysis on six wells including the SGL wells and the SSF-2 well.

A limited amount of original interpretation was carried out by TRACS of sufficient depth to verify the interpretation supplied by the Company. However the definition of the trap areas was independently carried out by TRACS on the discovery and all prospects.

A new 3D seismic dataset of ca 726 sq km is currently being acquired but was not available for this review. Figure 3.2 above, shows the existing seismic and well locations.

3. Overview of the Company's Portfolio, Block RJ-ON/6, Rajasthan

The key discoveries and prospects in the Company's RJ-ON/6 portfolio are listed below in Table 3.1 and the locations of the discoveries and prospects are shown in Figs 3.1 to 3.2:

Appraised Discovery	**Reservoir Level**	**2P GIIP (Bscf) 100%**	**Comments**
SGL	Pariwar-P10 and P20 sequences – Early Cretaceous (Aptian/Albian)	256[1]	SGL-1 flowed at 12.71 MMscf/d with a flowing tubing pressure of 1,780 psia, SGL-2 flowed at 17.73 MMscf/d with a flowing tubing pressure of 1,100 psia
Discovery	**Reservoir Level**	**P50 GIIP (Bscf) 100%**	**Comments**
SSF	Baisakhi and Bedesir (B&B) sequence – Early Cretaceous (Berriasian)	527	SSF-2 logs interpreted as gas bearing, not yet flow tested
Prospects	**Reservoir Level**	**P50 GIIP (Bscf) 100%**	**Risk**
SFT-1/P	Pariwar-P10 sequence – Early Cretaceous (Aptian/Albian)	245	0.302 or 1 in 3.3 Primary Risks; Seal and Trap
SFT-2/P	Baisakhi and Bedesir (B&B) sequence – Early Cretaceous (Berriasian)	221	0.096 or 1 in 10.4 Primary Risks; Reservoir and Trap
SFT-3/P	Tertiary Sanu D6 sands – Paleocene	212	0.206 or 1 in 4.85 Primary Risk; Trap
SFT-4/P	Tertiary Sanu D6 sands – Paleocene	231	0.147 or 1 in 6.8 Primary Risks; Seal and Trap

Table 3-1 Overview of the Company's Portfolio in Block RJ-ON/6, Gross Volumes

Note 1. The 2P GIIP volume quoted in Table 3.1 is sourced from a D&M Reserves Report for the SGL Field (dated 31st May 2007) in which a 70% and 75% recovery factor respectively is assumed for proven and probable volumes. The basis for the GIIP volumes has not been independently reviewed by TRACS.

A discussion of the listed prospects is included in the following sections. The prospects cover a number of different reservoirs and consist of both structural and stratigraphic elements to the trap. Figure 3.3 below shows the general stratigraphic column for the area and the primary intervals of interest. These include the Baisakhi-Bedesir (B&B) early Cretaceous interval, the Pariwar Formation, also of early Cretaceous age and the Sanu Formation sands of Palaeocene age.

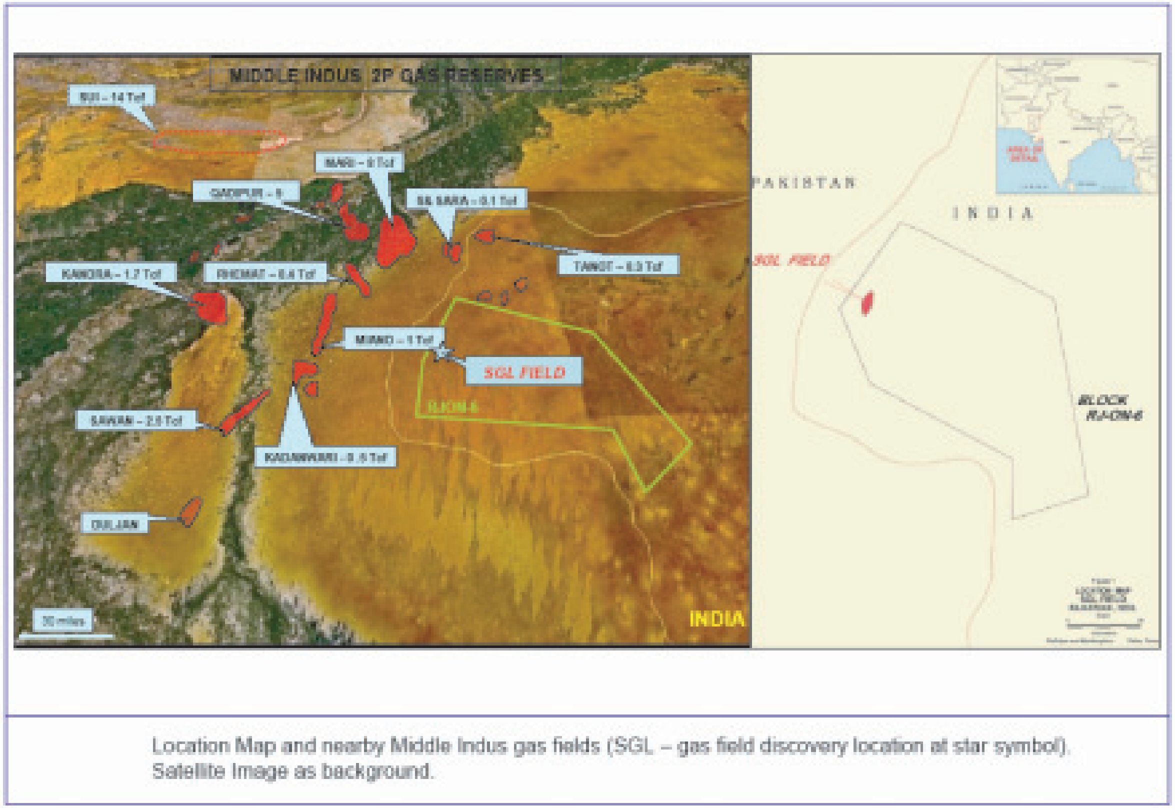

Figure 3-1 Map showing the location of Block RJ-ON/6

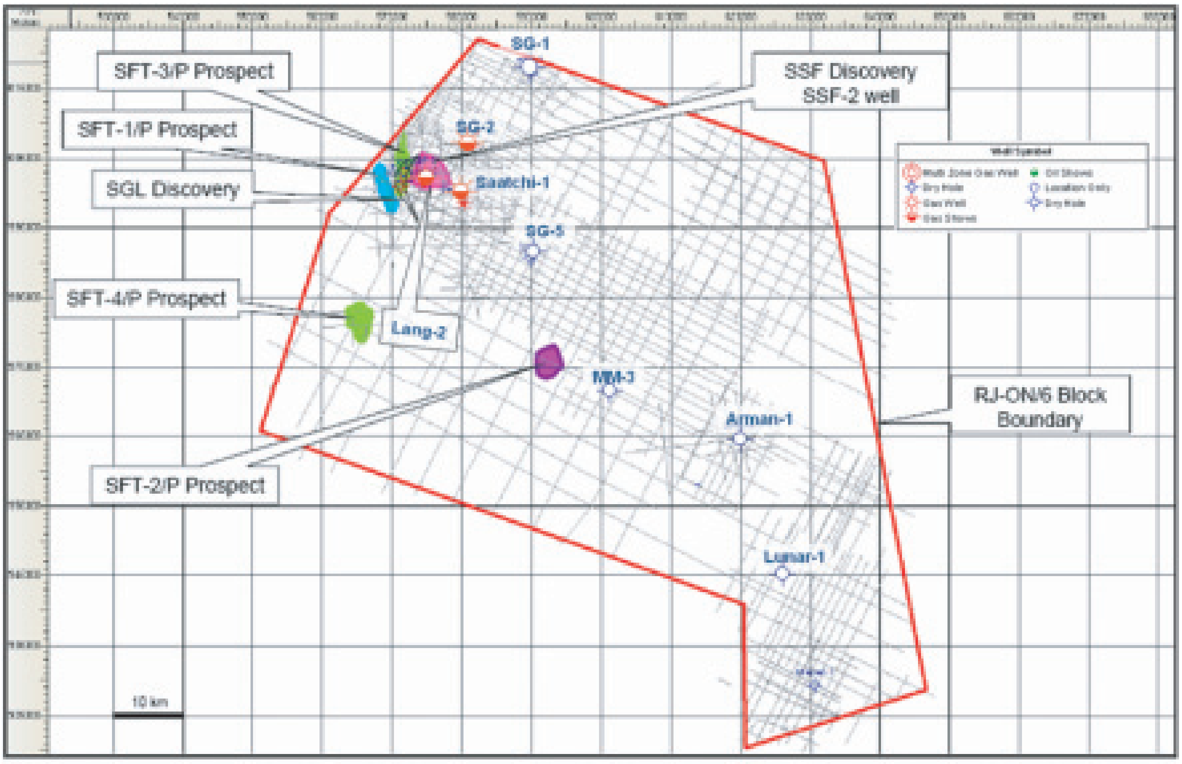

Figure 3-2 Map showing location of Prospects, 2D seismic and wells on Block RJ-ON/6

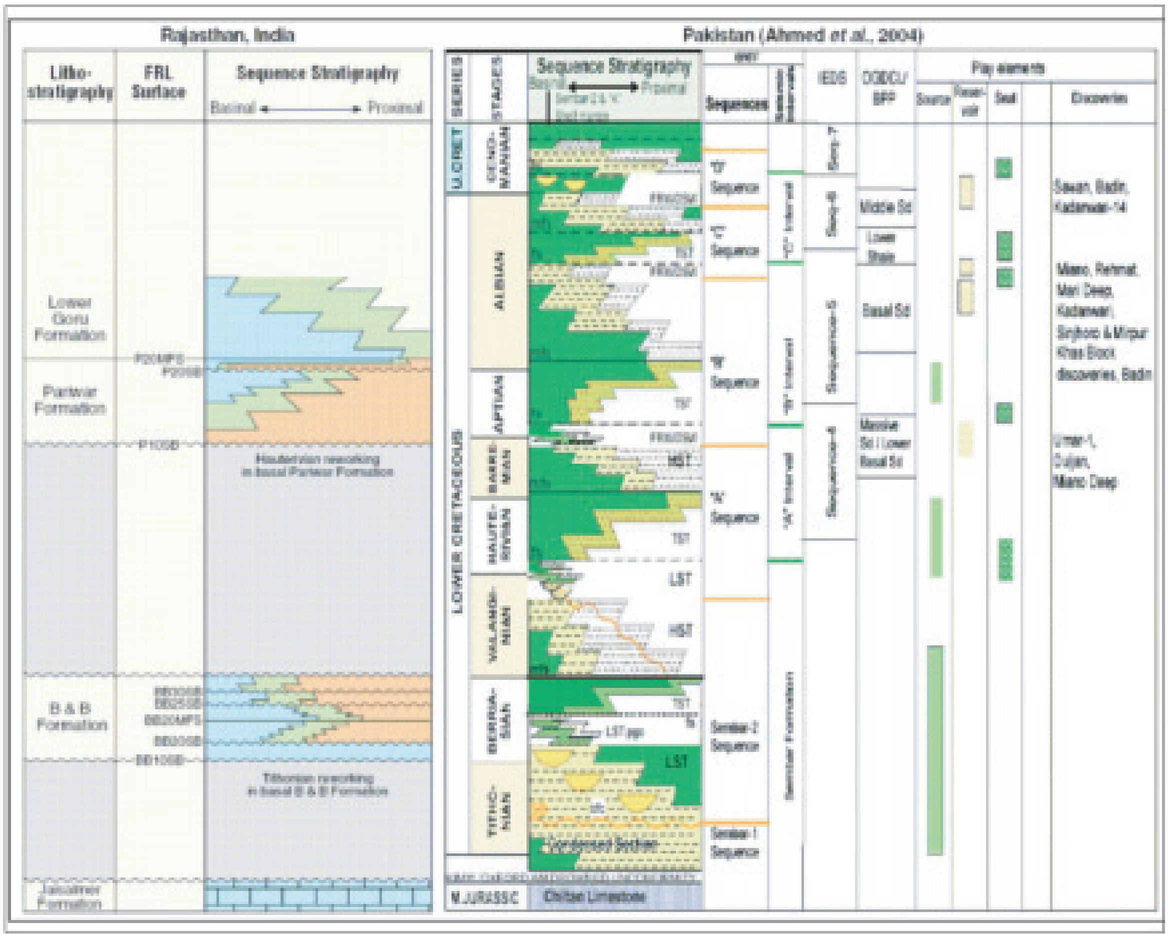

Figure 3-3 Lower Cretaceous Stratigraphic Generalised Stratigraphic between RJ-ON/6 and the Middle Indus Basin in Pakistan

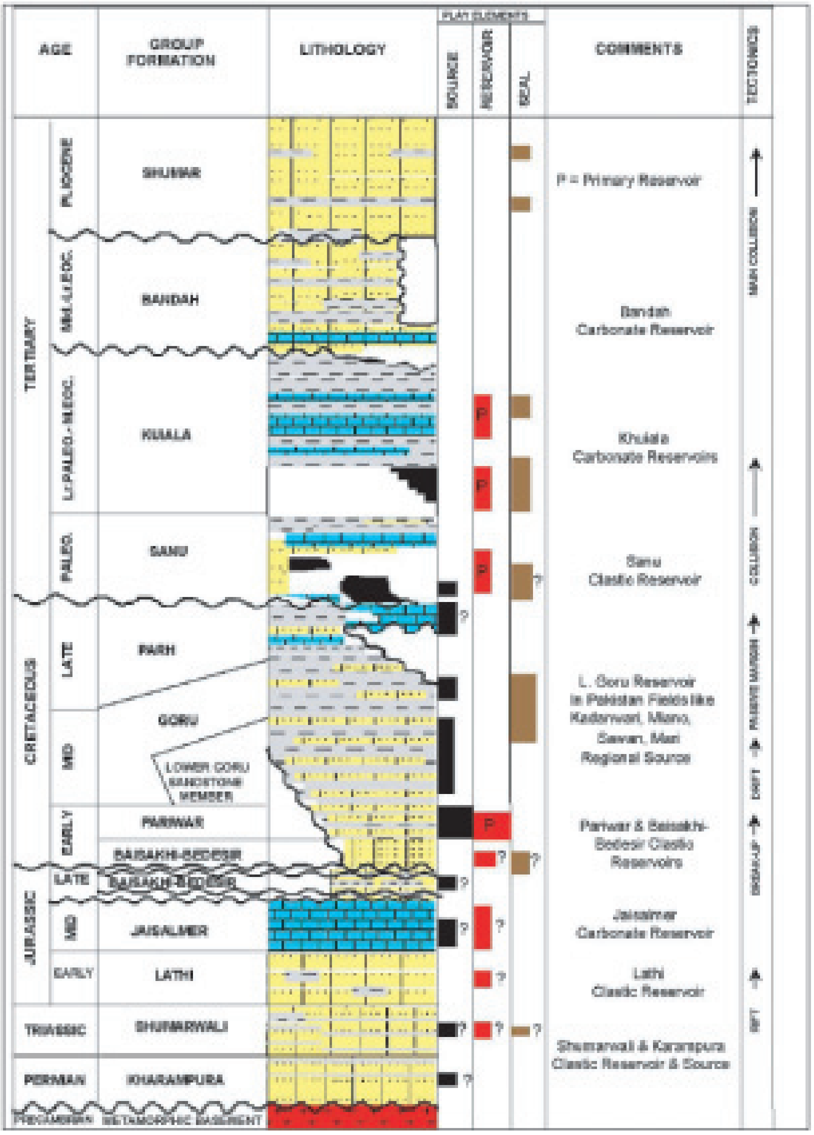

Figure 3-4 Generalised Stratigraphy for the Jaisalmer Basin area

4. Discovery and Prospect Descriptions

4.1. Introduction

The following sections provide a description of the SGL discovery (reviewed by D&M), and the SSF discoveries and four prospects reviewed by TRACS (Figure 4.0). The assets range in age from Early Cretaceous (SGL, SSF, SFT-2/P and SFT-1/P) to Tertiary (SFT-3/P and SFT-4/P).

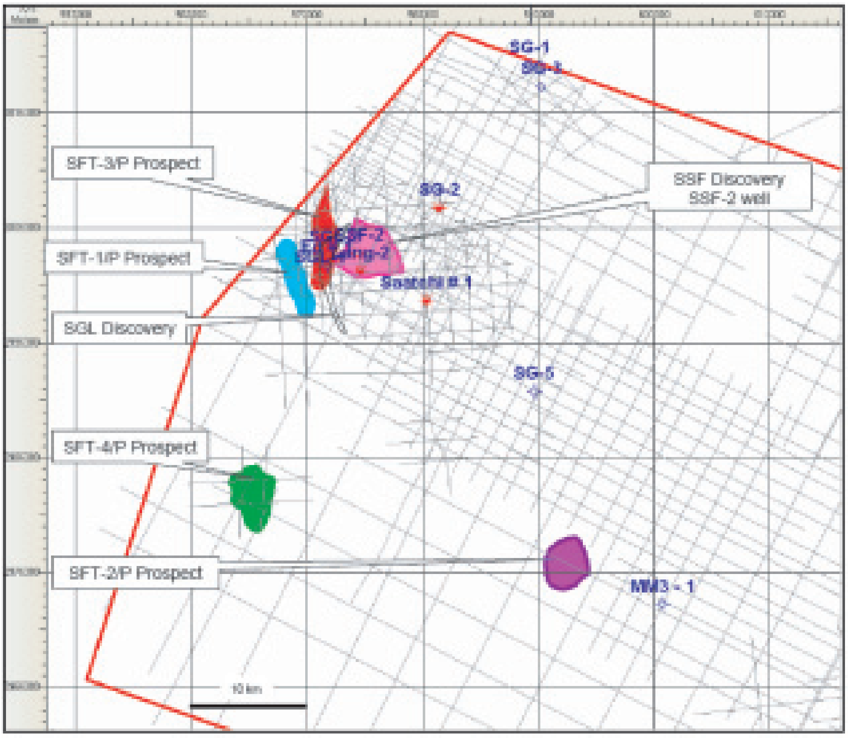

Figure 4-0 Locations of Prospects reviewed by TRACS

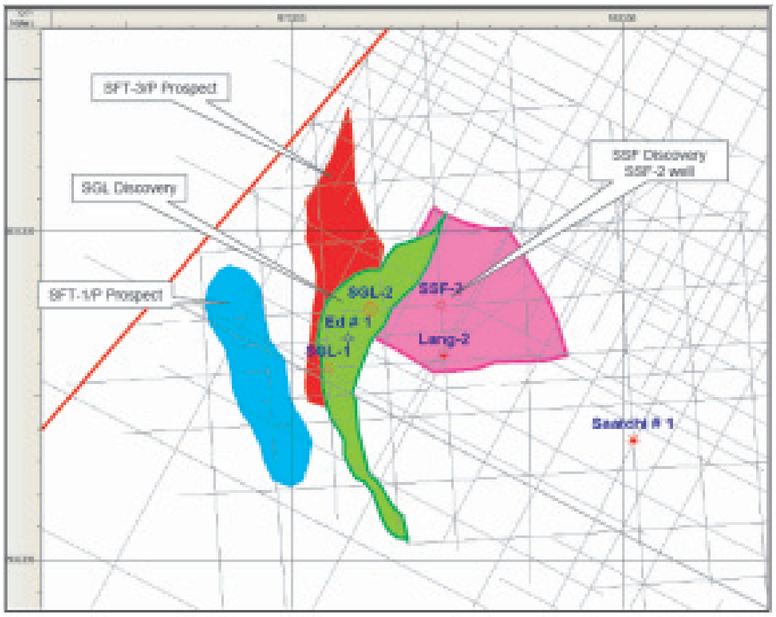

Figure 4-0 Expanded map of Prospects around SGL

4.2. SGL Discovery

The SGL field was discovered in May 2006 since when the Company has drilled one additional well to delineate the field. The discovery well SGL-1, flowed and tested gas at 12.71 MMscf/d from a 12m interval in the Lower Cretaceous with a flowing tubing pressure of 1,780 psia. A second well (SGL-2) was drilled and flowed and tested gas at 17.73 MMscf/d with a flowing tubing pressure of 1,100 psia from the same geologic formation in March 2007.

The field is located in the Middle Indus Basin on the far western edge of India very near the Pakistan/India border. The SGL field contains gas-bearing sands similar in quality to those found in typical Middle Indus Basin fields in Pakistan that produce from Lower Cretaceous sandstones. The SGL field is thought to contain either detached upper shoreface sands (P20 sequence boundary) with a lowstand (LST) interval (P20 LST), or sands that are part of an overall retrogradational Pariwar Formation and part of a shallow marine barrier bar system. Both depositional models suggest that the field may be subject to stratigraphic trapping as well as structural trapping.

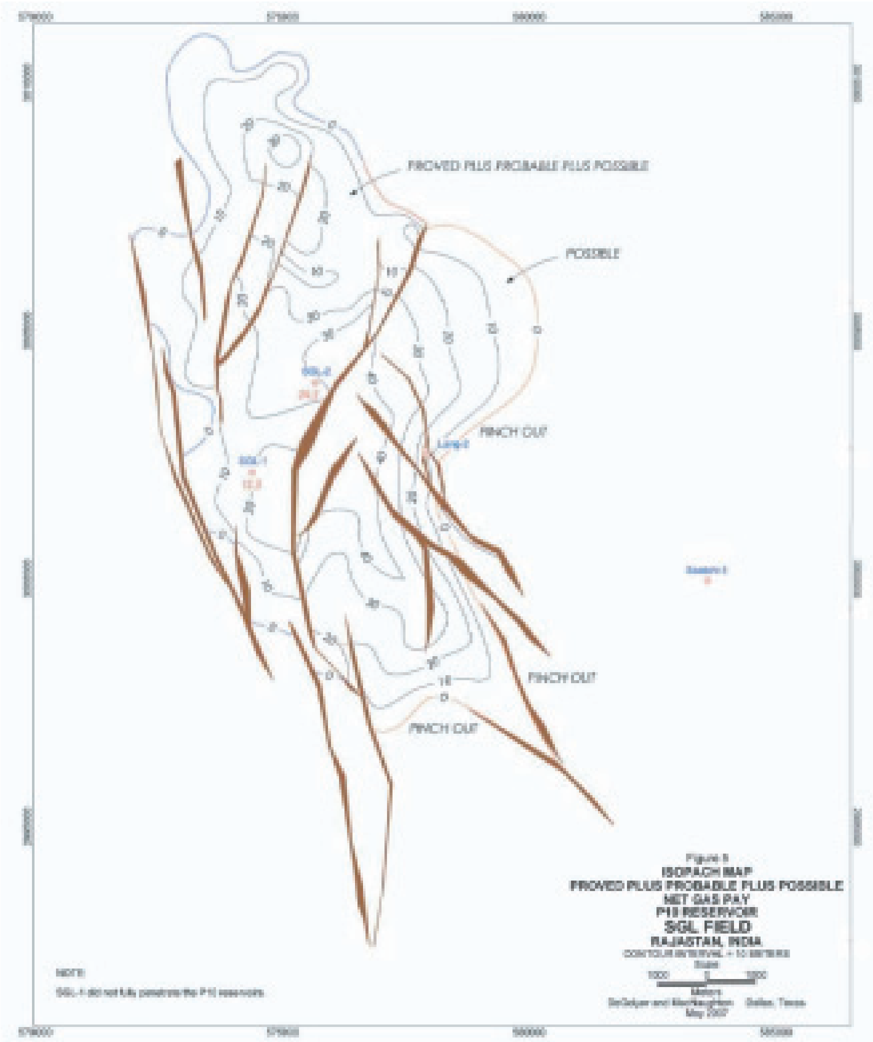

Figure 4-1 Isopach map showing 2P and 3P net pay thickness (source D&M)

The SGL-1 well encountered 12.2 meters of net gas pay in Lower Albian-age Upper Pariwar Formation deltaic sandstones (P10). The SGL-2 appraisal well encountered 29.1 meters of net gas pay in sandstones in the Upper Pariwar (P10) Formation.

The SGL field is a three-way dip closure against an eastern bounding fault. Structure dips to the west, south, and north, though there is a lack of true closure to the north. The faults are relatively low-throw, strike-slip faults.

The field area is defined by two-dimensional seismic data of varying vintage. Two wells define the SGL field reservoir along with two additional wells located to the east of the discovery that provide depth and stratigraphic control. Focus' seismic data and interpretations were loaded into the workstation and reviewed. The horizon and fault picks were refined as appropriate and a time map was created from the horizon picks. Particular attention was paid to the fault picks and their strike and throw. Time was converted to depth using a single polynomial function. The resulting interim depth map was then corrected to the well control using an error map to create the final structure map used for delineating the field area at the Upper Pariwar level.

Net gas pay isopach maps were prepared using the well control data and the depth maps for the P10 and P20 reservoirs. Estimates of in-place volumes were derived from these maps with certain limits applied specific to reserves classifications.

Volumetric estimation of in-place volumes associated with proved reserves were limited downdip by the well-log based lowest known occurrence of hydrocarbon (3,134 meters subsea), which has been interpreted as a gas/water contact (GWC). Areal limitations were also employed for estimating the in-place volumes associated with proved reserves using well control and the geometry of the reservoir. Structural closure to the south and interpreted termination of the seismic attribute to the north as indicated on Figure 3 were the basis for estimating proved reserves. Limits for proved reserves were also applied downdip where faulting provides structural uncertainty and lower confidence. In all cases, proved reserves limits were aligned with and based on well spacing.

TRACS has not independently reviewed the SGL volumes; for more details on the estimation of reserves see the D&M Report (Appendix 1). However the Company's development plan and production profiles for SGL (which are based on the D&M 2P Undeveloped Reserves volume) have been reviewed by TRACS and a valuation has been made on this basis.

4.3. SSF Discovery

The SSF Discovery is a Baisakhi and Bedesir (B&B) sequence feature that consists of a combination structural and stratigraphic trap. In the low estimate case (as defined by TRACS), the eastern and western margins of the structure are fault controlled (see Figures 4.2 and 4.3 below). It is possible that the northern limit of the structure is also fault controlled although the current mapping does not show this. The southern limit requires a stratigraphic element to complete the trap.

The structure is defined by several 2D seismic lines. There is a northwest to southeast and northeast to southwest group of lines as well as a north to south and west to east group of lines.

The structure has been drilled by the SSF-2 discovery well. The B&B sequence had been encountered and the logs provide strong evidence of a clean, gas charged sand. At the time of writing, the interval had not been tested. However, the log data provides sufficient evidence to define the discovered gas volumes as contingent resources (see Figure 4.4 below). The Lang-2 well also penetrated the structure and although increased gas shows were observed logs indicated the reservoir at this location was poor and the interval was not tested.

In order to determine the Gross Rock Volume, the top structure map was taken and 40m was added to provide a base sand surface, reflecting the SSF-2 well penetration of a 40m thick sand interval. The thickness of 40m was used for both the low and the high case estimates but ranges were assigned for other volumetric inputs. There is evidence (from logs) for the presence of laminated sands above and below the target interval, however as there are no tests on these intervals it is not clear that these sands represent incremental volumes, as such they have not been included in the contingent volumes.

The top and bottom surfaces were used in the Kingdom interpretation software to generate the Gross Rock Volume (GRV), using the low and high estimate polygons to provide the downside and upside areas respectively. This resulted in two estimates of GRV that were used in a Monte Carlo simulation to provide a probabilistic range of Gas Initially In Place (GIIP).

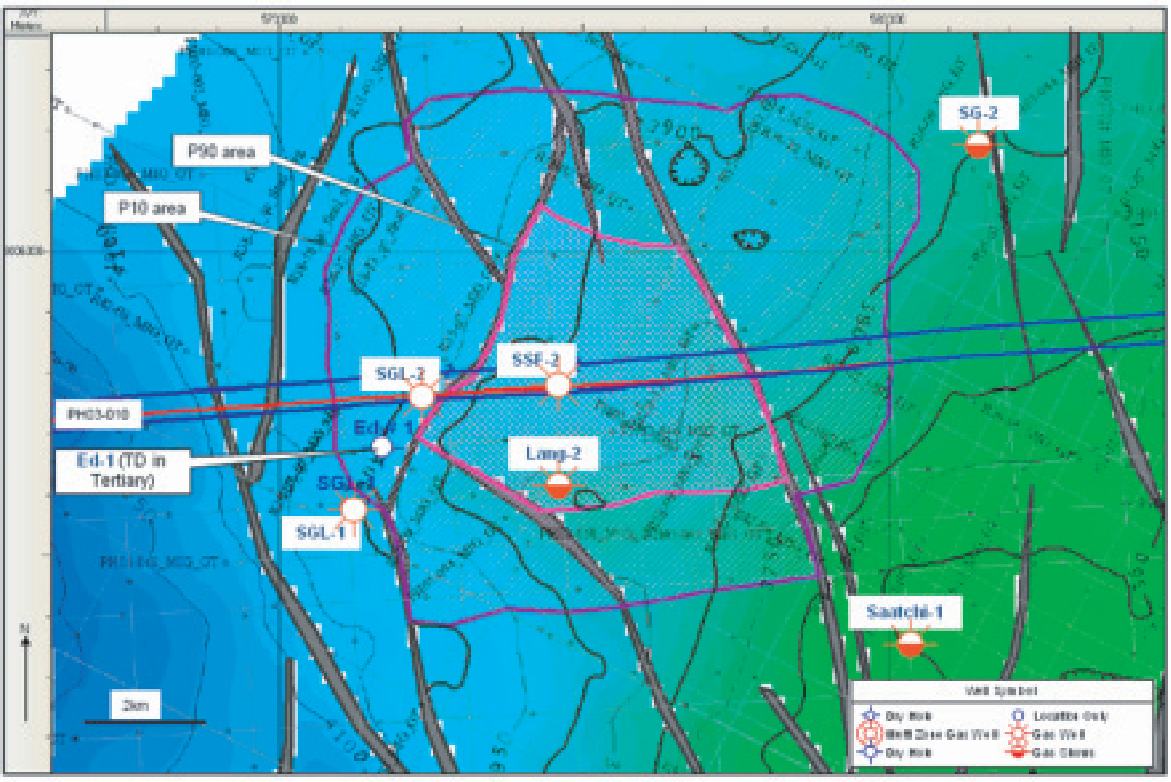

Figure 4-2 SSF Discovery — Top Baisakhi and Bedesir (B&B) 30 sequence Depth map

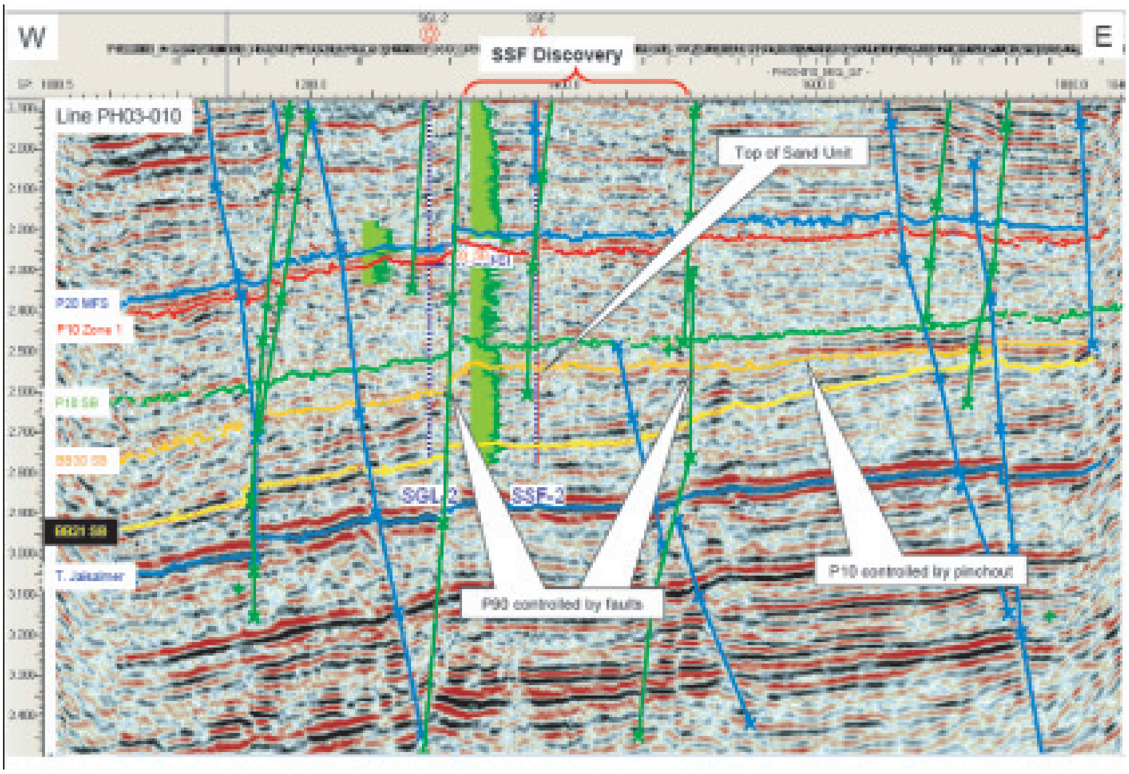

Figure 4-3 2D seismic line PH03-010 illustrating the SSF Discovery

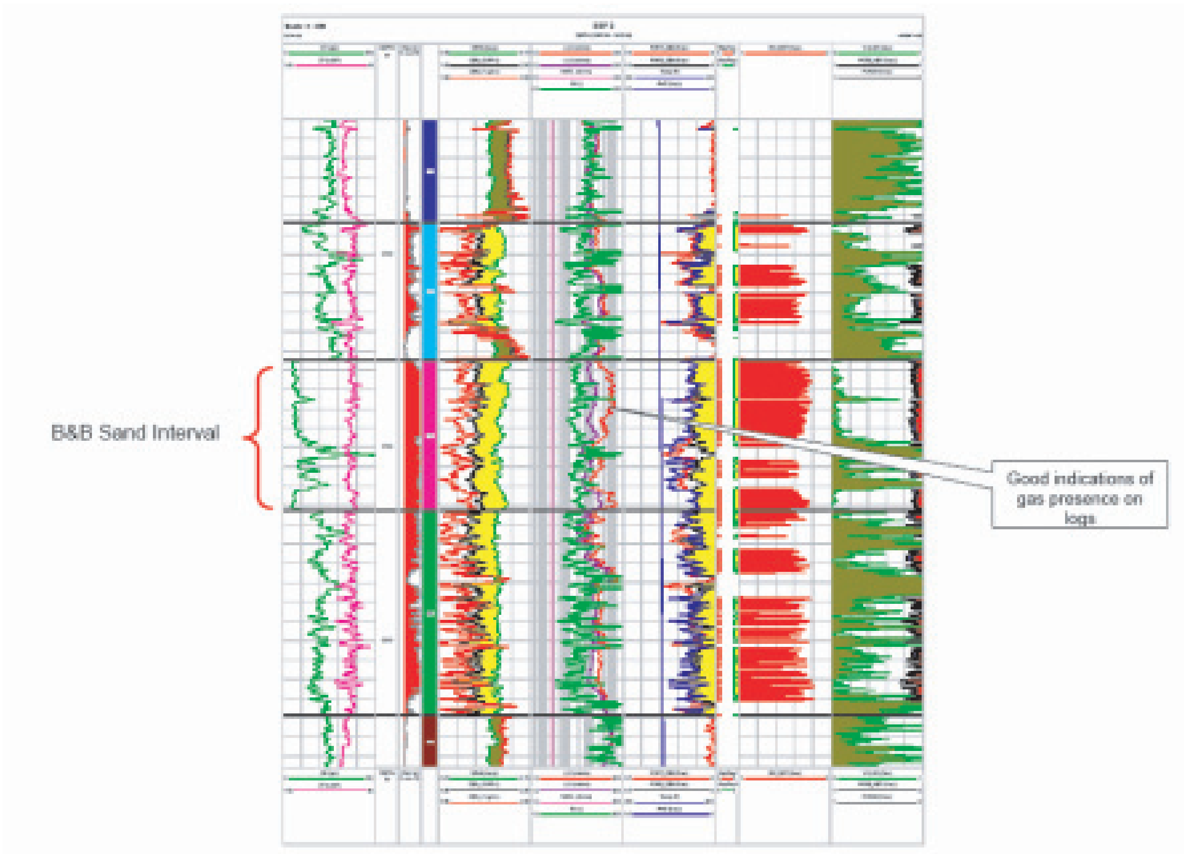

Figure 4-4 Log data from SSF-2 well showing presence of gas in sand unit

The resulting Gas Initially In Place (GIIP) estimates are provided in Table 4.1 below.

Gas Initially In Place (GIIP) Bscf	TRACS
P90	294
P50	527
P10	952
Mean	586

Table 4-1 Gas Initially In Place estimates for the SSF Discovery

Since the SSF structure has been drilled by the SSF-2 well which has encountered hydrocarbons, the geological risk of finding hydrocarbons has been removed. The well has not yet been flow tested so there remains a risk if these volumes will be commercially extracted. This should be addressed once the well is tested, planned during 2008.

Given the evidence from the SSF-2 well and the supporting log interpretation, SSF is considered to be a discovery and therefore the gas can be categorised as a contingent resource.

4.4. SFT-1/P Prospect

The SFT-1/P prospect is a Pariwar-P10 sequence structure. This is the same reservoir interval as the SGL discovery located approximately 2 km to the east. The two structures appear to be separated by a northwest to southeast trending fault (see Figure 4.5 below).

In the low estimate case, this fault creates the updip closure. There is evidence that at the northern end of the fault it swings round to a more west east direction creating closure to the north. To the south and west, the structure is dip closed.

The high estimate case also relies on the fault for updip closure. To the north and south a stratigraphic element is required to complete the trap. There is some brightening on the seismic data which may correspond to reservoir quality rock. The high estimate area uses the limits of this brightening as a guide to defining the upside case. Figure 4.6 shows the position of the SFT-1/P prospect on a 2D seismic line.

In order to estimate the Gross Rock Volume (GRV) for the SFT-1/P Prospect, the top structure map was taken and two new surfaces were created. The first was the downside case and was created by adding

8m to the top structure map. This created a base sand map. These two surfaces were then used in the Kingdom software together with the low estimate area polygon, to calculate the downside GRV.

The upside case used a sand thickness of 40m which was added to the top structure map to provide a base sand. These surfaces were used in Kingdom together with the high estimate area polygon to calculate the upside GRV.

These ranges of GRV were then input to the Monte Carlo simulator to provide a probabilistic range of Gas Initially In Place (GIIP).

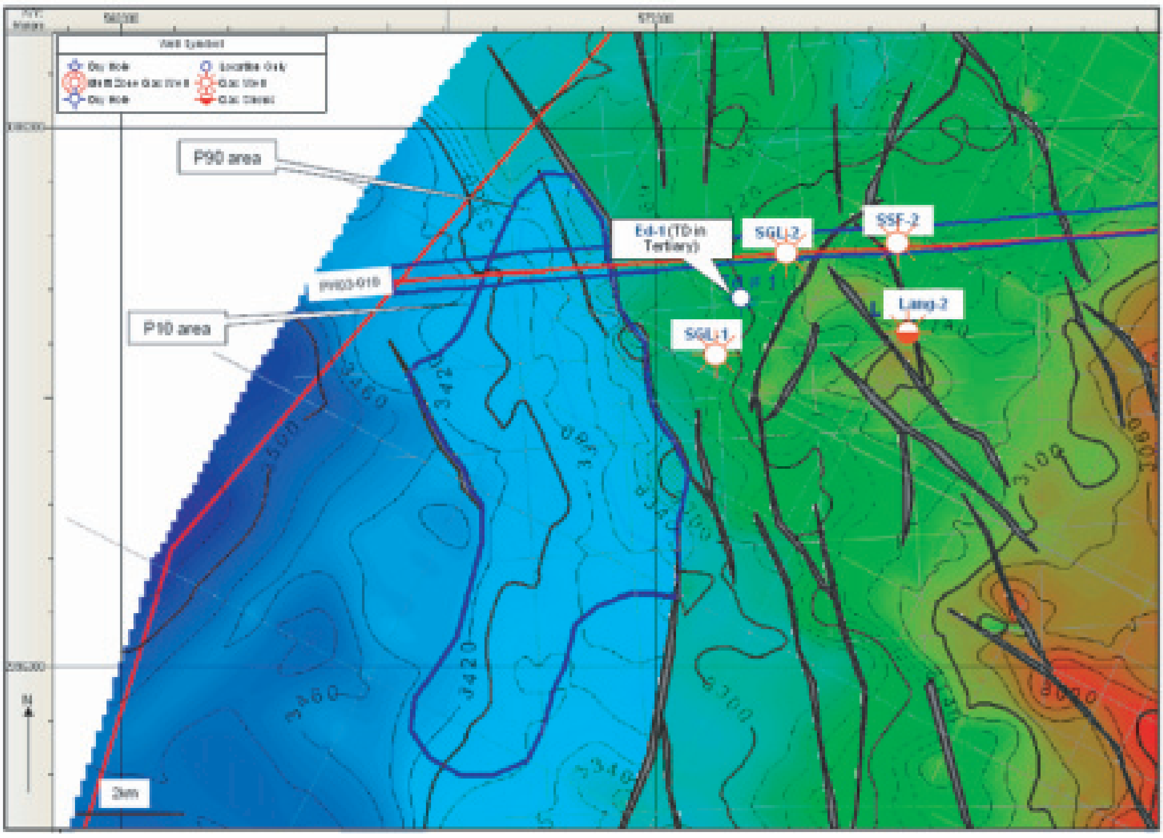

Figure 4-5 SFT-1/P Prospect — Top Pariwar P10 zone 1 sequence Depth map

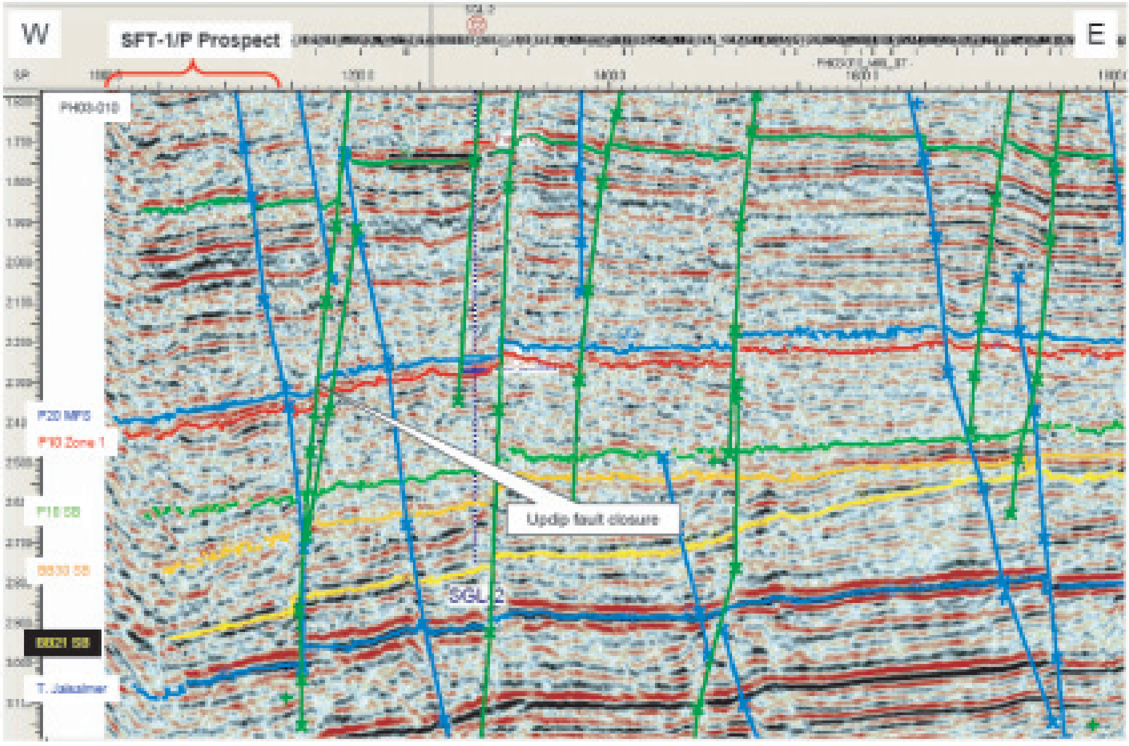

Figure 4-6 2D seismic line PH03-010 illustrating the SFT-1/P Prospect

Table 4.2 below provides a summary of the TRACS GIIP estimates.

Gas Initially In Place (GIIP) Bscf	TRACS
P90	81
P50	245
P10	728
Mean	355

Table 4-2 Gas Initially In Place estimates for the SFT-1/P Prospect

The chance of finding hydrocarbons in the SFT-1/P prospect (as defined by TRACS) is detailed below in Table 4.3below:

Parameter	Risk	Comments
Source	0.9	Very close to SGL Field which has proven source
Seal	0.7	Potentially leaky fault
Reservoir	0.8	Location is downdip of SGL Field
Trap	0.6	Relies on fault for updip closure
Overall Risk, 1 in 3.3	0.302	

Table 4-3 SFT-1/P Prospect Risk Profile

4.5. SFT-2/P Prospect

The SFT-2/P Prospect is a Baisakhi and Bedesir (B&B) sequence structure and is primarily a stratigraphic prospect. The reservoir interval is the same level as that found in the SSF Discovery. The updip MM3-1 well did not encounter any age equivalent sands so reservoir presence is a risk.

The low estimate case is limited to a small area associated with a thickening of the BB SS2 to BB HST 2 interval (see Figures 4.7 the structure map and 4.8 the seismic section below).

The high estimate area polygon is limited in the updip direction by a fault system and downdip by a change in seismic character. There is not much seismic data to control this feature which is a limiting factor in defining the prospect.

For this prospect there was no depth surface provided for the target horizon. In order to calculate the Gross Rock Volumes (GRVs), the polygon area and the reservoir thickness was used together with a geometric correction factor.

For the low estimate case, a sand thickness of 5m was assumed and a geometric correction factor of 0.8 was used. The low estimate polygon was used to define the area.

In the high estimate case, the upside polygon was used to define the area and a thickness of 35m was used. The geometric correction factor applied was 0.95.

This provided the low estimate and high estimate range of GRVs that was input to Monte Carlo to provide the probabilistic range of Gas Initially In Place.

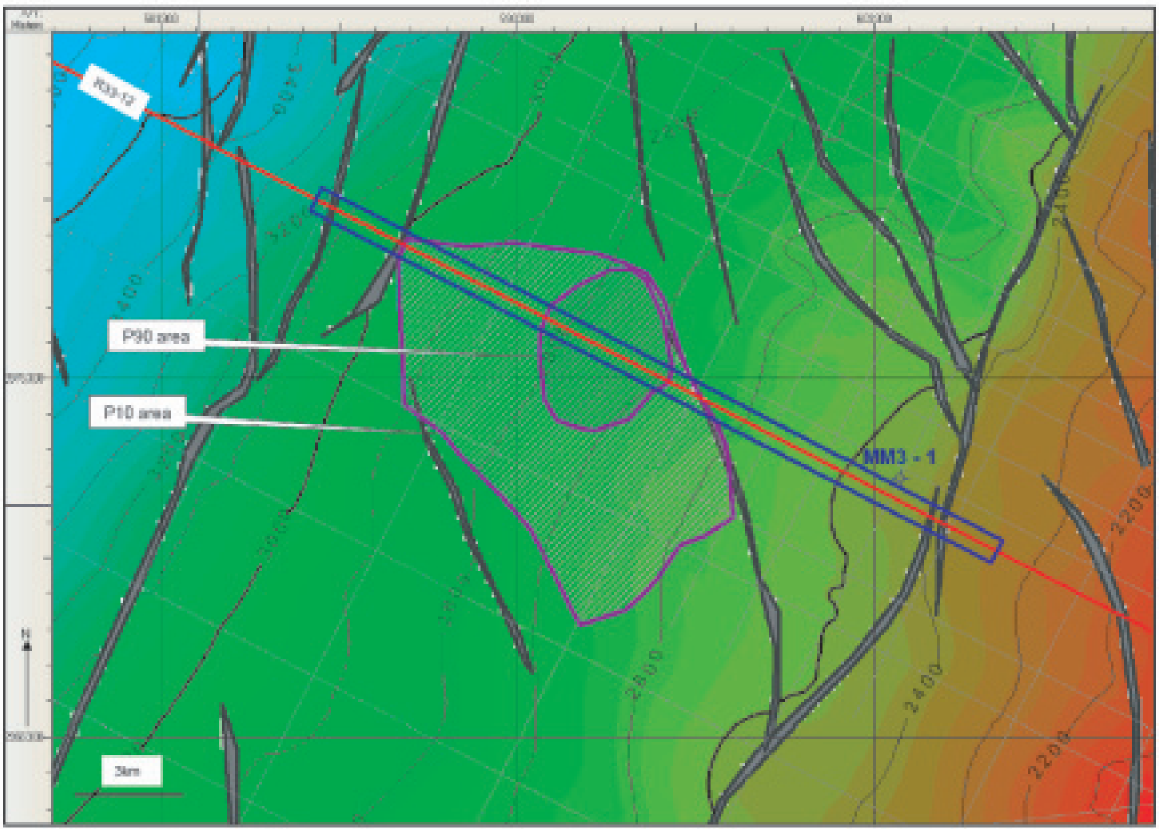

Figure 4-7 SFT-2/P Prospect — Top Baisakhi and Bedesir (B&B) 30 sequence Depth map

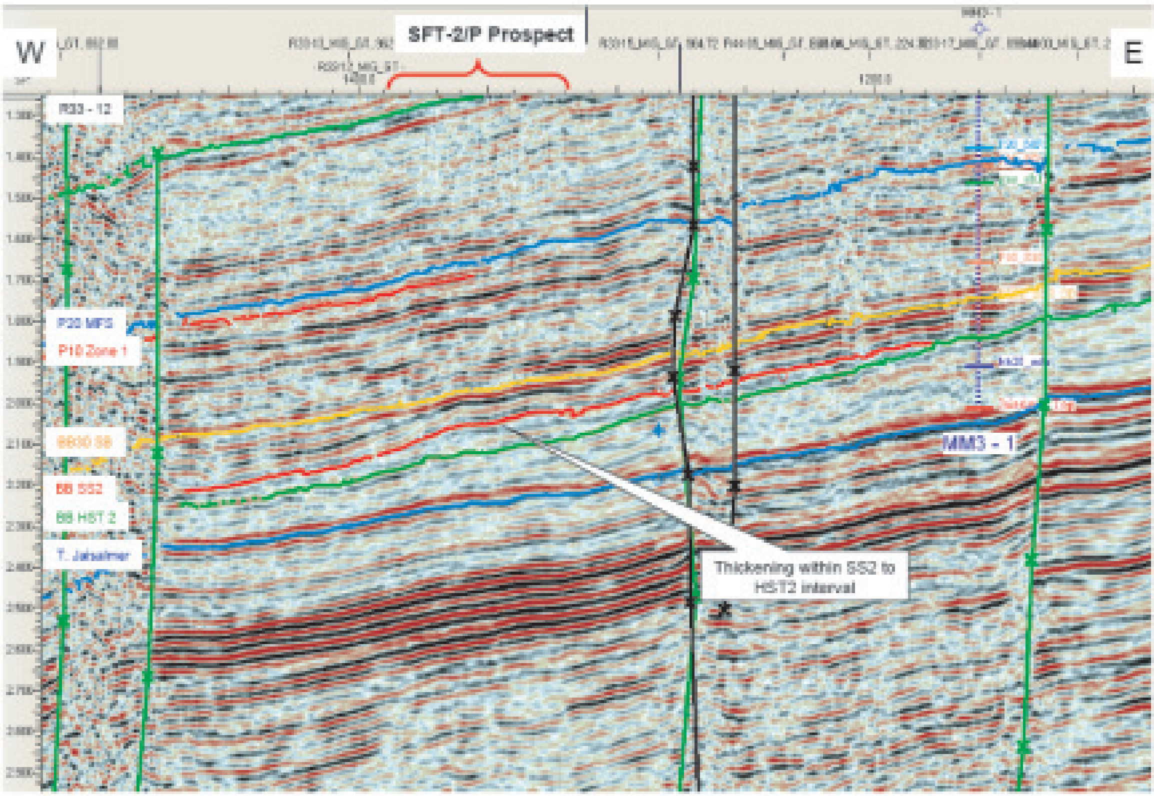

Figure 4-8 2D seismic line R33012 illustrating the SFT-2/P Prospect

Table 4.4 below provides the GIIP estimates calculated by TRACS.

Gas Initially In Place (GIIP) Bscf	TRACS
P90	60
P50	221
P10	797
Mean	358

Table 4-4 Gas Initially In Place estimates for the SFT-2/P Prospect

The chance of finding hydrocarbons in the SFT-2/P prospect is detailed below in Table 4.5 below:

Parameter	Risk	Comments
Source	0.6	Further from proven hydrocarbons. Updip MM3-1 wet
Seal	0.8	Thick shales present at MM3-1 location
Reservoir	0.5	Reservoir not proven at this interval. Shale present at this interval in MM3-1 well
Trap	0.4	No evidence of updip pinchout. Stratigraphic closure not visible
Overall Risk, 1 in 10.4	0.096	

Table 4-5 SFT-2/P Prospect Risk Profile

This is a rather high risk prospect the primary risks being reservoir presence and trap. The target interval was predominantly shale in the updip MM3-1 well and any sand present was wet. As there is no structural element to the prospect so the trap is also a concern.

4.6. SFT-3/P Prospect

The SFT-3/P Prospect is a Palaeocene age structure situated just above the Base Tertiary event (see Figure 4.10 seismic line below). The low estimate area has been restricted by TRACS to a fault system defined at the Base Tertiary seismic event (see Figure 4.9 map).

There is a strong amplitude anomaly identified on the 2D seismic data which partly defines the limits of the structure. The SGL-2 well appears to have drilled very close to the amplitude anomaly and it is not clear whether it penetrated the structure or not, however increased mud log gas readings were encountered at this level. Well SGL-I did penetrate the structure but, whilst increase mud gas readings were observed, wire line logs were not recorded across this interval, so there was no confirmation of reservoir or moveable hydrocarbon presence. Well Ed-1 is within the area of the structure but did not reach this depth.

The high estimate area extends beyond the fault structure and uses seismic character and amplitude to determine the limit of the polygon. This assumes the sand pinches out or changes facies to create the closure in the upside case.

The Gross Rock Volume (GRV) for the low estimate case was calculated by subtracting 5m from the Base Tertiary Depth map to provide a top sand surface. These two surfaces were used in Kingdom to calculate the GRV using the low estimate area polygon to limit the area.

For the high estimate case, 25m was subtracted from the Base Tertiary depth map to give a top sand surface. This surface and the Base Tertiary surface were used in Kingdom to calculate the GRV together with the high estimate polygon to limit the area.

The resulting range of GRVs was input to Monte Carlo to produce a probabilistic range of Gas Initially In Place for the SFT-3/P Prospect.

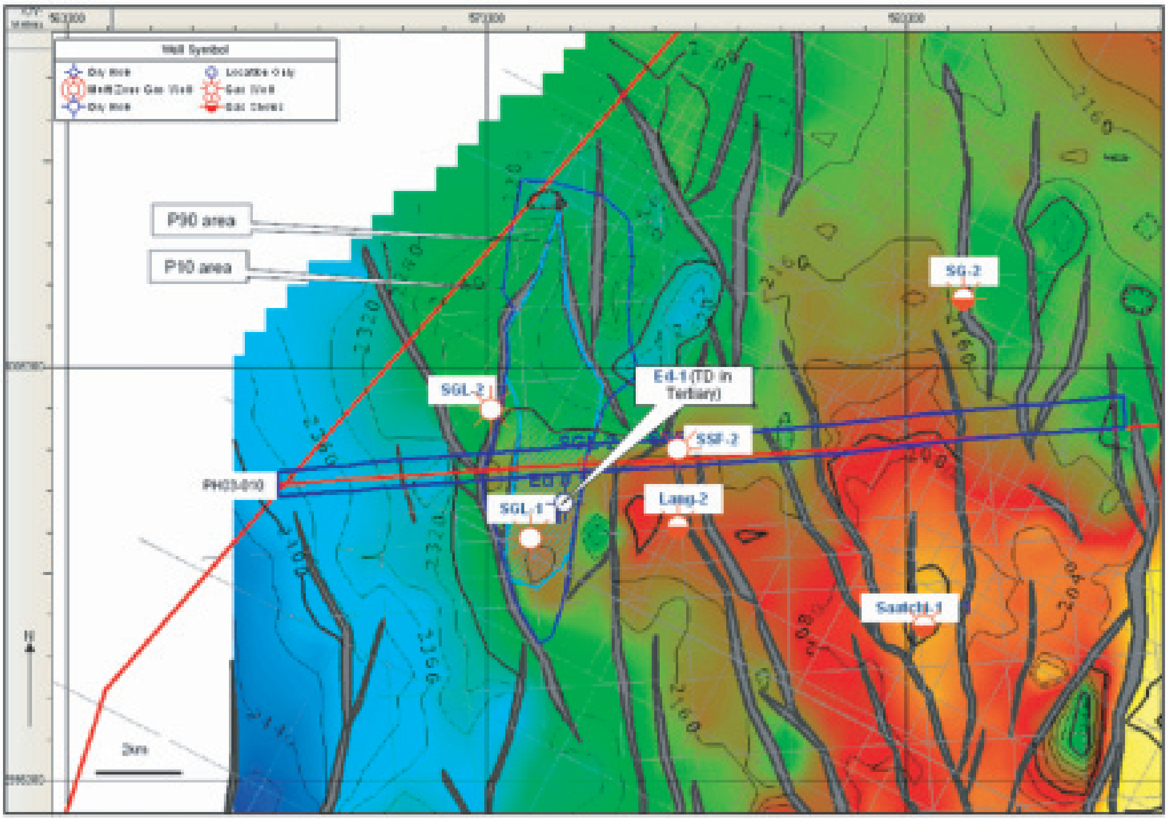

Figure 4-9 SFT-3/P Prospect — Base Tertiary Depth map

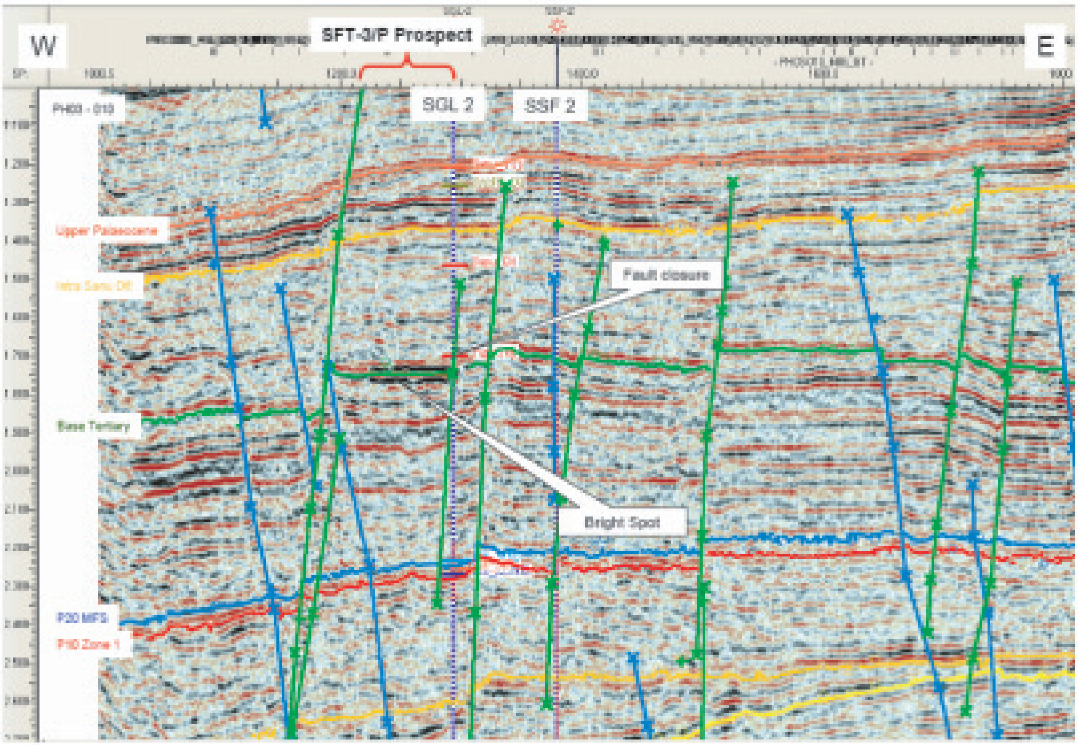

Figure 4-10 2D seismic line PH03-010 illustrating the SFT-3/P Prospect

Table 4.6 provides a summary of the GIIP estimated by TRACS.

Gas Initially In Place (GIIP) Bscf	TRACS
P90	96
P50	212
P10	460
Mean	254

Table 4-6 Gas Initially In Place estimates for the SFT-3/P Prospect

The chance of finding hydrocarbons in the SFT-3/P prospect is outlined in Table 4.7 below:

Parameter	Risk	Comments
Source	0.7	Above SGL Field
Seal	0.7	Appears to be thick shales above reservoir target
Reservoir	0.7	Appears to be sand in SGL-2 well
Trap	0.6	Potential for leakage across fault
Overall Risk, 1 in 4.85	0.206	

Table 4-7 SFT-3/P Prospect Risk Profile

The presence of the high amplitude anomaly is encouraging although it varies in intensity from line to line. This may be a function of the different vintages of 2D seismic data and processing techniques. The 3D data that is currently being acquired may well provide a more consistent picture of this feature.

4.7. SFT-4/P Prospect

The SFT-4/P Prospect is a Palaeocene age structure located southwest of the SGL area. The target horizon is younger than the SFT-3/P prospect and is based on a high amplitude event (see Figure 4.12 seismic line below). There appears to be some faulting updip that may facilitate trapping. Figure 4.11 shows the map to illustrate the potential updip closure. The structure is primarily stratigraphic.

The low estimate structure is based on the faulting identified to limit the updip extent. The downdip limit is based on dip changes seen on the seismic and amplitude changes.

The high estimate polygon is based on seismic character and amplitude changes and is therefore entirely stratigraphic in nature.

The primary target for this prospect appears to be the Sanu D6 sands. In order to calculate the Gross Rock Volume (GRV), the area and thickness was used. For the low estimate case, the low estimate area polygon was used together with a thickness of 10m and a geometric correction factor of 0.8.

For the high estimate case, the thickness assumed was 35m. This was used in combination with the high estimate area polygon and a geometric correction factor of 0.8.

The resulting range of GRVs was input to Monte Carlo to provide a probabilistic range of Gas Initially In Place.

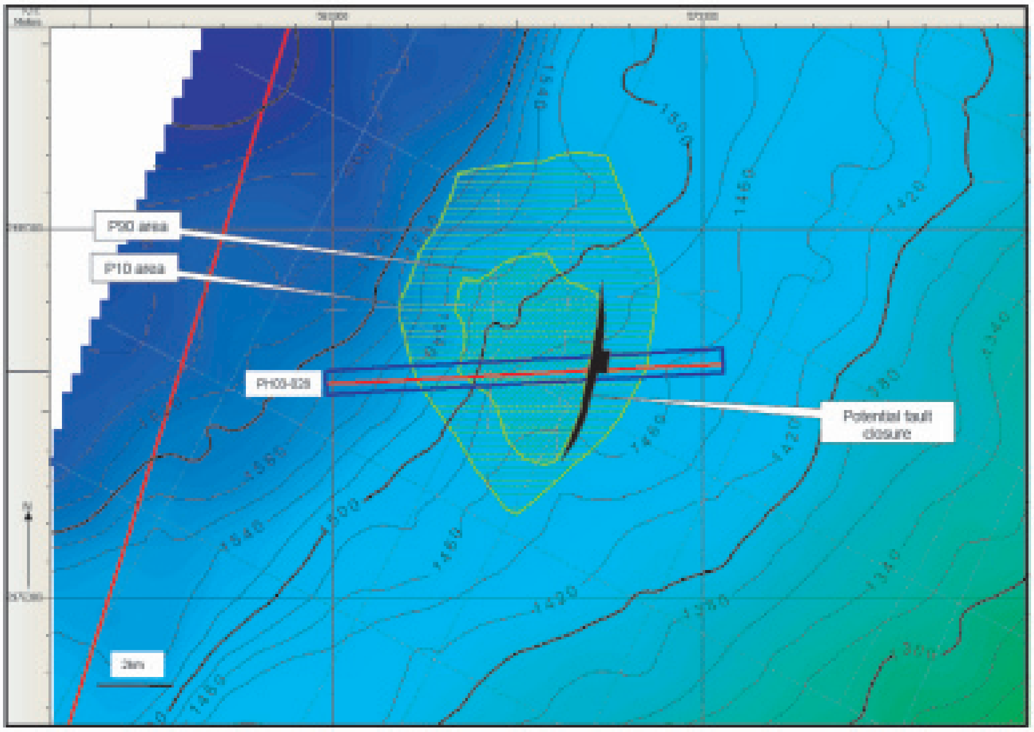

Figure 4-11 SFT-4/P Prospect — Upper Palaeocene Depth map

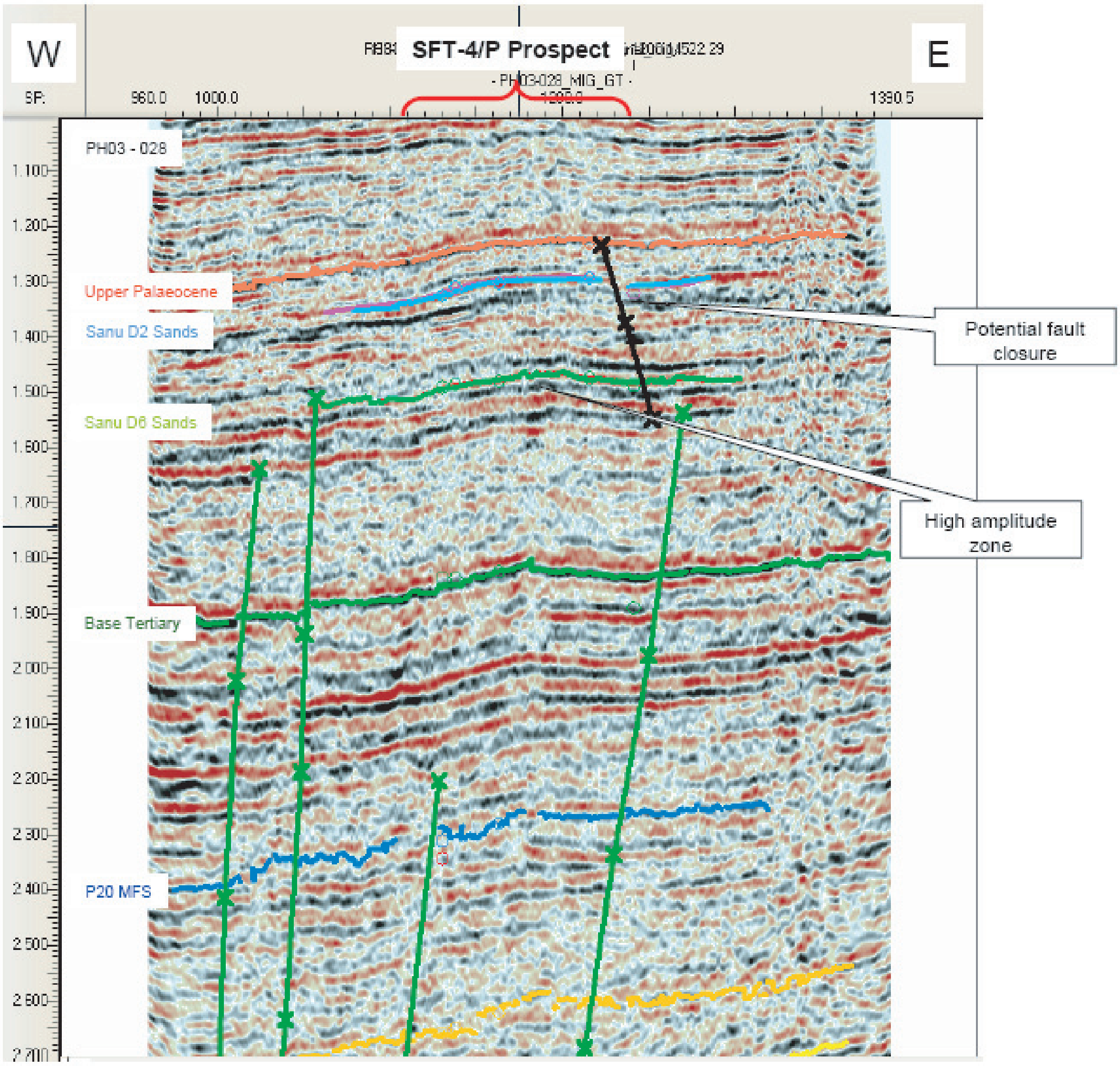

Figure 4-12 2D seismic line PH03-010 illustrating the SFT-3/P Prospect

Table 4.8 shows the GIIP estimates calculated by TRACS.

Gas Initially In Place (GIIP) Bscf	TRACS
P90	99
P50	231
P10	549
Mean	290

Table 4-8 Gas Initially In Place estimates for the SFT-4/P Prospect

The chance of finding hydrocarbons in the SFT-4/P prospect is outlined in Table 4.9 below:

Parameter	Risk	Comments
Source	0.7	
Seal	0.6	Not much evidence of amount of shale in the area
Reservoir	0.7	Appears to be sand in offset wells
Trap	0.5	Potential for leakage across fault. Relies on stratigraphic trapping
Overall Risk, 1 in 6.8	0.147	

Table 4-9 SFT-4/P Prospect Risk Profile

The primary risk is trap since there is no identifiably structure. The presence of what appears to be high amplitude reflectors at the target horizon does provide some evidence that hydrocarbons may be present.

5. Potential Leads and Plays

In addition to the prospects described in the previous section, the Company has identified a further four prospects that TRACS have reviewed and is of the opinion that these prospects be regarded as leads or plays, since a substantial amount of the Block is not yet covered with a sufficiently dense seismic grid of modern good quality seismic data. The Company is in the process of acquiring ca. 726 sq. km. of 3D seismic, of which 326 sq. km. has already been acquired as of March 2008. The Company hopes to complete acquisition and processing of this seismic data by end of 2008 covering all the leads and prospects identified in this report. These leads or plays are analogous to the SGL-1 and SSF-1 discoveries and it is possible that they will emerge as valid prospects once more seismic data becomes available. Currently they are not included in the volumes by TRACS. These leads and play are SFT-5/L, SFT-6/L, SFT-7/L and SFT-8/L and reflected in the Figure 5.1 below.

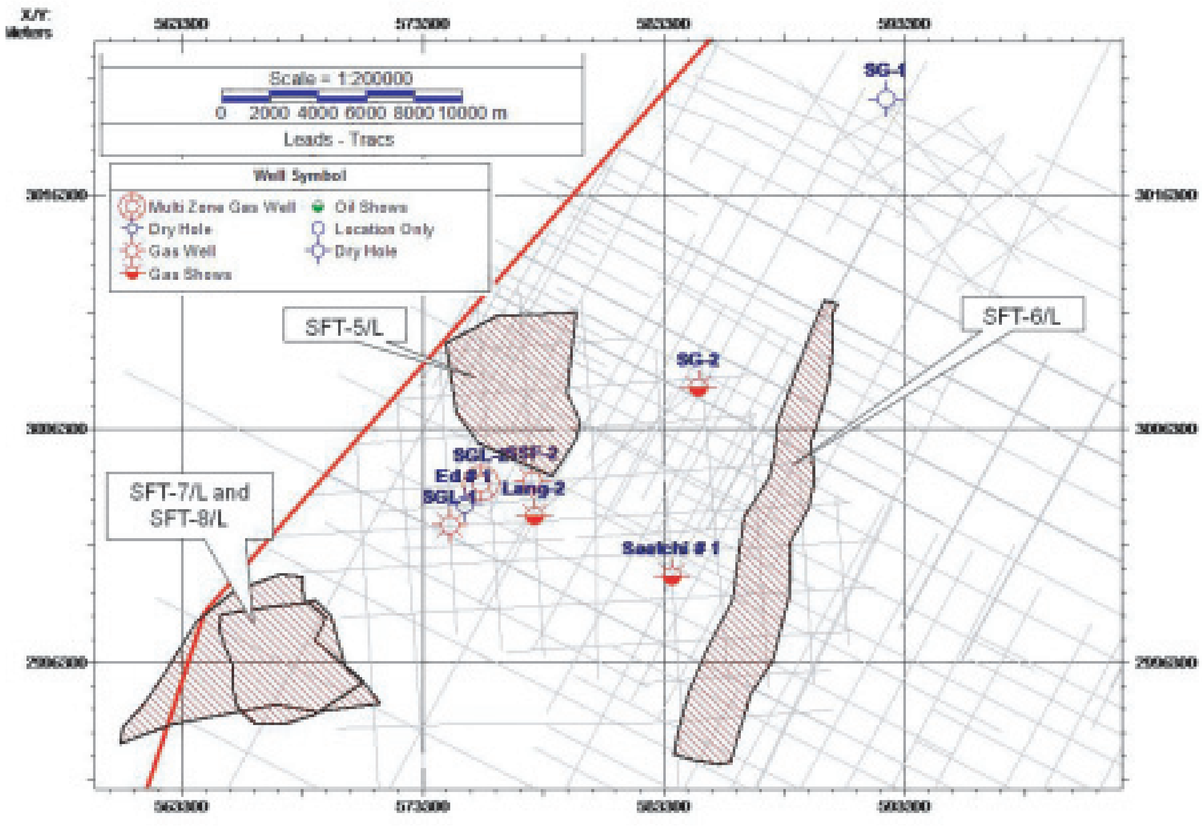

Figure 5-1 Additional Leads identified by the Company

5.1. SFT-5/L

In "SFT-5/L" two wells, Lang 2 and Saatchi-1 have been drilled (for location see Figure 5-1), which is covered by a good 2D seismic grid. It is based on a deep water levee channel play model for the Berriasian lower B&B sequence, which in all wells drilled so far is predominantly shaly and often associated with very strong gas shows, especially in Lang-2 and Saatchi-1 (Figure 5-2) covering over 400 meter thick horizon. Dramatic mud weight drops and flared gas and condensate were associated with finely laminated sands as reflected in the FMI data developed for the wells. Considering that this potential is purely a stratigraphic play yet to be proved in the Middle Indus basin and which if present would require 3D seismic to delineate reservoir quality levee channel sands, TRACS regards this feature as a lead and does not include the possibly large in place gas volumes associated with it in the resource calculation. Currently 3D seismic is being shot over this area and it is possible that a well-defined levee channel prospect may be identified. Additionally the play might be regarded as a large tight gas play, which likely would need a fracture stimulation program for development. The Company is in the process of acquiring fraccing equipment and hopes to commence fracture simulation program by end of 2008.

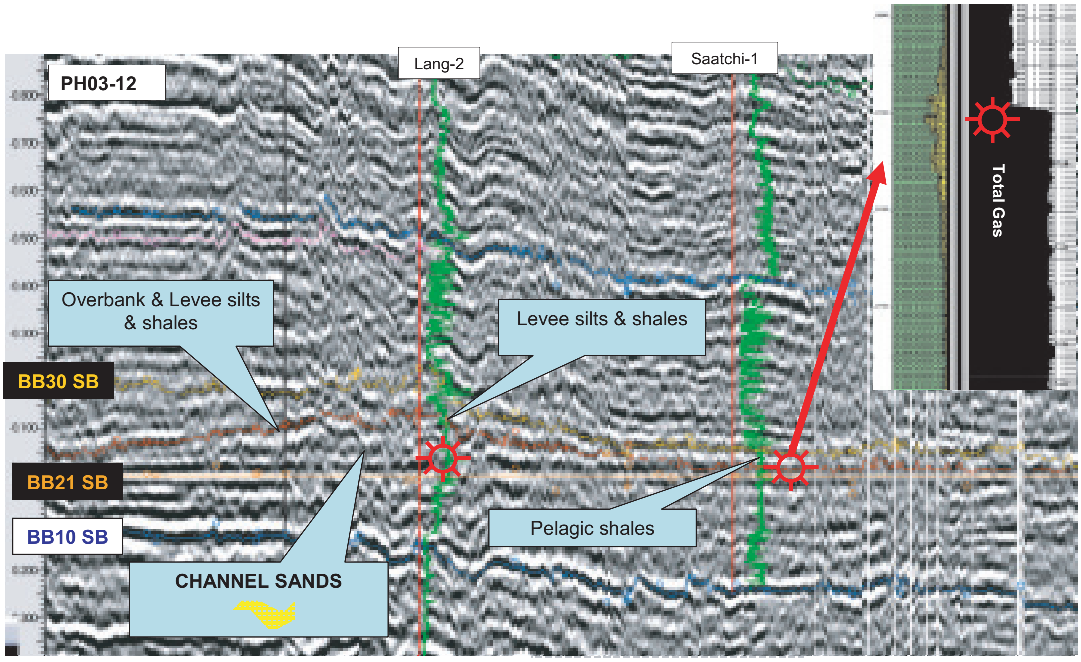

Figure 5-2 Levee channel Play Concept

The other three leads (as defined by TRACS) SFT-6/L, SFT-7/L and SFT-8/L are discussed below:

5.2. SFT-6/L

SFT-6/L is located approximately 11 km east and is an analogy to the SGL gas discovery in Pariwar sequence. It is updip of the SGL discovery with shallower depth. The anomaly is situated on a structural nose and updip seal could be provided either by stratigraphic pinchout or by the large strike slip fault system to the east.

The 3D seismic data currently being acquired will likely improve the chance of this lead being reclassified as prospects.

5.3. SFT-7/L & SFT-8/L

The leads SFT-7/L and SFT-8/L, (considered by the Company as prospects), are planned to be drilled with a single well through two different hydrocarbon systems (Albian Pariwar and Berriasian B&B formations, respectively).

The shallower lying SFT-7/L is an analogy to the SGL gas field and likely to be purely stratigraphic, with updip seal provided by stratigraphic pinchout. On initial 2D seismic, there are indication of P20 or P10 (Pariwar) delta system alongwith several gas chimneys and seismic disturbances.

The deeper lying SFT-8/L is likely a stratigraphic play within the massive BB20 shales, analogous with Lang -2 and Saatchi-1 wells, which had very strong gas shows within the shales of sequence BB20.

The 3D seismic data currently being acquired will likely improve the chance of these lead being reclassified as prospects.

6. Development Plans and Concepts

6.1. Well Performance and Production Profiles

Gas has been discovered and tested in SGL and discovered (but not yet tested) in SSF. Log results support the presence of gas bearing reservoir intervals in the SSF discovery well SSF-1 and it is anticipated that this will be confirmed by testing.

For the prediction of well performance, data from two wells in the SGL Field is available and D&M have already assigned Reserves to the SGL Field on the basis of these tests (See Appendix 1, D&M Reserves Report for the SGL Field, dated 31st May 2007). In the absence of tests on SSF the SGL test performance has been used as an analogue for SSF on the basis of the SSF-2 log results which are directly analogous to the SGL Field wells.

SGL reservoir pressures and temperatures were used to support 'in place' and recoverable volume calculations for the SSF discovery and the four Prospects. The values measured in the SGL Field have also been extrapolated, to account for temperature and pressure, using a straight line relationship to provide input for the other assets. The hydrostatic gradient of 0.47psi/ft defined in SGL is close to a normal hydrostatic gradient and provides a reasonable approximation for predicting pressures and temperatures in the prospects which are all shallower than the SGL Field. The same process has been used for SSF which is deeper than SGL by 700m.

The SGL field has not been reviewed by TRACS as this has already been reviewed by D&M. According to the D&M report the gas in the main SGL reservoir was analyzed as a relatively dry gas containing 19.87 percent carbon dioxide and 2.66 percent nitrogen. The gas gravity was estimated to be 0.791 relative to the gravity of air.

During production testing in November 2006, the SGL-1 well flowed gas at a rate of 12.71 million cubic feet per day (MMscf/d) with a flowing tubing pressure of 1,780 psia. The SGL-2 well flowed gas at a rate of 17.73 MMscf/d under test (a Drill Stem Test) with a flowing tubing pressure of 1,100 psia. Reservoir pressure and temperature were estimated from the DST data measurements to be 4,702 psia and 298 degrees Fahrenheit respectively.

An initial gas formation volume factor of 216 standard cubic feet per reservoir cubic feet (scf/rcf) was estimated from the gas composition and pressure and temperature data. Estimates of recovery factor took into consideration the type of reservoir, initial reservoir pressure, deliverability, and expected abandonment surface conditions. A recovery factor of 70 percent was estimated for proved reserves. Probable and possible reserves were estimated using recovery factors of 75 and 80 percent, respectively.

Extrapolation of the SGL properties to the SSF discovery and the SFT-4/P prospect has resulted in the values shown in Table 6.1. These assumptions form the basis of well and reservoir performance predictions used in the development planning assumptions and economic evaluation.

SGL reserves from the D&M report have been used in development planning as a basis for an economic evaluation of the block potential.

	Depth in m	Press. in psi	Temp in F	GEF in scf/rcf	Rec. Vols in Bscf	Rec. per well in Bscf	Kh in mDft	wells to develop
SGL	3030	4702	294	217	192	12	120	16
SSF	3725	5754	348	233	330	11.4	180	30
SFT-4/P	1600	2472	184	156	172	12.3	200	13

Table 6-1 Properties inferred from SGL

6.2. Development Plan

The Company has considered following development schema in respect of each of the existing and potential discoveries:

6.2.1. The SGL Field

Out of the three discovery wells, SGL-1 has been cased, perforated and is ready to produce gas for commercial sales, while SGL-2 well has been cased and only needs to be perforated to start producing. Considering 2P reserves, SGL field is estimated to produce around 47 MMscf/d of gas at its plateau, with estimated saleable gas quantity of 39 MMscf/d after CO_2 removal.

The Company has signed a term sheet dated November 2nd, 2007 with the Gas Authority of India Limited (GAIL) for sale of up to 35.31 million cubic feet per day (MMscf/d) of gas initially for 12 years with the condition that the daily contracted quantity will be mutually agreed for the remaining period of the contract after expiry of this twelve year period. GAIL has expressed its interest to take any additional gas that can be produced from the block on similar terms.

The term sheet requires 7 MMscf/d to be supplied without CO2 removal initially for about 8 months after which entire contracted gas quantity of 35.31 MMscf/d must be supplied to the GAIL with CO_2 removed. The Company plans to install Gas dehydration, compression facility & CO_2 treatment facilities of up to 100 MMscf/d at the SGL wellhead to comply with quality and delivery specifications provided under the term sheet.

The terms require GAIL to lay a pipeline from SGL wellhead to an existing power station (located nearby to the SGL field) within 10 months of the satisfaction of certain conditions precedent. These are that GAIL management approve construction of the pipeline and the signing of a Heads of Agreement (HoA) between GAIL and their downstream customers. These conditions will be confirmed by 31st July 2008 allowing construction of the pipeline and gas on stream in 2009.

6.2.2. SSF Discovery

The SSF discovery well, SSF-2, has encountered gas bearing intervals and, by analogy with the SGL wells, is anticipated to deliver commercial rates once tested. Although dependent on further successful appraisal drilling initial estimates indicate the field could produce around 150 MMscf/d of gas on plateau production.

If commerciality is confirmed from the SSF-2 testing (planned in 2008) and two initial appraisal wells planned during 2009, the Company will consider constructing a 24'' pipeline (capable of transporting upto 400 MMscf/d) from SSF discovery to Jaiselmer city (ca. 150 km), funded by the Company and other interest holders, provided other third parties e.g. GAIL, do not construct this pipeline. Suitable gas dehydration, compression facility & CO_2 treatment facilities will be installed near the SSF discovery to comply with delivery conditions as may be applicable.

Jaiselmer city is located approximately 150 km from SSF discovery and is a main regional hub in the Rajasthan State. The city is connected with the rest of the country through national highways, airport, cross-country canal and power transmission grids. This makes the city a logical industrial hub with suitable infrastructure for setting up various gas based downstream industries.

The Indian government has plans for extending the national gas distribution pipeline infrastructure to the entire country and has granted 'infrastructure' status to gas pipelines which confers tax holidays and other incentives. The Indian Government is also negotiating a pipeline between Iran and India, which if agreed will pass through the Jaiselmer city and possibly through SSF discovery, in which case, the 24'' pipeline as above will not be required to be installed by the Company. Furthermore the Government has also announced city gas distribution licenses for 230 cities, including Jaiselmer, that are expected to be connected to the national pipeline network. Once this occurs the Company will be able to sell gas directly to customers on the network; until this time gas sales will be restricted to power generators and other local industrial users in and around Jaiselmer.

6.2.3. Other prospects

The Company will similarly connect any other commercial gas discoveries located in various other leads/prospects within the Block to the gas gathering station and pipeline located near SSF discovery. Depending upon the size of discoveries, the Company will expand the SSF treatment facilities up to the capacity of the 24'' pipeline of 400 MMscf/d.

For the purpose of constructing a notional long term development plan is assumed that the SSF discovery will be developed to achieve a plateau processing capability of 153 MMscf/d. It is further assumed that at least one of the remaining four prospects will be a discovery and will be developed by a tie into the SSF processing facilities and export pipeline to Jaiselmer.

Schematics of the development and phased production profile and capital scheduling are shown below:

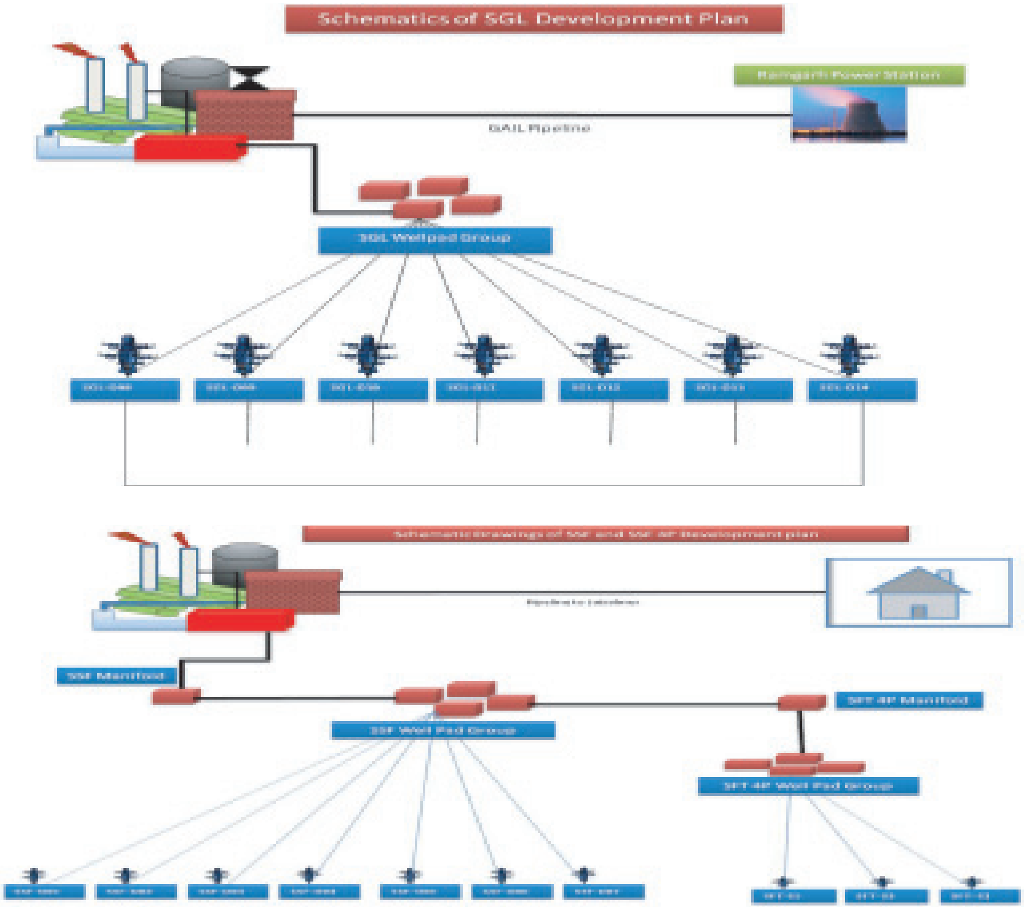

Figure 6-1 Schematics of the development plan

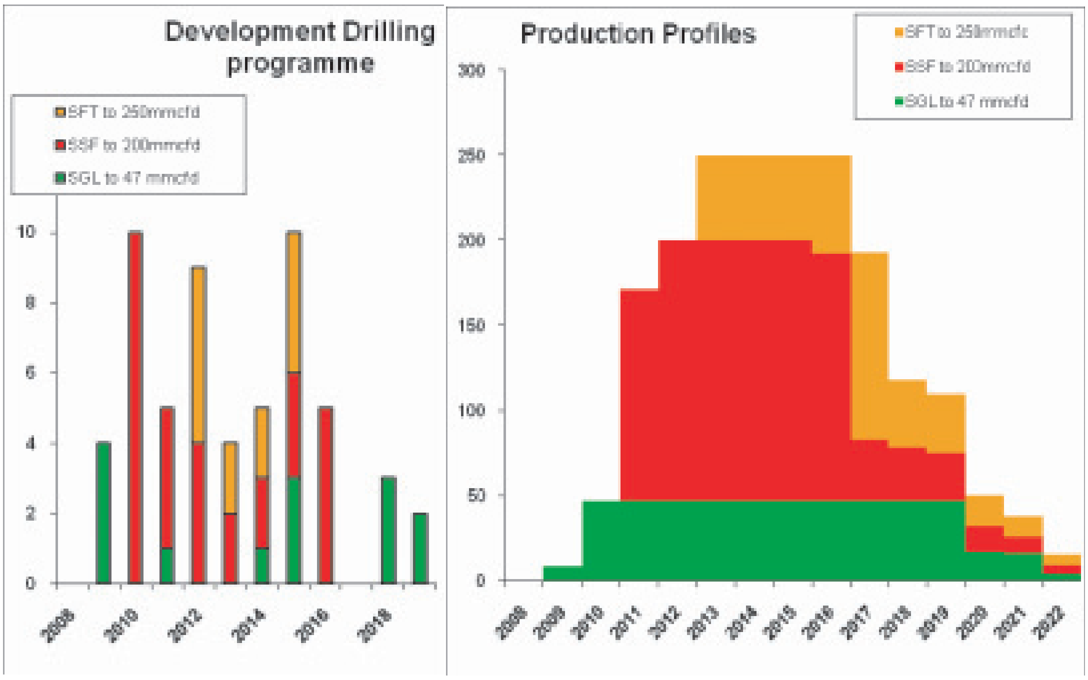

Figure 6-2 Development drilling programme and gross production profiles

6.3. Summary of the Sales Commitment in place

The Company has signed a term sheet dated November 2nd, 2007 and amended since with the Gas Authority of India Limited (GAIL) for sale of up to 35.31 million cubic feet per day (MMscf/d) of gas. Out of these supplies, GAIL expects to sell 33.5 MMscf/d to an existing nearby power station initially for 12 years with the condition that the daily contracted quantity will be mutually agreed for the remaining period of the contract after expiry of this twelve year period. GAIL expects to sell remaining quantities to other customers. The term sheet allows for 7 MMscf/d to be initially supplied without CO_2 removal for about 8 months after which entire contracted gas quantity of 35.31 MMscf/d must be supplied to the GAIL with CO_2 removed.

The terms require GAIL to lay a pipeline between the SGL field and an existing power station within 10 months of the satisfaction of certain conditions precedent. These are that GAIL management approve the construction the pipeline, a confirmation from DGH regarding the gas reserves (recoverable) and the production profile for supply of atleast 0.95 MMSCMD for a period of 12 years and the signing of a Heads of Agreement between GAIL and their downstream customers. These conditions are likely to be confirmed by 15th June 2008, (which may be extended mutually between the parties), facilitating construction of the pipeline and gas on stream in 2009.

GAIL will be under a ''Take or Pay'' obligation to pay for up to 7 MMscf/d of gas from 10 months of the satisfaction above conditions precedents. The ''Take or Pay'' obligation will cover entire quantities of 35.31 MMscf/d of gas from 18 months of the satisfaction of these conditions precedent.

7. Economics and Valuation

7.1. Working Interest and Fiscal terms

The licence block is governed by a Production Sharing Contract (PSC) dated 30th June 1998, of which the parties are the Government of India (GOI), the Oil and Natural Gas Commission, India (ONGC), Focus Energy Limited, India (Focus), iServices Investments Limited, Mauritius (iServices) and Newbury Oil Company Limited, Cyprus (Newbury).

The Company currently owns 90% interest in the Block PSC through its two wholly owned subsidiaries, iServices (65% Participating Interest) and Newbury (25% Participating Interest). Focus is the Operator of the Block. ONGC is the licensee of the Block. GOI through its nominee ONGC, has an option to back in for a 30% Participating Interest in respect of each discovered field within 90 days of declaration of commercial discovery by the Management Committee constituted under the PSC. The Management Committee has declared the discovery as commercial on 21st January 2008 and considering a 15 day extension granted by the Company, the GOI option to back in the SGL field will expire on 5 June 2008, unless exercised or extended by the parties with mutual consent.

For the purpose of this report, the net interest of the Company is shown for two possible scenarios — a) 90% interest currently held by the Company and b) 63% interest assuming that GOI exercises its right of back in full in all discovered fields for which commerciality may have been established.

The fiscal terms constitutes following basic terms:

1) A royalty of 10% on the revenues — 100% payable by ONGC, the licensee irrespective of their exercise of back-in rights.

2) 100% cost recovery of operating expenses, exploration and appraisal costs, intangible drilling and development costs, and abandonment costs. Capital assets can be depreciated at the Operator's option a) at the rate of 100% to the extent of available profit or b) equally over the useful life of the producing field, with indefinite carry forward of losses.

3) GOI to receive a share of profit petroleum (or gas) based on the Investment Multiple (the Ratio of Accumulated Net Cash Income to Accumulated Investment) achieved at the end of the preceding year as shown below:

Investment Multiple	Share of Participating Interest Holders	Government Share
< 1.0	100	0
≥ 1.0 but < 1.5	90	10
≥ 1.5 but < 2.0	75	25
≥ 2.0 but < 2.5	65	35
≥ 2.5 but < 3.0	55	45
≥ 3.0 but < 3.5	35	65
≥ 3.5	25	75

Table 7-1 Government share of profit petroleum

4) Corporation Tax: A 7 year tax holiday from the date of start of commercial production. However during this tax holiday period, the Company will be subjected to a Minimum Alternative Tax (MAT) on annual book profits @10.56%. This tax will be credited back from the future Corporation Tax liability after expiry of 7 year tax holiday. Corporation Tax is then @ 42.23% after expiry of initial tax holiday of 7 years — against which the Company will be able to offset the MAT credit — to the extent that minimum tax payable is at least equal to MAT.

7.2. Economics model Assumptions

1) **Gas Sales Price** — In respect of the quantities covered under GAIL term sheet, the Company has considered gas sales prices as applicable therein until financial year ending March 31, 2013, when the prices are likely to be revised in line with prices prevailing at that time. For remaining quantities, the Company has considered an average delivered price (at Jaiselmer) of $6.00/mmbtu until March 31, 2013 and $10/mmbtu thereafter, which equates to $36 and $60 per barrel in equivalent oil prices.

   Other recent contracts for gas sales in Northern Indian region has ranged from between $5.80/mmbtu to $7/mmbtu (plus transportation) for long term supplies and between $10 to $13/mmbtu for spot purchases of LNG on FOB middle east basis. CNG currently retails in India for over $15/mmbtu. Natural gas is expected to soon replace a significant quantity of fuel oil and diesel oil, currently being consumed by various industrial and commercial units, which costs between $18-22/mmbtu. Switching the usage to natural gas is expected to provide these units improved productivity and grant of carbon credits in addition to a discount over current fuel costs. In the long term, Indian market determined gas prices are likely to link to the prevailing prices of crude oil based in line with other world markets.

2) Operating Costs (Opex): TRACS has reviewed IHSE Questor software generated reports for estimating various operating costs. These costs are summarized as follows:

Field Development	Total Opex over economic life	Cost Per Mscf
SGL	$103.44 million	$0.55
SGL+SSF	$189.95 million	$0.34
SGL+ SSF + SFT-4/P	$247.26 million	$0.35

Table 7-2 Opex

These costs are gross for the 100% interest in the Block.

3) **Capital Expenses (Capex)**: TRACS has reviewed IHSE Questor software generated estimates for various capital costs, which has been considered in the model, except in cases when the costs are backed by a firm quote from a third party. The costs are modelled based on the proposed phased development plan as above and include the costs of gas processing plant, 24" pipeline, connecting pipeline, production well pads, manifolds and other infrastructure required for the production.

These costs are summarized as follows:

Field Development	Total Capex	Cost Per Mscf
SGL	$166.83 million	$0.89
SGL+SSF	$558.68 million	$1.01
SGL+ SSF + SFT-4/P	$654.80 million	$0.92

Table 7-3 Capex

These capital costs are gross for the 100% interest in the Block and does not include the past costs incurred by the Company. If GAIL or other party agrees to install the pipeline for higher quantities, the Company will not need to incur the cost of the same.

4) Abandonment Cost has been assumed to be $1 million each well and charged as operating cost in the year in which the well has completed its useful life. There is no requirement for specific abandonment or decommissioning provisions under the PSC.

7.3. Economic Valuation

The economic model was used to arrive at net values for the Company using the incremental phasing approach. For the undiscovered prospects, an estimation was made as describe here. SFT-4/P volumes were used to extract incremental value for SFT-4/P as an end member because it is the shallowest asset with lowest well costs. As the main contributor to value was observed to be well costs, the same volume and profile was used to reflect the other assets valuation by replacing the SFT-4/P costs with appropriate well costs at the depth of the respective prospects. The resulting NPV10/Bscf for the SFT-4/P increment was then applied to the respective unrisked P50 resource volume per asset, before risking, to arrive at the final value.

The respective NPV10 values for P50 volumes for each of the Reserves, Contingent Resources and Prospective Resources are displayed in table 7.3 below.

1P+2P Reserves		90% Interest		63% Interest		
Asset	Gross Volumes[1]	Net Entitlement[2]	NPV10 $MM	Net Entitlement	NPV10 $MM	Risk Factor
	Bscf	bcf	bcf	bcf	$MM	
SGL	160	123	$266	86	$186	NA

P50 Contingent Resources		90% Interest		63% Interest		
Asset	Gross Volumes	Net Entitlement	NPV10 $MM	Net Entitlement	NPV10 $MM	Risk Factor[3]
	Bscf	bcf	bcf	bcf	$MM	
SSF	369	257	$660	180	$462	0.800

P50 Prospective Resources		90% Interest		63% Interest		
Asset	Gross Volumes	Net Entitlement	NPV10 $MM	Net Entitlement	NPV10 $MM	Risk Factor[4]
SFT-1/L	170	107	$260	75	$182	0.302
SFT-2/L	154	96	$236	67	$165	0.096
SFT-3/L	149	88	$226	62	$158	0.206
SFT-4/L	161	96	$251	67	$176	0.147
Total Risked	121	74	$185	52	$129	

Table 7.3: NPV Values for P50 Volumes - 90% and 63% Interest

Notes:

(1) Gross Reserves are reserves attributable for the licence block excluding CO2 except to the extent permitted within sales gas contracts.

(2) Net Entitlement Volumes are gross recoverable volumes adjusted for working interest and government profit gas take and are net of the volumes which may not be commercially sold.

(3) The Geological Chance of Success (GCoS) of Contingent Resources is 100%. ''Risk Factor'' for these resources means the estimated chance, or probability, that the volumes will be commercially extracted, which is contingent on a flow test.

(4) ''Risk Factor'' for Prospective Resources, means the chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface. This, then, is the chance or probability of the Prospective Resource maturing into a Contingent Resource.

Cumulative cash flows at 100% interest for each of SGL and SSF discoveries are displayed in Figure 7.2 below. Sensitivities with regards to Capex, Opex and Gas Prices were carried out for SGL Base case assuming 2P reserves from the D&M report and results are displayed in Figure 7.2.

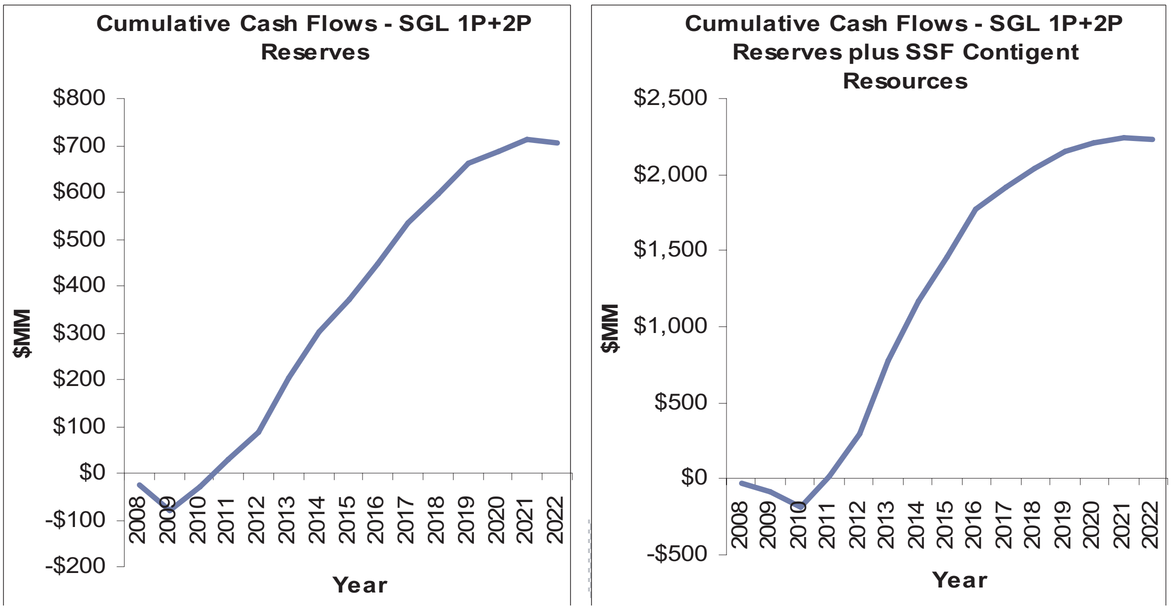

Figure 7-1 Cumulative Cash Flow Graphs for SGL and SSF at 90% interest of the Company

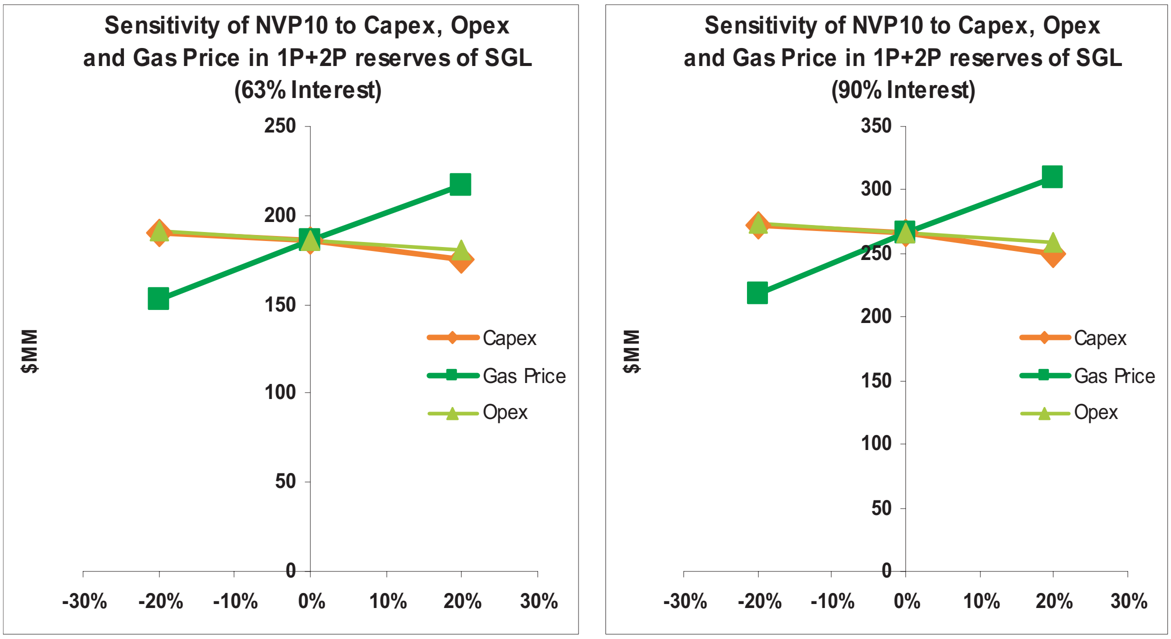

Figure 7-2 Sensitivities of NPV10 on SGL Base case of 2P reserves

8. Next 3 year Projected Capex and Schedule

The Company plans to undertake following exploration, appraisal and development programme during each of the three financial years ending 31 March of 2009, 2010 and 2011.

FY 2008-09

8.1.1 — The Company is currently in the process of acquiring, process and interpret 3D Seismic over an area of 400 sq km to delineate drilling targets for appraisal wells, exploration prospects and leads described in this report. This is in addition to 326 sq km of 3D seismic, which has been recently acquired by the Company until 31 March, 2008, but still to be processed and interpreted.

8.1.2 — The Company plans to drill 4 exploratory wells, one each for the four prospects identified in this report. Currently, the Company is drilling the exploratory well in respect of prospect SFT-1/P, which has been drilled to a depth of around 2751 meters as of the date of this report. Future appraisal and development plan will be decided depending upon the discovery, if any, from these exploratory wells.

8.1.3 — The Company plans to complete both the existing SGL1 and SGL2 wells to connect to GAIL pipeline, which is expected to be ready by 1Q of 2009. Since CO_2 removal is not required until FY2010-11, the Company will initially install only a dehydration plant during FY2008-09 to meet contractual specifications for initial 7 MMscf/d gas supplies to GAIL.

8.1.4 — The Company plans to test SSF discovery and determine its commerciality and also commence fraccing of the deeper B&B formation in SSF as well as other existing wells — Saatchi and Lang-2.

FY2009-10

8.2.1 — The Company plans to commence production of 7 MMscf/d gas from SGL field to supply to GAIL as per the agreed contractual terms.

8.2.2 — The Company plans to install a CO_2 treatment plan to meet GAIL contractual specifications for supplies beginning FY2010-11. The Company also plans installing connecting flow lines, necessary gas gathering station and other infrastructure to connect SGL production wells to the treatment plant, which in turn, will be connected to GAIL pipeline.

8.2.3 — The Company plans to drill 6 appraisal wells in respect of SGL discovery during FY2009-10. Assuming that one of the appraisal wells is dry hole, the Company hopes to complete additional 5 production wells during this period.

8.2.4 — The Company plans to drill 2 appraisal wells in respect of SSF discovery to confirm its size in order to sanction the scope of the development plan planned for FY 2010-11 onwards.

8.2.4 — The company expects to additionally undertake certain G&G studies for the above program.

FY2010-11

8.3.1 — The Company plans to increase production from SGL field to 47 MMscf/d gas, which will be processed for CO_2 removal and produce approximately 39 MMscf/d of processed gas, out of which at least 35.31 MMscf/d will be supplied to GAIL as per the agreed contractual terms. The Company plans to complete all the SGL related production facilities and infrastructure during the period.

8.3.2 — Once commerciality is established for SSF discovery, the Company plans to drill 7 appraisal wells and 2 development wells in respect of SSF discovery during FY2010-11, such that the Company has 10 production wells by the end of the year ready to produce.

8.3.3 — The Company will also commence installing required flow lines, gas gathering station, dehydration plant, gas treatment plant and other production related infrastructure in respect of SSF gas production.

8.3.4 — If GAIL or other parties are not able to connect the SSF production facilities with their pipeline, the Company will plan to construct its own 24'' pipeline between SSF production facilities to Jaiselmer City for marketing there.

8.3.5 — The company expects to additionally undertake certain G&G studies for the above program.

A summary of the next 3 years projected capital expenditure assuming 90 per cent. net company interest is presented in the table below:

Year	Detail of Expenses Planned	Amount $ million	Comments
2008	3D Seismic APISD - 400 sq. km	3.60	Under progress
	Exploratory Wells - 4 Prospects	13.51	One well under progress
	Completions - 2 Wells (SGL)	2.88	
	SGL Production Facilities	2.58	
	Total	22.57	
2009	Appraisal Wells - 8 (SGL-6 & SSF-2)	33.73	
	Completions - 5 Wells (SGL)	5.77	
	SGL - Production Facility/Infrastructure	26.07	
	G&G	0.45	
	Total	66.02	
2010	Appraisal Wells - 7 (SSF)	33.99	
	Completions - 8 Wells (SSF)	12.95	
	Additional Production Wells - 2 (SSF)	12.95	
	SGL - Production Facility/Infrastructure	7.19	
	SSF - Production Facility/Infrastructure	27.06	
	Pipeline	53.16	
	G&G	0.45	
		147.75	
	Grand Total	236.34	

The schedule of key capital expenditure for the next 3 years is presented below:

Time Table

Activity	FY2008-09	FY2009-10	FY2010-11
<u>Exploration</u>			
3D Seismic Program - 400 sq. km			
Exploratory Wells			
<u>SGL Field</u>			
Appraisal & Development			
GAIL Pipeline Construction			
Gas Gathering treatment and Production Facilities			
Gas Production			
<u>SSF Discovery</u>			
Testing			
Appraisal & Development			
Pipeline, Gas Gathering, Treatment and Production Facilities			

APPENDIX 1

SGL Reserves Report

by

DeGolyer and MacNaughton

31 May 2007

DeGolyer and MacNaughton
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REPORT as of MAY 31, 2007 on RESERVES of the SGL FIELD RAJASTHAN, INDIA

FOREWORD

Scope of Investigation

This report presents estimates, as of May 31, 2007, of the proved, probable, and possible natural gas reserves of the SGL field located in the RJ–ON/6 Block, Rajasthan, India. Focus Energy Ltd. (Focus) operates the field under terms of a production sharing contract (PSC) with the Government of India.

The proved, probable, and possible reserves presented in this report have been prepared in accordance with the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), and the Society of Petroleum Evaluation Engineers (SPEE). These reserves definitions are discussed in detail in the Definition of Reserves section of this report.

Reserves estimated in this report are expressed as gross reserves, which are defined as the total estimated petroleum to be produced from the field after May 31, 2007, and are shown in Table 1.

Estimates of reserves should be regarded only as estimates that may change as production history and additional information become available. Not only are such reserves estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

<u>Authority</u>

This report was authorized by Mr. Ajay Kalsi, President, Focus.

<u>Source of Information</u>

Information used in the preparation of this report was obtained from Focus. In the preparation of this report we have relied, without independent verification, upon information furnished by Focus with respect to the field, production from the field, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. Field examinations were not considered necessary for the purposes of this report.

GEOLOGY

The SGL field is located in Block RJ–ON/6 in the Rajasthan state in western India (Figure 1). Since its discovery in May 2006, Focus has drilled one additional well to delineate the field. The discovery well, SGL-1, tested 21.25 million cubic feet of gas per day (MMcf/d) from a 12-meter interval in the Lower Cretaceous. The SGL-2 well was drilled and tested gas from the same geologic formation in March 2007.

The SGL field is located in the Middle Indus Basin on the far western edge of India very near the Pakistan/India border. The SGL field contains gas-bearing sands similar in quality to those found in typical Middle Indus Basin fields in Pakistan that produce from Lower Cretaceous sandstones. The SGL field is thought to contain either detached upper shoreface sands (P20 sequence boundary) with a lowstand (LST) interval (P20 LST), or sands that are part of an overall retrogradational Pariwar Formation and part of a shallow marine barrier bar system. Both depositional models suggest that the field may be subject to stratigraphic trapping as well as structural trapping.

The SGL-1 well encountered 12.2 meters of net gas pay in Lower Albian-age Upper Pariwar Formation deltaic sandstones (P10). The SGL-2 appraisal well encountered 29.1 meters of net gas pay in sandstones in the Upper Pariwar Formation (P10).

The SGL field is a three-way dip closure against an eastern bounding fault. Structure dips to the west, south, and north, though there is a lack of true closure to the north. The faults are relatively low-throw, strike-slip faults.

The field area is defined by two-dimensional seismic data of varying vintage. Two wells define the SGL field reservoir along with two additional wells located to the east of the discovery that provide depth and stratigraphic control. Focus' seismic data and interpretations were loaded into the workstation and reviewed. The horizon and fault picks were refined as appropriate and a time map was created from the horizon picks. Particular attention was paid to the fault picks and their strike and throw. Time was converted to depth using a single polynomial function. The resulting interim depth map was then corrected to the well control using an error map to create the final structure map used for delineating the field area (Figure 2) at the P10 level. A depth map was also prepared for the P20 maximum flooding surface (MFS).

In addition to structural interpretation, attributes from the seismic data were used to attempt to gain understanding of the distribution of the productive horizon across the area. This information was used qualitatively to evaluate stratigraphic limits associated with estimating in-place volumes for proved, probable, and possible reserves.

Net gas pay isopach maps were prepared using the well control data and the depth maps for the P10 and P20 reservoirs. Estimates of in-place volumes were derived from these maps with certain limits applied specific to reserves classifications.

Volumetric estimation of in-place volumes associated with proved reserves were limited downdip by the well-log based lowest known occurrence of hydrocarbon (3,134 meters subsea), which has been interpreted as a gas/water contact (GWC). Areal limitations were also employed for estimating the in-place volumes associated with proved reserves using well control and the geometry of the reservoir. Structural closure to the south and interpreted termination of the seismic attribute to the north as indicated on Figure 3 were the basis for estimating proved reserves. Limits for proved reserves were also applied downdip where faulting provides structural uncertainty and lower confidence. In all cases, proved reserves limits were aligned with and based on well spacing.

Probable reserves were estimated from the incremental original gas in place (OGIP) that was estimated from the isopach map limited downdip by the GWC, closure against the eastern bounding fault, and the apparent closure of the structure to the north (Figures 5 and 6). Possible reserves were estimated from the incremental OGIP in adjacent fault blocks, the apparent spill point of the structure to the north and south, and an interpreted discontinuation of reservoir quality sands to the east. Because the SGL-1 partially penetrated the P10 reservoir, proved reserves estimates considered only the actual well penetrated net pay whereas estimates of probable and possible reserves considered the likely net pay thickness that would have been penetrated were the full stratigraphic section actually drilled.

PETROPHYSICS

An independent petrophysical evaluation was performed on the SGL-1, and -2 wells in the SGL field. The zones of interest in this evaluation included the P20 MFS and the P10 reservoirs. Two nearby wells, outside of the SGL field extent, were also reviewed. The Saachi-1 well was also evaluated, but was interpreted as water bearing in these intervals. Additionally, an attempt was made to evaluate the Lang-2 well, but questions about the data quality precluded a definitive analysis. The analysis was performed using the Powerlog log analysis platform.

The log data provided by Focus included resistivity, neutron, density, sonic, and gamma-ray logs. Well test results and mud log data were also considered in the evaluation.

Bulk shale volume was estimated using a linear gamma-ray algorithm. Total porosity estimation relied primarily upon the bulk density log. Experience with clastic reservoirs suggests that the density log provides the best total porosity appraisal in liquid-filled formations. The apparent fluid density used was 1.00 grams per cubic centimeter (g/cm^3). A variable apparent grain density was estimated as a linear function from the bulk shale volume with values of 2.65 and 2.80 g/cm^3 for clean sand and pure shale, respectively.

Effective porosity was estimated by subtracting the product of shale volume and total porosity of the shale from the estimate of total porosity.

Water saturation was estimated using the Poupon-Leveaux equation in order to account for the resistivity reduction effect of the shales in the shaly sands. The connate water resistivity was estimated to be 0.022 ohm-meters using the Pickett plot method in water-bearing zones and was used as a constant. The input value used for the empirical constant “a” was 1. The cementation exponent “m” and saturation exponent “n” were both estimated as 1.9. The output from the equation was treated as total water saturation.

Net pay was estimated using a maximum water saturation cutoff of 70 percent, a minimum effective porosity cutoff of 6 percent, and a maximum shale volume of 40 percent. Net sand was estimated using the same porosity and shale volume cutoffs as in the net pay estimation.

Porosity and water saturations were weight averaged by thickness and pore volume, respectively, for the volumetric estimates of OOIP. Table 2 lists the petrophysical parameters and estimates of net pay, porosity, and average water saturation for the wells in the field.

DEFINITION of RESERVES

The proved, probable, and possible reserves presented in this report have been prepared in accordance with the PRMS approved in March 2007 by the SPE, WPC, AAPG, and SPEE. The PRMS contains the complete and official explanation of reserves definitions and guidelines utilized herein. The petroleum reserves are defined as follows:

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

> *Proved Reserves* – Proved Reserves are those quantities of petroleum which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90-percent probability that the quantities actually recovered will equal or exceed the estimate.
>
> *Unproved Reserves* – Unproved Reserves are based on geoscience and/or engineering data similar to that used in estimates of Proved Reserves, but technical or other uncertainties preclude such reserves being classified as Proved. Unproved Reserves may be further categorized as Probable Reserves and Possible Reserves.
>
>> *Probable Reserves* – Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will

be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50-percent probability that the actual quantities recovered will equal or exceed the 2P estimate.

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

Reserves Status Categories – Reserves status categories define the development and producing status of wells and reservoirs.

Developed Reserves – Developed Reserves are expected quantities to be recovered from existing wells and facilities. Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.

Developed Producing Reserves – Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Developed Non-Producing Reserves include shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future recompletion prior to the start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

Undeveloped Reserves – Undeveloped Reserves are quantities expected to be recovered through future investments: (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

ESTIMATION of RESERVES

Estimates of reserves were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

For the SGL field, the volumetric method was used to estimate the OGIP. Structure maps were prepared to delineate the reservoir, and isopach maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, drill-stem test (DST) results, bottomhole pressures, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation.

Estimates of ultimate recovery were obtained after applying recovery factors to OGIP. These recovery factors were based on consideration of the type of energy inherent in the reservoirs, analyses of the petroleum, the structural positions of the properties, and the future development plans for the field. When applicable, material-balance and other engineering methods were used to estimate recovery factors. In such cases, an analysis of reservoir performance, including production rate and reservoir pressure was used in the estimation of reserves.

Gas volumes in this report are expressed as full wellstream-gas reserves at a temperature base of 60 degrees Fahrenheit and a pressure base of 14.7 pounds per square inch absolute (psia). Full wellstream gas is defined as the total gas to be produced from the reservoirs prior to processing or separation and includes all nonhydrocarbon components and the gas equivalent of condensate.

Focus has represented that it plans to market gas to Gas Authority of India Limited (GAIL). GAIL has indicated its interest to purchase gas from Focus in a letter dated June 12, 2007. According to Focus, the gas will be supplied to a gas-based 110 megawatt (MW) power plant located about 40 kilometers from the field. Focus has indicated that the power plant was set up by the Rajasthan State Government company RRVUNL and that gas is supplied to the plant from Oil India Ltd. Focus has indicated that the plant is running at only about 40 percent of capacity. Also, Focus has indicated that the power plant was originally planned to expand to 220 MW, but due to a shortage of gas supplies, the plan did not materialize. Focus has represented that RRUVNL will be interested in expanding the plant capacity once Focus is able to confirm the available supply.

Focus has represented that GAIL's role in this process will be to transport the gas, for which GAIL will lay the pipeline and manage the marketing and risk management. Focus has indicated that GAIL is awaiting the certification of the reserves of the SGL field and that GAIL has already completed site visits and the survey for the required pipeline network.

Focus also outlined another option through GAIL, depending on the size of the SGL field reserves base. This option would consider connecting GAIL's HBJ pipeline to the SGL field by laying a pipeline between Kota and the SGL field via Mathania. According to Focus, GAIL has already completed its entire technical survey for a pipeline between Mathania and Kota as part of its HBJ Expansion Phase III plan.

Focus expects that in the long term, the likely price realization of the gas will exceed the U.S.$4.50 to U.S.$5.00 per thousand cubic foot (Mcf) range. This expectation is based on recently bid prices by various power and fertilizer companies for gas supply and on the price for liquefied natural gas, which is sold at spot prices between U.S.$8.00 and U.S.$10.00 per Mcf.

The P10 reservoir fluid was analyzed as a relatively dry gas containing 19.87 percent carbon dioxide and 2.66 percent nitrogen. The gas gravity was estimated to be 0.7911 relative to the gravity of air. During production testing in November 2006, the SGL-1 well flowed gas at a rate of 12.71 million cubic feet per day (MMcf/d) with a flowing tubing pressure of 1,780 psia. Permeability-thickness was estimated to be approximately 124 millidarcy-feet in a report provided by Focus. The SGL-2 was drill-stem tested flowing at a rate of 17.73 MMcf/d with a flowing tubing pressure of 1,100 psia.

Reservoir pressure and temperature were estimated from the DST data measurements to be 4,702 psia and 298 degrees Fahrenheit for the P10 reservoir. Reservoir pressure and temperature for the P20 MFS reservoir were estimated to be 4,661 psia and 290 degrees Fahrenheit based on correlation with the P10 reservoir data. An initial gas formation volume factor of 216 standard cubic feet per reservoir cubic feet (scf/rcf) was estimated from the gas composition and pressure and temperature data for the P10 reservoir. An initial gas formation volume factor of 218 scf/rcf was estimated for the P20 MFS reservoir.

Estimates of recovery factor took into consideration the type of reservoir, initial reservoir pressure, deliverability, and expected abandonment surface conditions. A recovery factor of 70 percent was estimated for proved reserves. Probable and possible reserves were estimated using recovery factors of 75 and 80 percent, respectively. The SGL field reservoirs are considered to produce under constant volume depletion with the potential for a small aquifer.

Focus plans additional delineation drilling to assess the field size. Currently, Focus has viewed three potential development scenarios ranging from 2 development wells attributable to proved reserves up to 15 producing wells attributable to proved-plus-probable-plus-possible reserves. Focus anticipates first gas production in 2009 at rates dependent upon the final contracted gas volume. Economic profiles consider a low of 40 MMcf/d to a high of 300 MMcf/d.

Table 3 shows a summary of the reservoir rock and fluid properties, the volumetric parameters, and the gross gas reserves of the SGL field. All reserves estimated herein are undeveloped.

SUMMARY and CONCLUSIONS

The SGL field is operated by Focus and is located in the Rajasthan state, India. The estimated gross proved, probable, and possible full wellstream-gas reserves, as of May 31, 2007, are summarized as follows, expressed in millions of cubic feet (MMcf):

	Gross Full Wellstream-Gas Reserves		
	Proved (MMcf)	Probable* (MMcf)	Possible* (MMcf)
Undeveloped	79,767	111,994	386,157

* Probable and possible reserves have not been adjusted for risk to make them comparable to proved reserves.

Gas reserves estimated herein are expressed at a temperature base of 60°F and a pressure base of 14.7 psia.

Submitted,

DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON

SIGNED: July 11, 2007

STATE OF TEXAS
R. M. SHUCK
53606
REGISTERED
PROFESSIONAL ENGINEER

R. M. Shuck, P.E.

R. M. Shuck, P.E.
Senior Vice President
DeGolyer and MacNaughton

TABLE 1
SUMMARY of GROSS UNDEVELOPED GAS RESERVES
as of
MAY 31, 2007
for the
SGL FIELD
RAJASTHAN STATE
INDIA

	Proved	Probable	Possible
Undeveloped Gas Reserves, MMcf	79,767	111,994	386,157

Note: Probable and possible reserves have not been adjusted for risk to make them comparable to proved reserves.

TABLE 2
SUMMARY of PETROPHYSICAL PROPERTIES
as of
MAY 31, 2007
for the
SGL FIELD
RAJASTHAN STATE
INDIA

Well	Zone	Top Depth (MD) (m)	Bottom Depth (MD) (m)	Top Depth (TVDSS) (m)	Bottom Depth (TVDSS) (m)	Top Reservoir (TVDSS) (m)	Bottom Pay (TVDSS) (m)	Gross Interval (m)	Net Reservoir Interval (m)	Net Pay (m)	Average Porosity (fraction)	Average Water Saturation (fraction)	Porosity-thickness (m)	Hydrocarbon Pore Volume Thickness (m)
Saatchi-1	P20_MFS	2801.3	2843.4	2712.0	2754.1	2721.9	NA	42.1	29.3	0.0	0.000	0.000	0.0	0.00
Saatchi-1	P10	2912.0	3031.0	2822.7	2941.7	2824.0	NA	119.0	40.4	0.0	0.000	0.000	0.0	0.00
SGL-1	P20_MFS	3064.3	3109.1	2990.2	3035.0	3005.9	3010.1	44.8	6.9	2.9	0.112	0.442	0.3	0.18
SGL-1	P10	3155.3	3189.0	3081.2	3114.9	3081.3	3112.6	33.7	12.2	12.2	0.105	0.298	1.3	0.90
SGL-2	P20_MFS	3037.4	3089.7	2964.9	3017.2	2982.0	3016.9	52.3	4.8	4.8	0.120	0.412	0.6	0.34
SGL-2	P10	3125.6	3212.0	3053.1	3139.5	3053.5	3134.4	86.4	33.4	29.1	0.113	0.395	3.3	1.99

NA = Not applicable.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

TABLE 3
RESERVOIR PARAMETERS and GROSS UNDEVELOPED GAS RESERVES
as of
MAY 31, 2007
for the
SGL FIELD
RAJASTHAN STATE
INDIA

	Gross Full Wellstream Gas		
	P10 Reservoir	**P20 MFS Reservoir**	**Total**
Porosity, %	11.1	11.7	
Water Saturation, %	36.8	42.3	
Initial Reservoir Pressure, psia	4,706	4,661	
Reservoir Temperature, °F	298	290	
Wellstream Gravity (air = 1.0)	0.791	0.791	
Condensate Yield, bbl/MMcf	0.0	0.0	
CO2 Content, mol%	19.9	19.9	
N2 Content, mol%	2.7	2.7	
Initial Gas Compressibility Factor, zi	1.014	1.009	
Initial Gas Formation Volume Factor Reciprocal, scf/cf	216.5	217.9	
Proved			
Area, acres	2,752	2,041	
Bulk Reservoir Volume, acre-ft	149,581	23,438	**173,019**
Original Gas in Place, MMcf	98,937	15,016	**113,953**
Recovery Factor, %	70	70	
Gross Gas Reserves, MMcf	69,256	10,511	**79,767**
Probable			
Area, acres	4,200	673	
Bulk Reservoir Volume, acre-ft	206,788	7,730	**214,518**
Original Gas in Place, MMcf	136,776	4,952	**141,728**
Recovery Factor, %	75	75	
Gross Gas Reserves, MMcf	107,529	4,465	**111,994**
Possible			
Area, acres	9,366	6,036	
Bulk Reservoir Volume, acre-ft	638,483	69,311	**707,794**
Original Gas in Place, MMcf	422,312	44,405	**466,717**
Recovery Factor, %	80	80	
Gross Gas Reserves, MMcf	349,635	36,522	**386,157**

Notes:
1. Probable and possible reserves have not been adjusted for risk to make them comparable to proved reserves.
2. Probable reserves include incremental reserves associated with the higher recovery factor applied to the proved OGIP.
3. Possible reserves include incremental reserves associated with the higher recovery factor applied to the proved and probable OGIP.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

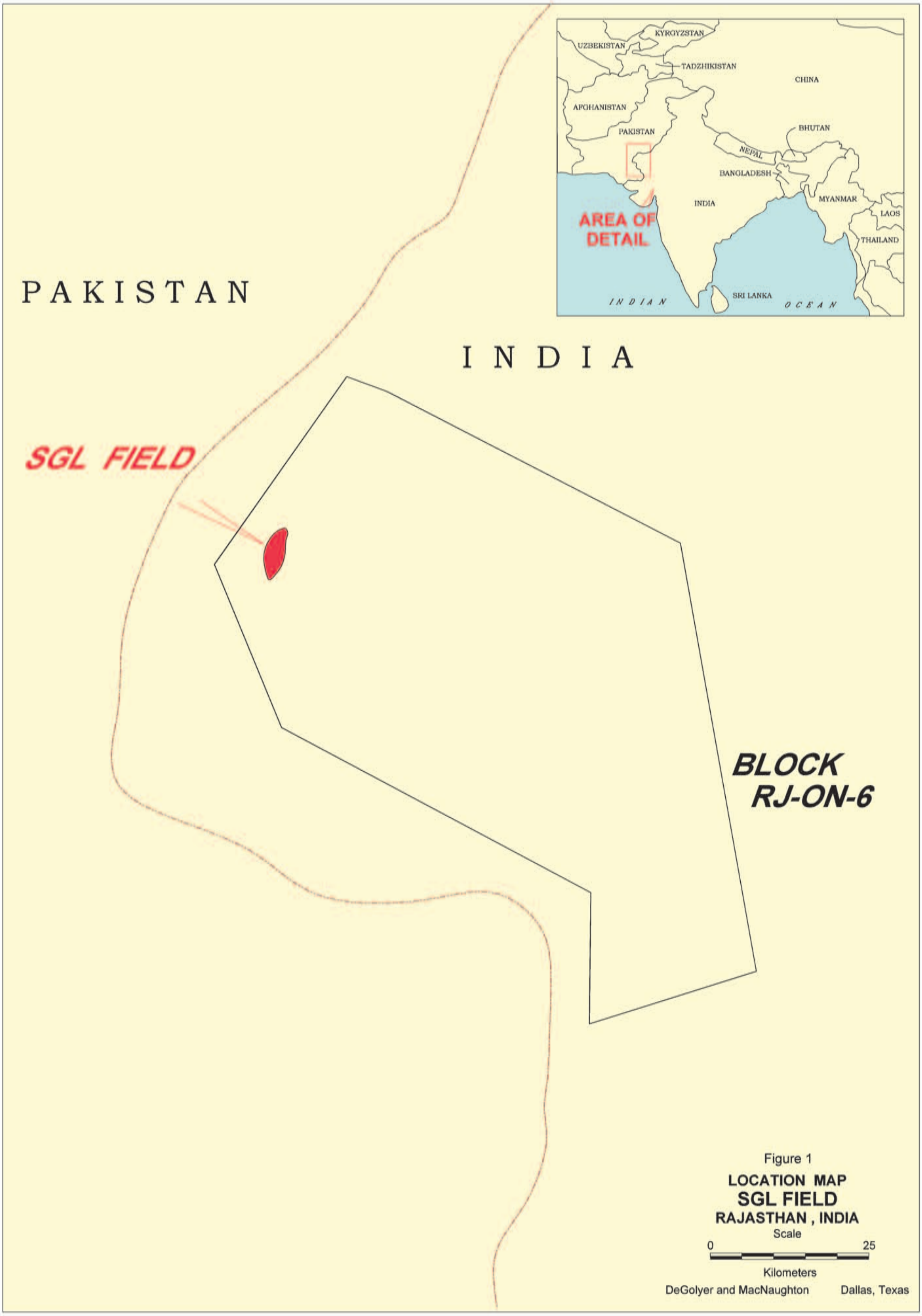
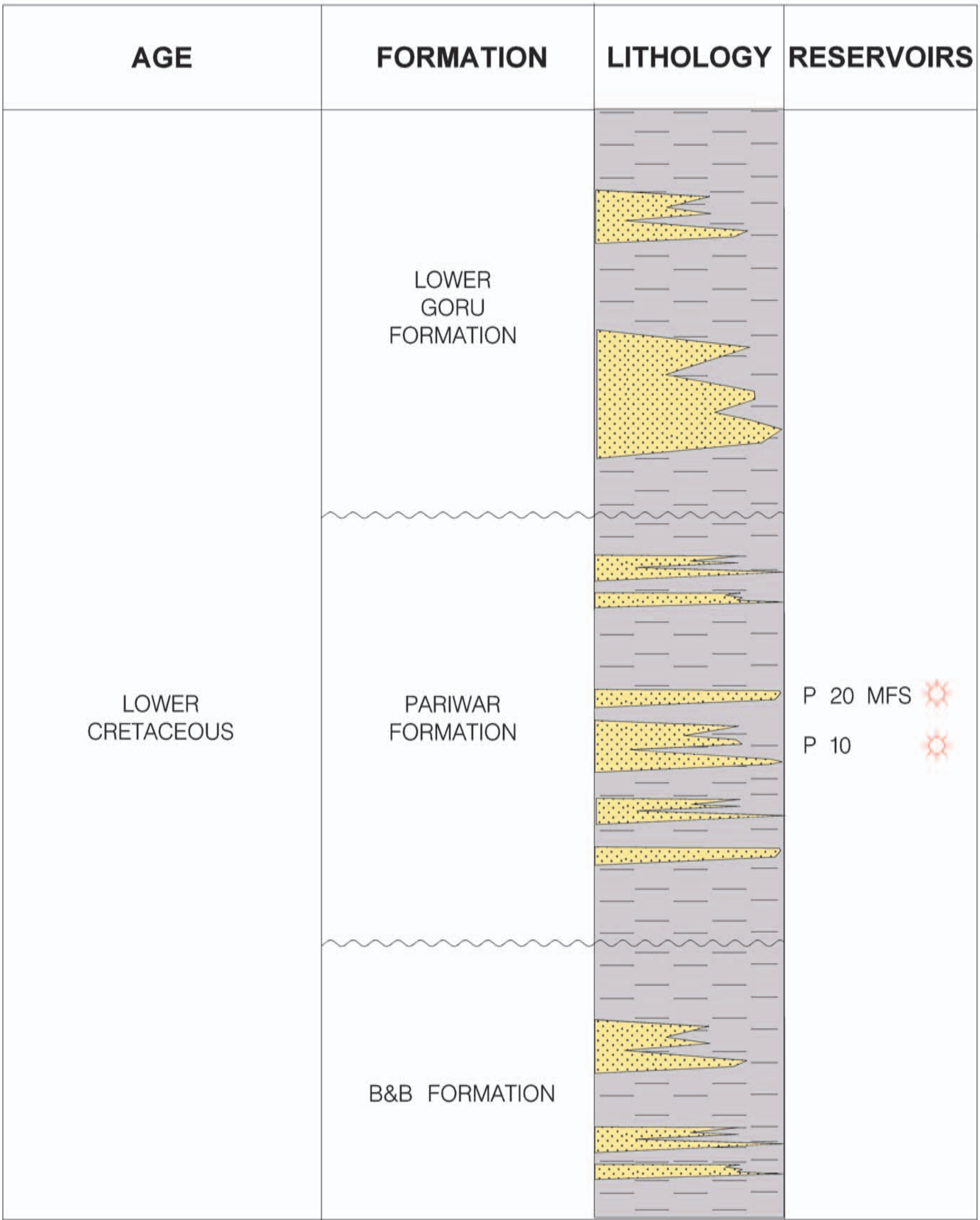


Figure 1
LOCATION MAP
SGL FIELD
RAJASTHAN , INDIA

DeGolyer and MacNaughton Dallas, Texas



LEGEND

- SANDSTONE
- SHALE
- GAS PRODUCTIVE

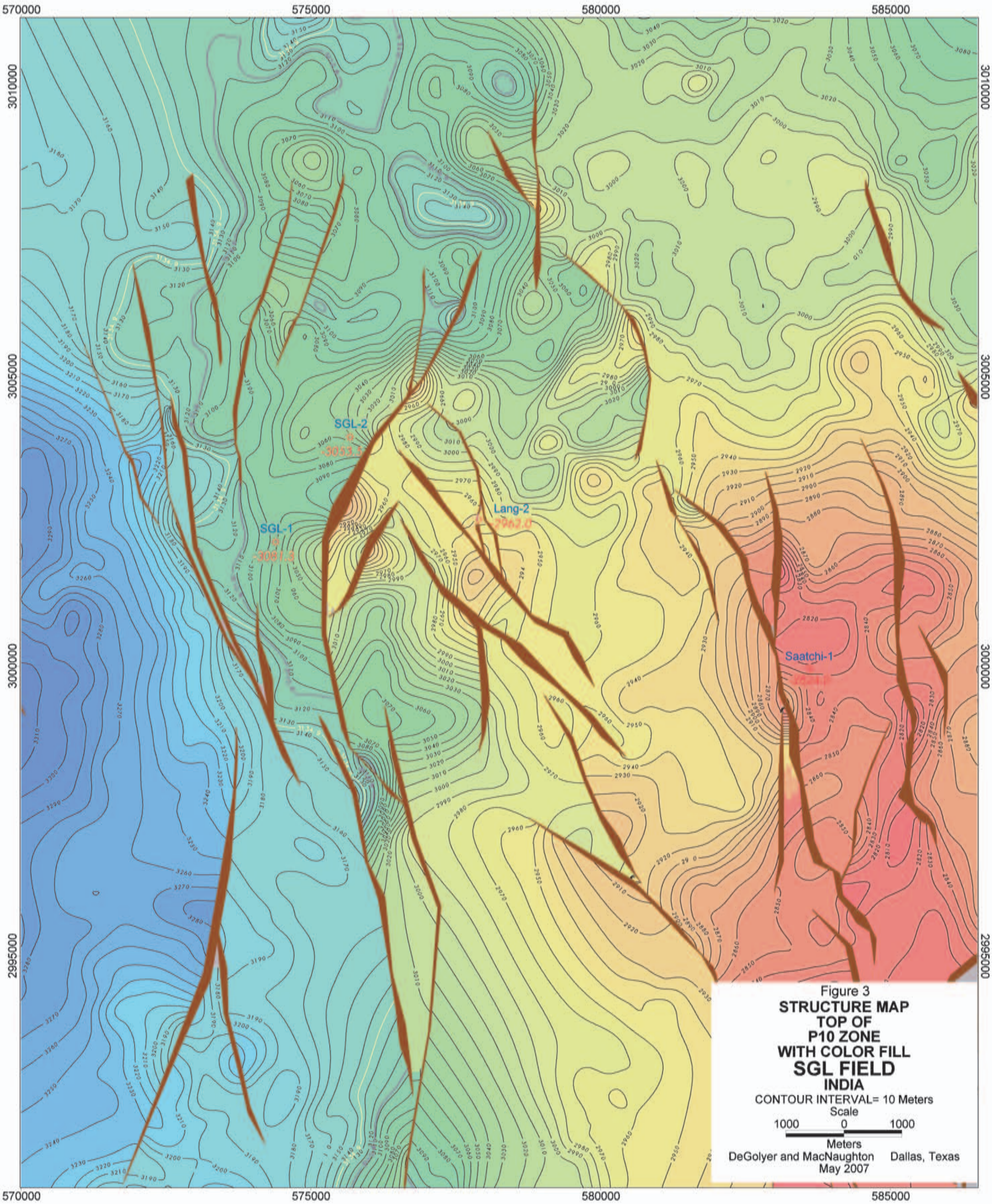
Figure 2

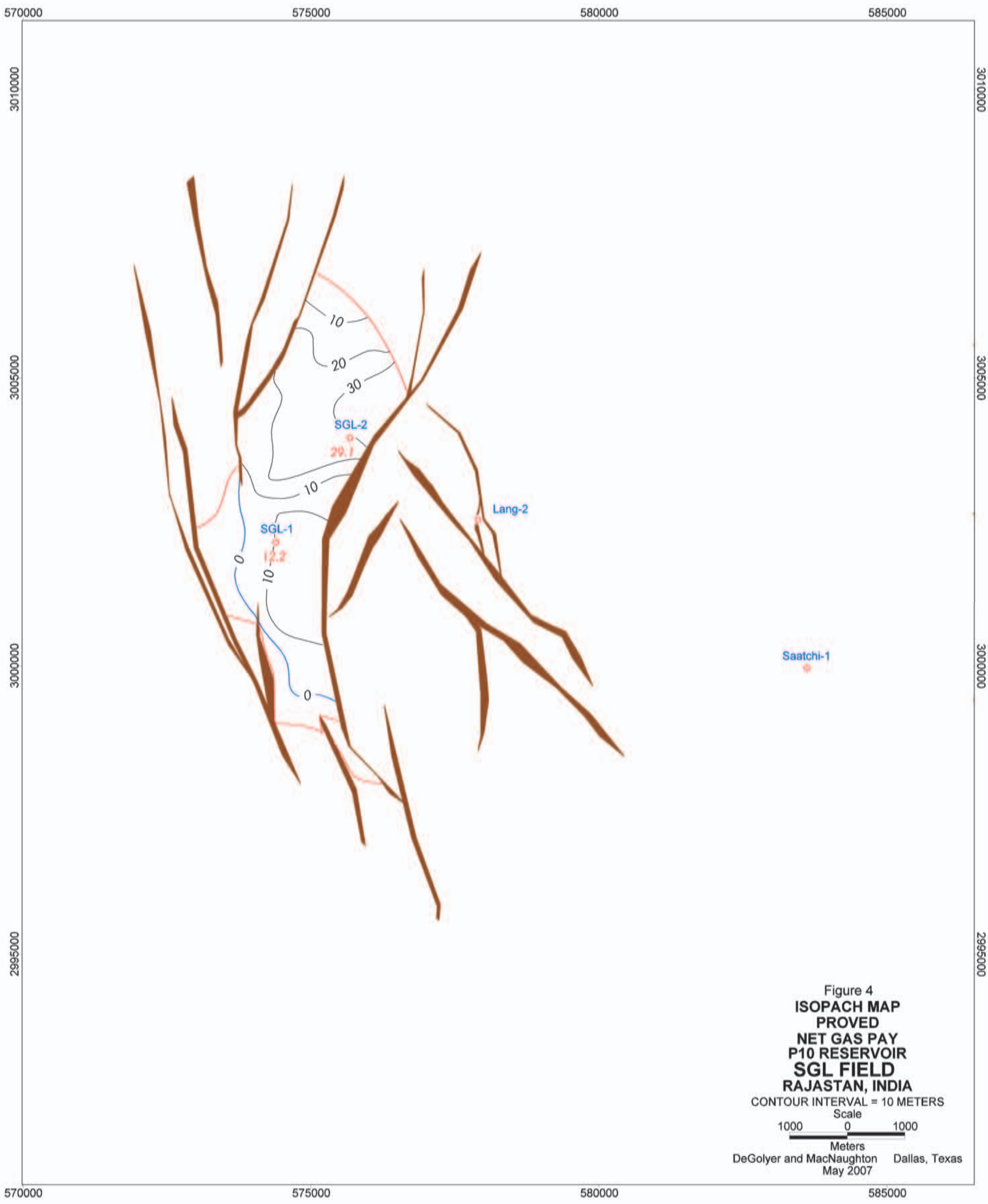
STRATIGRAPHIC COLUMN

SGL FIELD

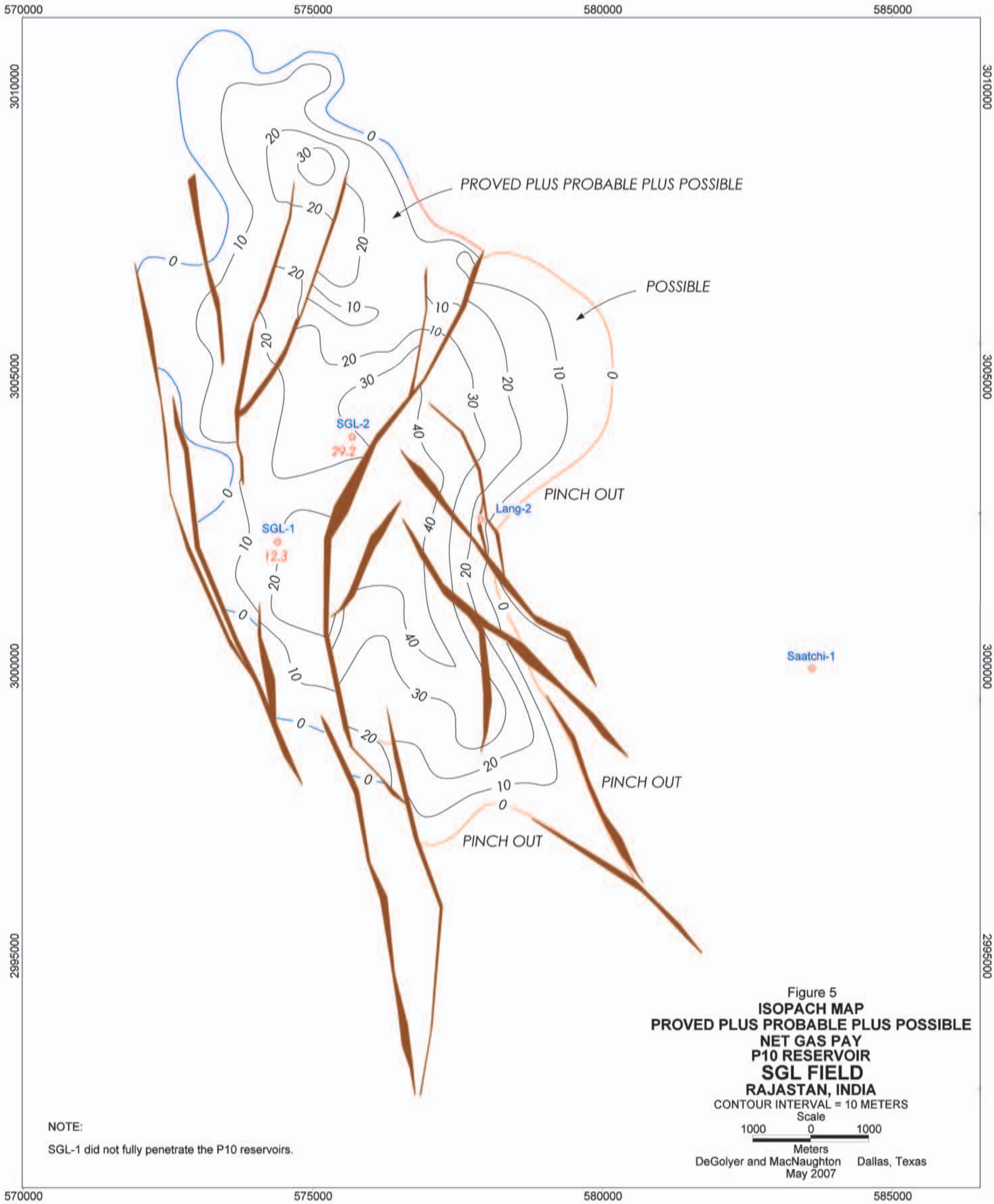
RAJASTHAN, INDIA

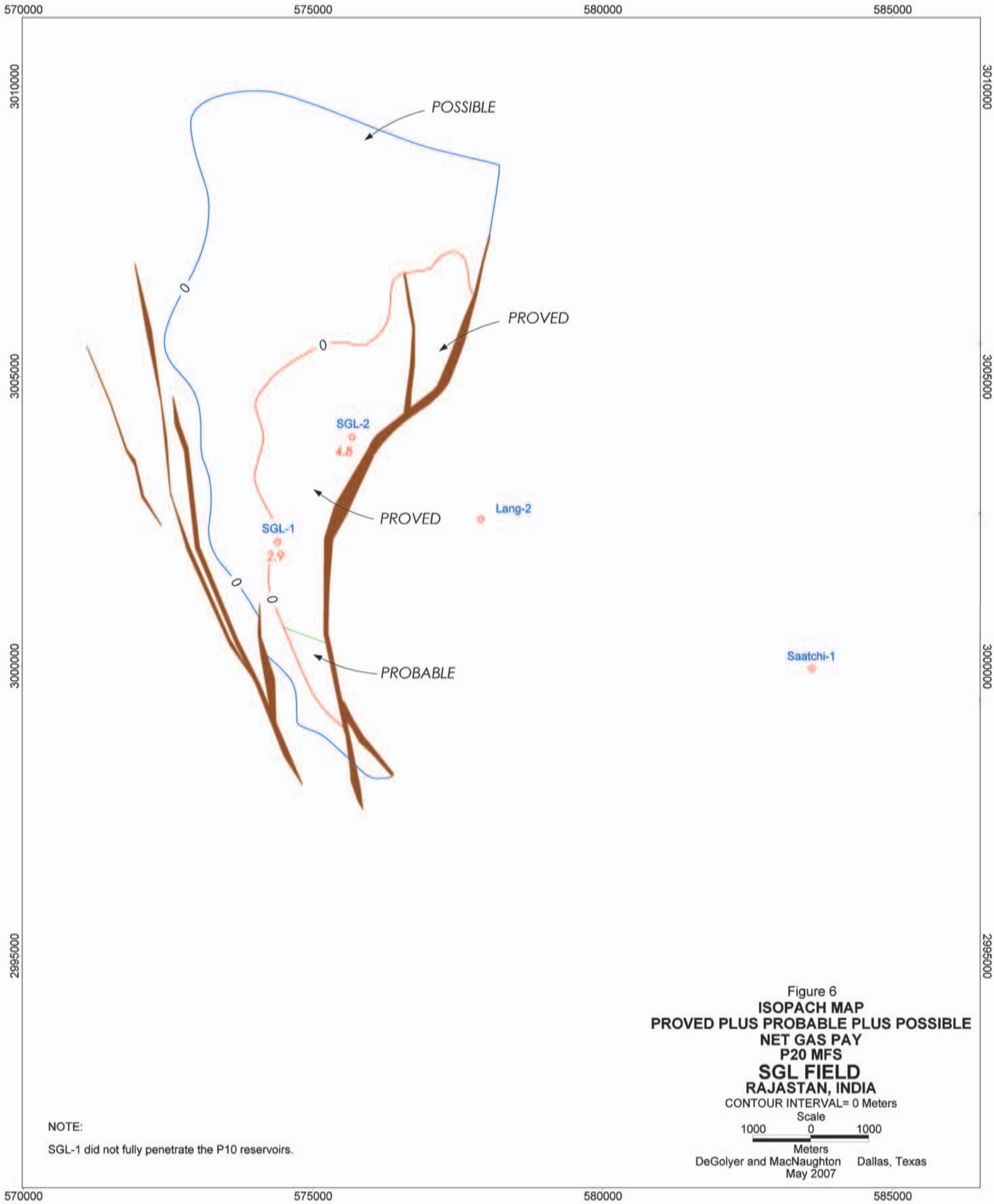
DeGolyer and MacNaughton Dallas, Texas


570000
575000
580000
585000
3010000
3005000
3000000
2995000
SGL-2
SGL-1
-3081.3
Lang-2
-2962.0
Saatchi-1
Figure 3
STRUCTURE MAP
TOP OF
P10 ZONE
WITH COLOR FILL
SGL FIELD
INDIA
CONTOUR INTERVAL= 10 Meters
Scale
1000
0
1000
Meters
DeGolyer and MacNaughton
Dallas, Texas
May 2007



570000
575000
580000
585000
3010000
3005000
3000000
2995000
10
20
30
SGL-2
29.1
10
SGL-1
12.2
0
10
0
Lang-2
Saatchi-1
Figure 4
ISOPACH MAP
PROVED
NET GAS PAY
P10 RESERVOIR
SGL FIELD
RAJASTAN, INDIA
CONTOUR INTERVAL = 10 METERS
Scale
1000 0 1000
Meters
DeGolyer and MacNaughton Dallas, Texas
May 2007


570000
575000
580000
585000
3010000
3005000
3000000
2995000
PROVED PLUS PROBABLE PLUS POSSIBLE
POSSIBLE
PINCH OUT
PINCH OUT
PINCH OUT
SGL-2
29.2
SGL-1
12.3
Lang-2
Saatchi-1
NOTE:
SGL-1 did not fully penetrate the P10 reservoirs.
Figure 5
ISOPACH MAP
PROVED PLUS PROBABLE PLUS POSSIBLE
NET GAS PAY
P10 RESERVOIR
SGL FIELD
RAJASTAN, INDIA
CONTOUR INTERVAL = 10 METERS
Scale
1000 0 1000
Meters
DeGolyer and MacNaughton Dallas, Texas
May 2007


570000
575000
580000
585000
3010000
3005000
3000000
2995000
POSSIBLE
PROVED
PROVED
PROBABLE
0
0
0
0
SGL-2
4.8
SGL-1
2.9
Lang-2
Saatchi-1
NOTE:
SGL-1 did not fully penetrate the P10 reservoirs.
Figure 6
ISOPACH MAP
PROVED PLUS PROBABLE PLUS POSSIBLE
NET GAS PAY
P20 MFS
SGL FIELD
RAJASTAN, INDIA
CONTOUR INTERVAL= 0 Meters
Scale
1000 0 1000
Meters
DeGolyer and MacNaughton Dallas, Texas
May 2007

APPENDIX 2

Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council and Society of Petroleum Evaluation Engineers

Petroleum Resources Management System

Definitions and Guidelines

March 2007

Preamble

Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be discovered accumulations; resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

International efforts to standardize the definitions of petroleum resources and how they are estimated began in the 1930s. Early guidance focused on Proved Reserves. Building on work initiated by the Society of Petroleum Evaluation Engineers (SPEE), SPE published definitions for all Reserves categories in 1987. In the same year, the World Petroleum Council (WPC, then known as the World Petroleum Congress), working independently, published Reserves definitions that were strikingly similar. In 1997, the two organizations jointly released a single set of definitions for Reserves that could be used worldwide. In 2000, the American Association of Petroleum Geologists (AAPG), SPE, and WPC jointly developed a classification system for all petroleum resources. This was followed by additional supporting documents: supplemental application evaluation guidelines (2001) and a glossary of terms utilized in resources definitions (2005). SPE also published standards for estimating and auditing reserves information (revised 2007).

These definitions and the related classification system are now in common use internationally within the petroleum industry. They provide a measure of comparability and reduce the subjective nature of resources estimation. However, the technologies employed in petroleum exploration, development, production, and processing continue to evolve and improve. The SPE Oil and Gas Reserves Committee works closely with other organizations to maintain the definitions and issues periodic revisions to keep current with evolving technologies and changing commercial opportunities.

This Document consolidates, builds on, and replaces guidance previously contained in the 1997 Petroleum Reserves Definitions, the 2000 Petroleum Resources Classification and Definitions publications, and the 2001 ''Guidelines for the Evaluation of Petroleum Reserves and Resources''; the latter Document remains a valuable source of more detailed background information, and specific chapters are referenced herein. Appendix A is a consolidated glossary of terms used in resources evaluations and replaces those published in 2005.

These definitions and guidelines are designed to provide a common reference for the international petroleum industry, including national reporting and regulatory disclosure agencies, and to support petroleum project and portfolio management requirements. They are intended to improve clarity in global communications regarding petroleum resources. It is expected that this Document will be supplemented with industry education programs and application guides addressing their implementation in a wide spectrum of technical and/or commercial settings.

It is understood that these definitions and guidelines allow flexibility for users and agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein should be clearly identified. The definitions and guidelines contained in this Document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

The full text of the SPE PRMS definitions and guidelines can be viewed at:

http://www.spe.org/spe-site/spe/spe/industry/reserves/Petroleum_Resources_Management_System_2007.pdf

Reserves

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.

Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further subdivided in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their development and production status.

To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of firm intention to proceed with development within a reasonable time frame. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.

To be included in the Reserves class, there must be a high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

On Production

The development project is currently producing and selling petroleum to market. The key criterion is that the project is receiving income from sales, rather than the approved development project necessarily being complete. This is the point at which the project ‘‘chance of commerciality’’ can be said to be 100%.

The project ‘‘decision gate’’ is the decision to initiate commercial production from the project.

Approved for Development

All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is under way. At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity’s current or following year’s approved budget. The project ‘‘decision gate’’ is the decision to start investing capital in the construction of production facilities and/or drilling development wells.

Justified for Development

Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained. In order to move to this level of project maturity, and hence have reserves associated with it, the development project must be commercially viable at the time of reporting, based on the reporting entity’s assumptions of future prices, costs, etc. (‘‘forecast case’’) and the specific circumstances of the project. Evidence of a firm intention to proceed with development within a reasonable time frame will be sufficient to demonstrate commerciality. There should be a development plan in sufficient detail to support the assessment of commerciality and a reasonable expectation that any regulatory approvals or sales contracts required prior to project implementation will be forthcoming. Other than such approvals/contracts, there should be no known contingencies that could preclude the development from proceeding within a reasonable timeframe (see Reserves class). The project ‘‘decision gate’’ is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.

Contingent Resources

Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Development Pending

A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future. The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g. drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time frame. Note that disappointing appraisal/evaluation results could lead to a re-classification of the project to ''On Hold'' or ''Not Viable'' status. The project ''decision gate'' is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.

Development Unclarified or on Hold

A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay. The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal/evaluation activities are required to clarify the potential for eventual commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a reasonable expectation that a critical contingency can be removed in the foreseeable future, for example, could lead to a reclassification of the project to ''Not Viable'' status. The project ''decision gate'' is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.

Development Not Viable

A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time due to limited production potential. The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project ''decision gate'' is the decision not to undertake any further data acquisition or studies on the project for the foreseeable future.

Prospective Resources

Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

Potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.

Prospect

A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target. Project activities are focused on assessing the chance of discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.

Lead

A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect. Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the lead can be matured into a prospect. Such evaluation includes the assessment of the chance of discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.

Play

A project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects. Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific leads or prospects for more detailed analysis of their chance of discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

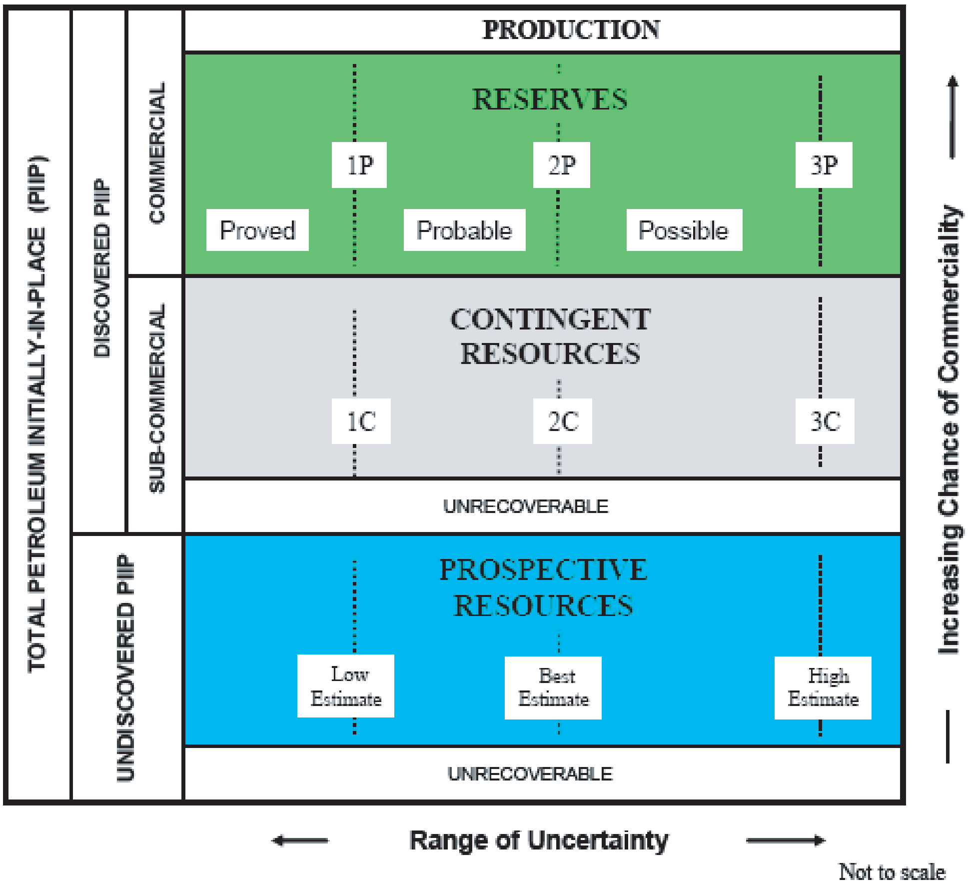


Figure 1-1: Resources Classification Framework.

PART V

TAXATION

The information below, which is of a general nature only and which relates only to UK and Guernsey taxation, is applicable to the Company and to persons who are resident or ordinarily resident in the UK (except where indicated) and who hold Ordinary Shares as an investment. It is based on existing law and practice and is subject to subsequent changes thereto. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK are strongly advised to consult their own professional advisers immediately.

5.1 Guernsey

In response to the review carried out by the European Code of Conduct Group, the States of Guernsey has, with effect from 1 January 2008, abolished exempt status for tax purposes for a majority of companies in Guernsey and introduced a zero rate of tax for companies carrying on all but a few specified types of regulated business (including banking business) or where income is derived from the ownership of land and buildings situate in Guernsey.

As a result of the changes to Guernsey's tax law, the company is resident for tax purposes in Guernsey and is subject to the company standard rate of income tax in Guernsey at a rate of 0 per cent. The Company will be taxed at the standard rate of income tax provided the income of the Company does not include income from:

(a) banking business;

(b) trading activities regulated by the Office of the Director General of Utility Regulation; or

(c) the ownership of land and buildings situate in Guernsey.

It is not intended that the income of the Company will derive from any of those sources.

There is an obligation on the Company, when it makes distributions, and in the case of certain deemed distribution events, to report those events to the Administrator of Income Tax on a quarterly basis and to withhold and account for tax where those distributions are being made to Guernsey resident ''beneficial members'' (being for these purposes, either resident in Guernsey for tax purposes or operating in Guernsey through a permanent establishment). The liability to account for tax from the Company's distributions arises where the beneficial member is resident in Guernsey for Guernsey tax purposes, or where the beneficial member's nominee is a Guernsey resident for tax purposes and chooses to accept the tax liability on behalf of the beneficial member. Provided the beneficial member is not resident in Guernsey then the Company's distributions can be paid without further deduction of withholding tax except as indicated above.

Two types of distribution by the Company can give rise to a tax charge: an actual distribution and a deemed distribution. Tax on actual distributions and deemed distributions is collected through the system of deduction of withholdings. Whilst there are some exemptions from the requirement to report/account for tax in the case of deemed distribution events, there are no such exceptions where actual distributions are made.

Actual distributions paid by the Company will be treated as being declared gross but paid net and the Company is now required to deduct income tax at the appropriate rate from the grossed up dividend paid to Guernsey resident beneficiaries or their nominees as indicated above. The company must then file a return with the Administrator each quarter and remit the tax deducted. The Guernsey resident recipient of the distribution, or their nominee, must disclose in its tax return a figure equal to the dividend grossed up a the appropriate rate. The duty to file quarterly returns will only arise when the Company has paid a distribution or a deemed distribution has been triggered.

A deemed distribution will occur when there is undistributed income arising after 1 January 2008 which is assessable to income tax and which has not previously been distributed or deemed to be distributed. The effect of the deemed distribution regime is to render the Company's net undistributed income not taxed at the full rate of 20 per cent. taxable in the hands of a Guernsey resident who has a beneficial interest in the Company to the extend that such income would have become payable to the beneficial member if the Company had distributed all its income at the time of the trigger event.

Trigger events that can give rise to a deemed distribution include:

(a) the disposal, repurchase and/or redemption of shares in the Company;

(b) the death of the beneficial member;

(c) the beneficial member ceasing to be resident in Guernsey;

(d) the migration of the Company;

(e) the amalgamation of the Company;

(f) the dissolution of the Company;

(g) where the Company has undistributed investment income at the end of a calendar quarter;

(h) the cessation of the business or substantially the whole of the business of the Company, and

(i) where the Administrator of Income Tax invokes his anti-avoidance powers.

Beneficial members who are not resident in Guernsey do not suffer withholding tax on accumulated profits in companies attributed to them under the deemed distribution regime. The Company will not be required to make any additional deduction or withholding in respect of Guernsey taxation from any payments made by the Company to non-Guernsey resident individuals or companies provided that such non-Guernsey resident individuals or companies do not carry on a business in Guernsey through a permanent establishment situate in Guernsey.

5.2 **United Kingdom**

The Company

5.2.1 It is the intention of the Directors to conduct the affairs of the Company so that the management and control of the Company is not exercised in the UK and so that the Company is not resident in the UK for taxation purposes nor carries on any trade in the UK (whether or not through a permanent establishment situated there). On that basis and on the assumption that it has no UK source income the Company should not be liable for UK taxation on its income or capital gains.

UK Resident Shareholders

5.2.2 Taxation of dividends on Ordinary Shares

A distribution by the Company with respect to the Ordinary Shares in the form of a dividend may give rise to income chargeable in the United Kingdom to either income tax or corporation tax on income. In the case of a dividend, individuals domiciled and ordinarily resident for tax purposes in the United Kingdom who are liable to income tax at the starting or basic rate will be taxed at the ordinary rate (10 per cent.). The UK Government has announced its intention to introduce legislation to grant a non-payable tax credit to UK resident or ordinarily resident individuals who are in receipt of dividends from non-UK resident companies in which they hold a shareholding of less than 10 per cent. If such legislation is enacted, it would bring the taxation of dividends received from the Company by individual Shareholders who are resident or ordinarily resident in the UK more closely into line with the taxation of dividends received from UK resident companies by such Shareholders. However, there can be no guarantee that these proposals will be enacted, and even if they are enacted the current proposals are only for the tax credit to be available for dividends paid after 5 April 2008. An individual who is a higher rate taxpayer will be chargeable to tax at the upper rate (32.5 per cent.). Non-taxpayers will have no liability to income tax. United Kingdom resident corporate shareholders will normally be liable for corporation tax on any dividends paid by the Company. No withholding tax will be deducted from dividends paid by the Company.

5.2.3 Taxation of capital gains

Depending on their circumstances, Shareholders who are resident or, in the case of individuals, ordinarily resident in the UK for taxation purposes, may be subject to capital gains tax (or, in the case of corporate Shareholders, corporation tax on capital gains) in respect of any gain arising on a disposal, including a disposal on a winding up of the Company of their shares unless the Shareholder is taxed as a dealer in securities, in which case any gain will be treated as income and taxed as such.

Shareholders who are not resident or ordinarily resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from a disposal of shares unless they carry on a trade, profession or vocation in the UK through a branch or agency in connection with which the shares are held. However, such Shareholders may be subject to charges to foreign taxation depending upon their personal circumstances. In addition, individual Shareholders who are temporarily non-UK resident may be liable to UK capital gains tax under anti-avoidance legislation.

5.2.4 Stamp Duty and Stamp Duty Reserve Tax

The following comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and do not relate to persons such a dealers, intermediaries and persons connected with voluntary arrangements or clearance services, to whom special rules apply. No UK stamp duty, or stamp duty reserve tax, will be payable on the issue of the Ordinary Shares. UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer, rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the Ordinary Shares executed within, or in certain cases brought into, the UK. Provided that the Ordinary Shares are not registered in any register of the Company kept in the UK, any agreement to transfer the Ordinary Shares will not be subject to UK stamp duty reserve tax.

The information in this paragraph is a general summary of certain tax relief's which may be available and should not be construed as constituting advice. Potential investors should obtain advice from their own investment or taxation adviser.

Any person who is in any doubt as to their tax position or who may be subject to tax in any jurisdiction other than the United Kingdom should consult their own professional adviser.

PART VI

HISTORICAL FINANCIAL INFORMATION

The historical financial information on the Group for the three years ended 31 March 2007 and the six months ended 30 September 2007 is presented in this Part VI as follows:

- Parts VI A and VI B — the accountant's report and the historic financial information on the Indus Gas Limited (''Indus Gas'' or ''the Company'') for the period from its incorporation on 4 March 2008 to 10 May 2008. Following the Reorganisation, the Company will acquire 100 per cent. ownership of iServices Investment Ltd. and Newbury Oil Co. Limited (collectively referred to as ''the Group'') and will be the ultimate holding company of the Group. The historical financial information on the Company has been presented for the period from incorporation on 4 March 2008 to 10 May 2008 on a standalone basis as the Company was formed to act as the ultimate holding company of the Group and no consolidated accounts have been prepared, audited or filed since its incorporation.
- Parts VI C and VI D — the accountant's report and the Combined historic financial information on iServices Investment Ltd. and Newbury Oil Co. Limited for the three years ended 31 March 2007. The Combined financial information has been prepared for this period as the interest in the oil and gas block has remained with the Group and other entities under common control since inception.
- Part VI E — the Unaudited condensed interim financial information on iServices Investment Ltd. and Newbury Oil Co. Limited for the six months ended 30 September 2007 and 30 September 2006

PART VI A

ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON INDUS GAS LIMITED

Grant Thornton

The Directors
Indus Gas Limited
Louisiana House
South Esplanade
St. Peter Port
Guernsey
GY1 1BJ
Channel Islands (GB)

29 May 2008

Dear Sirs

INDUS GAS LIMITED

We report on the historical financial information on Indus Gas Limited set out in Part VI B. This historical financial information has been prepared for inclusion in the AIM admission document dated 29 May 2008 of Indus Gas Limited (the ''Admission Document'') on the basis of preparation set out in note 2 and in accordance with the accounting policies set out in note 8 of Part VI B. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that Schedule and for no other purpose.

RESPONSIBILITIES

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent provided, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules consenting to its inclusion in the AIM Admission Document.

The Directors of Indus Gas Limited are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information of Part VI B.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

OPINION

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Indus Gas Limited as at the date stated and of its results, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 of Part VI B and in accordance with the accounting policies set out in note 8 of Part VI B.

DECLARATION

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON, INDIA

PART VI B

HISTORICAL FINANCIAL INFORMATION ON INDUS GAS LIMITED

1. Introduction

The historical financial information on Indus Gas Limited ("the Company") which has been prepared solely for the purpose of the AIM Admission Document of the Company, contained in this Part VI B, does not constitute audited statutory accounts within the meaning of Section 240 of the United Kingdom Companies Act.

2. Basis of preparation

The historical financial information has been prepared in accordance with the requirements of the AIM Rules and in accordance with this basis of preparation. The basis of preparation describes how the financial information has been prepared in accordance with International Financial Reporting standards ("IFRS") and interpretations as laid down by the International Financial Reporting Interpretations Committee ("IFRIC").

The Company has not yet completed its first accounting period and no financial information has been prepared, audited or filed since incorporation.

The historical financial information set below is based on the transactions of the Company from the date of its incorporation on 4 March 2008 to 10 May 2008.

3. Responsibility

The Directors of the Company are responsible for the historical financial information on the Company and the contents of the AIM Admission Document in which it is included.

4. Statutory information

Indus Gas Limited was incorporated in the Island of Guernsey on 4 March 2008 pursuant to an Act of Royal Court of the Island of Guernsey.

5. Company balance sheet as at 10 May 2008

(All amounts in United States Dollars)

Receivable from shareholders	0.04
Other current assets	33,550.00
Total Assets	**33,550.04**
Current liabilities	699,000.00
Total Liabilities	**699,000.00**
Net Liabilities	**(665,449.96)**
Represented by:	
Shareholders' equity	
Share capital	0.04
Accumulated losses	(665,450.00)
Total Shareholders' equity	**(665,449.96)**

6. Company income statement

(All amounts in United States Dollars)

Costs related to proposed listing of Company's shares	(665,450.00)
Total	**(665,450.00)**
Net loss	**(665,450.00)**

7. Company statement of changes in shareholders' equity

(All amounts in United States Dollars)

	Share capital Number of shares	Share capital Amount	Accumulated losses	Total shareholders' equity
Share capital issued	2	0.04		**0.04**
Loss for the period			(665,450.00)	**(665,450.00)**
Balance as at 10 May 2008	**2**	**0.04**	**(665,450.00)**	**(665,449.96)**

8. Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying historical financial information are as follows:

8.1 Overall considerations

The historical financial information on the Company has been prepared under the historical cost convention on the accrual basis of accounting in accordance with International Financial Reporting standards (''IFRS''). This historical financial information is prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business.

8.2 Costs of Equity Transactions

Incremental direct costs incurred in relation to issue of shares classified as equity, such as underwriting, accounting and legal fees, printing costs, and taxes, are to be treated as a reduction of the proceeds. Direct costs incurred before shares classified as equity are issued have been classified as an asset under Other Current Assets' until the stock is issued. However, if consummation of the equity offering is not probable, or the offering is aborted, such costs will be expensed in the period during which such offering is aborted or considered as not probable.

8.3 Management judgments and estimates

Judgments and estimates 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 and information available at each balance sheet date. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

8.4 Currency

The Company's presentation currency as well as functional currency is US Dollars (''US $'').

9. Share Capital

The total authorised share capital of the Company is GBP 5,000,000 divided into 500,000,000 shares of pound sterling 0.01 each. The issued share capital as at the date of this document is 2 Ordinary Shares. These shares remained unpaid at the balance sheet date and the amount recoverable was classified as an asset on the balance sheet under Receivable from shareholders'.

10. Cash flow statements

Cash flow statement as required under IAS 7: ''Cash Flow Statements'' has not been prepared since the Company did not have cash balances at any time during the reported period.

11. Subsequent events

Pursuant to the agreement dated 14 April 2008 between the Company, Gainway Holdings Limited, Focusoil Inc. and Gynia Holdings Limited, the Company has acquired 46,570,000 shares in Newbury Oil Co. Limited and 121,100,000 shares in iServices Investment Ltd. on 12 May 2008 and 13 May 2008 respectively. In consideration, the Company has issued 167,670,000 shares to Gynia Holdings Limited on 27 May 2008. Consequent to this share transfer, the Company has acquired 100 per cent ownership of iServices Investment Ltd. and Newbury Oil Co. Limited.

PART VI C

ACCOUNTANTS' REPORT ON COMBINED HISTORICAL FINANCIAL INFORMATION ON ISERVICES INVESTMENT LTD. AND NEWBURY OIL CO. LIMITED FOR THE YEARS ENDED 31 MARCH 2005, 31 MARCH 2006 AND 31 MARCH 2007

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The Directors
Indus Gas Limited
Louisiana House
South Esplanade
St. Peter Port
Guernsey GY1 1BJ
Channel Islands (GB)

29 May 2008

Dear Sirs

ISERVICES INVESTMENT LTD. (''ISERVICES'') AND NEWBURY OIL CO. LIMITED (''NEWBURY'')

We report on the combined historical financial information of the iServices and Newbury (collectively referred to as 'the Group') set out in Part VI D relating to year ending 31 March 2005, 31 March 2006 and 31 March 2007. This financial information has been prepared for inclusion in the AIM Admission Document dated 29 May 2008 of Indus Gas Limited (''Indus Gas'' or ''the Company'') on the basis of preparation set out in note 2 and in accordance with the accounting policies set out in note 8 of Part VI D. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that Schedule and for no other purpose.

RESPONSIBILITIES

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules consenting to its inclusion in the AIM Admission Document.

The Directors are responsible for preparing the combined historical financial information on the basis of preparation set out in note 2 to the financial information.

It is our responsibility to form an opinion on the combined historical financial information as to whether the combined historical financial information gives a true and fair view, for the purposes of the AIM Admission Document, and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the combined historical financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the combined historical financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 combined historical financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

OPINION

In our opinion, the combined historical financial information gives, for the purposes of the AIM Admission Document dated 29 May 2008, a true and fair view of the state of affairs of the Group as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation described in note 2 of Part VI D and in accordance with the accounting policies set out in note 8 of Part VI D.

DECLARATION

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON, INDIA

PART VI D

COMBINED HISTORICAL FINANCIAL INFORMATION ON ISERVICES INVESTMENT LTD. AND NEWBURY OIL CO. LIMITED FOR THE YEARS ENDED 31 MARCH 2005, 31 MARCH 2006 AND 31 MARCH 2007

1. INTRODUCTION

The combined historical financial information on iServices Investment Ltd. (''iServices'') and Newbury Oil Co. Limited (''Newbury'') which has been prepared solely for the purpose of the AIM Admission Document of the Company, contained in this Part VI D, does not constitute audited statutory accounts within the meaning of Section 240 of the United Kingdom Companies Act.

iServices and Newbury, (collectively referred to as ''the Group'') are companies incorporated in Mauritius and Cyprus respectively. iServices was incorporated in the year 2003 and Newbury was incorporated in the year 2005. During the reported period iServices and Newbury were subsidiaries of Gainway Holdings Limited BVI and Focus Oil Inc. BVI respectively and were ultimately controlled by Gynia Holdings Limited BVI.

The Group owns an aggregate of 90 per cent. participating interest in a petroleum exploration and development concession in India known as RJ-ON/06 (''the Block''). The balance 10 per cent. interest is owned by Focus Energy Limited (''Focus''). Focus entered into a Production Sharing Contract (''PSC'') with Government of India (''GOI'') and Oil and Natural Gas Corporation (''ONGC'') on 30 June 1998 in respect of the Block. Subsequently, on 13 January 2006, iServices and Newbury entered into an interest sharing agreement (referred to as ''original interest sharing agreement'') with Focus and obtained a 65 per cent. and 25 per cent. share respectively in the Block.

The GOI has an option to acquire a 30 per cent. participating interest in discovered fields, through ONGC, upon successful discovery of oil or gas reserves. In the case where this option is exercised, the GOI shall contribute its share i.e. 30 per cent. in development and production activities and it shall be entitled to 30 per cent. share in the revenues. Focus, iServices and Newbury shall continue to share costs and revenues after excluding GOI's share, in the existing ratio of 10 per cent., 65 per cent. and 25 per cent. respectively.

2. BASIS OF PREPARATION

The combined historical financial information has been prepared in accordance with the requirements of the AIM Rules and in accordance with this basis of preparation. The basis of preparation describes how the combined financial information has been prepared in accordance with IFRS and interpretations as laid down by the International Financial Reporting Interpretations Committee (''IFRIC'') except as described below:

IFRS do not provide for the preparation of combined financial information. Accordingly, in preparing the combined historical financial information for the Group (which did not constitute a legal group as at the reporting dates), *Standards for Investment Reporting (''SIR'') 2000* issued by the United Kingdom Auditing Practices Board, has been applied, as elaborated below. The application of these conventions results in the following material departures from IFRS. In other respects IFRS have been applied.

- The combined historical financial information does not constitute a set of general purpose financial statements under paragraph 3 of *IAS 1: Presentation of Financial Statements*. Consequently the Group does not make an explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 14 of IAS 1. An entity is only permitted to apply the first-time adoption rules of *IFRS 1: First-time Adoption of International Financial Reporting Standards* in its first set of financial statements where such an unreserved statement of compliance has been made. Although such a statement has not been made in case of the Group, the combined historical financial information has been prepared as if the date of transition to IFRS was 1 April 2004, the beginning of the first period presented, and the requirements of IFRS 1 have been applied since that date.
- The historical financial information for iServices and Newbury has been presented on a combined basis as the entities have been under common management though they do not form a legal group. As mentioned above, combination of historical financial information has been done in accordance with guidance under SIR 2000, where the results, net assets, related share capital balances and reserves

of the relevant entities have been aggregated with eliminations for inter-company transactions and balances. The Group acquired 90 per cent. interest in the Block on 13 January 2006 but operations of the Block have remained under common management and control since the inception of such operations. To present comparative information over the period of three years, the management has prepared the combined financial statements as if the Group has been engaged in the operations for Block RJ- ON/06 from the inception of such operations. The amounts payable by the Group to Focus in respect of their contribution to exploration and evaluation costs in proportion of their participating interest have been recognised as trade and other payables under Current liabilities (as detailed in Note 17). As mentioned above, though such amounts have been recognised from the inception of oil and gas operations in the Block, such liability has arisen only after 13 January 2006 (i.e. the date that the Group acquired the interest in the Block).

- The combined historical financial information has been prepared by combining standalone (and not consolidated) historical financial information of iServices and Newbury. iServices held controlling stakes in iServices India Private Limited and Deccan iServices Private Limited in some of the reported periods which were sold during the years ended 31 March 2006 and 31 March 2007. These subsidiaries were engaged in the business of providing remote data entry services to clients. Since the Group does not have a continuing interest in these subsidiaries and does not intend to be engaged in the business of remote data entry services in future, the management has decided to prepare historical combined financial information of the Group using standalone financial information of iServices. Further, considering that the sale of these subsidiary companies has been made to an entity under common management and control, the gain on such sale has been recognised as a contribution made by shareholders. These are departures from the requirements of *IAS 27: Consolidated and Separate Financial Statements.* Furthermore, since the combined historical financial information does not include financial information for these subsidiaries, the discontinued business disclosure as required by *IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations* has not been made in the combined historical financial information.
- Reconciliations to previous GAAP have not been presented as this historical financial information has been presented on a combined basis and these are not the Group's first IFRS financial statements.
- Earnings per share (''EPS'') has not been presented in accordance with *IAS 33: Earnings per share* as the EPS presented on a combined basis would not be a meaningful number.

As explained in the ''Note 1: INTRODUCTION'' above, the Group is jointly engaged in the oil and gas exploration activities along with Focus. This venture is a jointly controlled asset as defined under *IAS 31: Interest in Joint Ventures*. All rights and obligations in respect of exploration, development and production of oil and gas resources under the Interest sharing agreement are shared between Focus, iServices and Newbury in the ratio of 10 per cent., 65 per cent. and 25 per cent. respectively.

The aggregate amount relating to jointly controlled assets and liabilities related thereto that have been included in the combined historical financial information are as follows:

	Year ended 31 March 2005 $	**Year ended 31 March 2006 $**	**Year ended 31 March 2007 $**
Non current assets	13,816,594	24,366,745	36,678,185
Current assets	1,948,756	1,045,596	1,613,942
Non current liabilities	63,389	112,404	197,092
Current liabilities	6,388	13,158	30,530
Expenses	258,499	268,804	163,770

As mentioned above, the Group held controlling interest in the following entities as at 31 March 2005 and 31 March 2006 respectively which were fully sold during the year ended 31 March 2007.

	Percentage holding		
Name of the subsidiary	**As at 31 March 2005**	**As at 31 March 2006**	**Country of incorporation**
iServices India Private Limited	100 per cent.	75 per cent.	India
Deccan iServices Private Limited	100 per cent.	100 per cent.	India

The results of activities and position of assets and liabilities of these subsidiaries have not been included in the combined historical financial information. These investments are carried at cost in the combined historical financial statements. Since the sale of these subsidiary companies has been made to an entity under common management and control, the gain on such sale has been recognised as a contribution made by the shareholders.

The management of the Group is responsible for the combined historical financial information and contents of the AIM Admission Document in which it is included.

3. STANDARDS AND INTERPRETATIONS ISSUED BY IASB BUT NOT YET APPLIED BY THE GROUP

Following standards or interpretations have been issued by IASB till the date of approval of this combined historical financial information but have not been considered in the preparation of the combined historical financial information.

Standard or Interpretation		Effective dates
IAS 1:	Presentation of Financial Statements (Revised)	Annual periods beginning on or after 1 January 2009
IAS 1:	Presentation of Financial Statements — Capital Disclosures	Annual periods beginning on or after 1 January 2007
IAS 23:	Borrowing costs (Revised)	Annual periods beginning on or after 1 January 2009
IAS 27:	Consolidated and Separate Financial Statements (Amendment January 2008)	Annual periods beginning on or after 1 July 2009
IAS 32:	Financial Instruments: Presentation- Puttable Financial Instruments and Obligations Arising on Liquidation Amendment	Annual periods beginning on or after 1 January 2009
IFRS 2:	Share-based Payment (Amendment)	Annual periods beginning on or after 1 January 2009
IFRS 3:	Business Combinations (January 2008)	For acquisition dated on or after the beginning of the first annual reporting period beginning on or after 1 July 2009
IFRS 7:	Financial Instruments- Disclosures	Annual periods beginning on or after 1 January 2007
IFRS 8:	Operating Segments	Annual periods beginning on or after 1 January 2009
IFRIC 8:	Scope of IFRS 2	Annual periods beginning on or after 1 May 2006
IFRIC 9:	Reassessment of Embedded Derivatives	Annual periods beginning on or after 1 June 2006
IFRIC 10:	Interim Financial Reporting and Impairment	Annual periods beginning on or after 1 November 2006
IFRIC 11:	IFRS 2 — Group and Treasury Share Transactions	Annual periods beginning on or after 1 March 2007
IFRIC 12:	Service Concession Arrangements	Annual periods beginning on or after 1 January 2008
IFRIC 13:	Customer Loyalty Programmes	Annual periods beginning on or after 1 July 2008
IFRIC 14:	IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Annual periods beginning on or after 1 January 2008

Based on the Group's current business model and accounting policies, management does not expect material changes to the recognition and measurement principles on Group's financial statements when these Standards/ Interpretations become effective. However, the directors are aware that the application of the above standards and interpretations will significantly alter the amount and complexity of the disclosures contained in the Group's subsequent financial statements.

The Group does not intend to apply any of these pronouncements early.

4. COMBINED BALANCE SHEET

	Notes	31 March 2005 $	31 March 2006 $	31 March 2007 $
ASSETS				
Non-current assets				
Intangible assets – Exploration and Evaluation assets	9	12,758,764	23,229,910	35,140,921
Property, plant and equipment	10	1,057,830	1,136,835	1,537,264
Investment in subsidiary undertakings	11	101,152	2,400	—
Total non-current assets		**13,917,746**	**24,369,145**	**36,678,185**
Current assets				
Inventories		1,948,756	1,045,597	1,613,943
Other current assets	12	3,045,698	5,668,331	9,672,886
Cash and cash equivalents	13	55	35	1,424
Total current assets		**4,994,509**	**6,713,963**	**11,288,253**
Non-current assets held for sale	11	**37,481**	**102,427**	**—**
Total assets		**18,949,736**	**31,185,535**	**47,966,438**
LIABILITIES AND EQUITY				
STOCKHOLDERS' EQUITY				
Share capital	14	2,137	206,778	206,778
Additional paid-in capital	14	—	4,600,875	23,691,148
Accumulated losses		(542,272)	(824,944)	(1,006,782)
Total Stockholders' Equity		**(540,135)**	**3,982,709**	**22,891,144**
LIABILITIES				
Non-Current liabilities				
Provisions for decommissioning	15	45,262	88,735	136,647
Finance lease obligations, excluding current portion	16	18,127	23,669	60,445
Total non-current liabilities		**63,389**	**112,404**	**197,092**
Current liabilities				
Trade and other payables	17	16,218,920	26,078,931	23,844,828
Short term borrowings	18	—	996,572	996,572
Finance lease obligations (current portion)	16	6,388	13,158	30,530
Other current liabilities	19	3,201,174	1,761	6,272
Total current liabilities		**19,426,482**	**27,090,422**	**24,878,202**
Total liabilities		**19,489,871**	**27,202,826**	**25,075,294**
Total equity and liabilities		**18,949,736**	**31,185,535**	**47,966,438**

(The accompanying notes are an integral part of this combined historical financial information)

5. COMBINED INCOME STATEMENT

	Year ended 31 March 2005 $	Year ended 31 March 2006 $	Year ended 31 March 2007 $
Revenue	—	—	—
Cost and expenses			
Administrative expenses	269,120	282,672	181,838
Loss before tax	**269,120**	**282,672**	**181,838**
Income tax expense	—	—	—
Loss after tax	**269,120**	**282,672**	**181,838**

6. COMBINED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Additional Paid in Capital $	Accumulated loss $	Total shareholders' equity $
Balance as at 1 April 2004	**1**	**—**	**(273,152)**	**(273,151)**
Share capital issued	2,136			2,136
Loss for the year			(269,120)	(269,120)
Balance as at 31 March 2005	**2,137**	**—**	**(542,272)**	**(540,135)**
Share capital issued (at premium)	204,641	49,655		254,296
Loss for the year			(282,672)	(282,672)
Gain on sale of investment in subsidiary		4,551,220	—	4,551,220
Balance as at 31 March 2006	**206,778**	**4,600,875**	**(824,944)**	**3,982,709**
Loss for the year			(181,838)	(181,838)
Gain on sale of investment in subsidiary		19,090,273		19,090,273
Balance as at 31 March 2007	**206,778**	**23,691,148**	**(1,006,782)**	**22,891,144**

(The accompanying notes are an integral part of this combined historical financial information)

7. COMBINED STATEMENT OF CASH FLOWS

	Year ended 31 March 2005 $	Year ended 31 March 2006 $	Year ended 31 March 2007 $
(A) Cash flow from operating activities			
Loss before tax	(269,120)	(282,672)	(181,838)
Changes in operating assets and liabilities			
Inventories	(1,948,756)	903,160	(568,346)
Trade and other payables	2,207,255	(634,356)	732,116
Other current liabilities	1,214	547	4,511
Cash used in operations	**(9,407)**	**(13,321)**	**(13,557)**
Income taxes paid	—	—	—
Net cash used in operating activities	**(9,407)**	**(13,321)**	**(13,557)**
(B) Cash flow for investing activities			
Expenditure incurred on Exploration and Evaluation assets (intangible assets as well as property, plant and equipment)	—	—	(15,292,315)
Sale of property, plant and equipment	—	—	116,715
Purchase of investment in subsidiary companies	(2,400)	—	—
Sale of investment in subsidiary companies	3,199,960	1,385,066	19,195,101
Related party loans issued	(3,022,222)	(2,622,633)	(4,004,555)
Net cash provided by/(used in) investing activities	**175,338**	**(1,237,567)**	**14,946**
(C) Cash flow from financing activities			
Issue of share capital	2,136	254,296	—
Proceeds from short term borrowings	—	996,572	—
Repayment of short term borrowings	(168,012)	—	—
Interest paid	—	—	—
Net cash provided by/(used in) financing activities	**(165,876)**	**1,250,868**	**—**
Net increase/(decrease) in cash and cash equivalents	**55**	**(20)**	**1,389**
Cash and cash equivalents at the beginning of the year	—	55	35
Cash and cash equivalents at the end of the year	**55**	**35**	**1,424**
Cash and cash equivalents comprise			
Balances with banks in demand deposits	55	35	1,424

(The accompanying notes are an integral part of this combined historical financial information)

8. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying combined historical financial information are as follows:

(a) OVERALL CONSIDERATIONS

The combined historical financial information has been prepared on the historical cost basis except that certain financial assets and liabilities are stated at fair value. This combined historical financial information is prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. The financial information has been presented in United States Dollars ('$').

(b) SIGNIFICANT ACCOUNTING ESTIMATES

In preparing financial information, Group's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for the useful life and residual value of tangible assets, impairment of tangible assets and recognition of restoration cost represent certain of these particularly sensitive estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRSs that have significant effect on the historical financial information and estimates with a significant risk of material adjustment in the subsequent years are discussed in note 23.

(c) FOREIGN CURRENCIES

The presentation currency for the entities within the Group as well as currency of the primary economic environment in which all entities of the Group operate is United States Dollars.

A currency other than the functional currency of entities within the Group is a foreign currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

(d) REVENUE RECOGNITION

The Group's share in revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenues can be reliably measured. Currently, the Group is in a pre-revenue generating phase.

(e) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised. However, where the asset is being consumed in developing exploration and evaluation intangible assets, such gain or loss is recognised as part of the cost of the intangible asset.

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each period end.

Depreciation on property, plant and equipment is provided at rates estimated by the management. Depreciation is computed using the straight line method of depreciation, whereby each asset is written down to its estimated residual value evenly over its expected useful life. The useful lives estimated by the management are as follows:

Extended well test equipment	20 years
Buildings	10 years
Bunk houses	5 years
Vehicles	5 years
Other equipment	5 years
Furniture and fixture	5 Years
Computer Equipment	3 Years

Land acquired is recognised at cost and no depreciation is charged as it has an unlimited useful life.

Advances paid for the acquisition/ construction of property, plant and equipment which are outstanding at the balance sheet date and the cost of property, plant and equipment under construction before such date are disclosed as 'Capital work-in-progress'.

(f) EXPLORATION AND EVALUATION ASSETS

The Group adopts the full cost method of accounting for its oil and gas interests, having regard to the requirements of *IFRS 6: Exploration for and Evaluation of Mineral Resources.* Under the full cost method of accounting, all costs of exploring for and evaluating oil and gas properties, whether productive or not are accumulated and capitalised by reference to appropriate cost pools. Such cost pools are based on geographic areas and are not larger than a segment. The Group currently has one cost pool being an area of land located in Rajasthan, India.

Exploration and evaluation costs may include costs of licence acquisition, directly attributable exploration costs such as technical services and studies, seismic data acquisition and processing, exploration drilling and testing, technical feasibility, commercial viability costs, finance costs to the extent they are directly attributable to financing these activities and an allocation of administrative and salary costs as determined by management. All costs incurred prior to the award of an exploration licence are written off to the income statement as incurred.

Exploration and evaluation costs are classified as tangible or intangible according to the nature of the assets acquired and the classification is applied consistently. Tangible exploration and evaluation assets are recognized and measured in accordance with the accounting policy on property, plant and equipment. To the extent that such a tangible asset is consumed in developing an intangible exploration and evaluation asset, the amount reflecting that consumption is recorded as part of the cost of the intangible asset.

Exploration and evaluation assets are not amortised prior to the conclusion of appraisal activities. At completion of appraisal activities, if technical feasibility is demonstrated and commercial reserves are discovered, then, following development sanction, the carrying value of the relevant exploration and evaluation asset will be reclassified as a development and production asset.

(g) IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such indicators include the point at which a determination is made as to whether or not commercial reserves exist. Where the Exploration and evaluation assets concerned fall within the scope of an established full cost pool, the Exploration and evaluation assets are tested for impairment together with all development and production assets associated with that cost pool, as a single cash generating unit. The aggregate carrying value is compared against the expected recoverable amount of the pool, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves. Any impairment loss is recognised in the income statement and separately disclosed.

(h) FINANCIAL ASSETS

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group has become a party to the contractual provisions of the related instruments.

Financial assets of the Group, under the scope of IAS 39 fall into the category of loans and receivables. When financial assets are recognised initially, they are measured at fair value. The Group determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method, less provision for impairment. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

De-recognition of financial instruments occurs when the rights to receive cash flows from the instrument expires or are transferred and substantially all of the risks and rewards of ownership have been transferred.

(i) FINANCIAL LIABILITIES

The Group's financial liabilities include bank overdrafts, trade and other payables and loans from related parties.

Financial liabilities are recognized when the Group becomes a party to the contractual agreements of the related instrument.

Financial liabilities are recognized at their fair value and subsequently measured at amortised cost less settlement payments.

Trade and other payables and loans from related parties are interest free financial liabilities with maturity period of less than twelve months and are carried at nominal value which is not materially different from their fair value.

(j) INVENTORIES

Inventories of drilling stores and spares are accounted at cost including taxes, duties and freight. The cost of all inventories other than drilling bits is computed on the basis of first in first out method. The cost for drilling bits is computed based on specific identification method.

(k) ACCOUNTING FOR INCOME TAXES

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/un-recovered 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 profit for the year. All changes to current tax assets or liabilities are recognized 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 financial information with the tax base. Deferred tax is, however, neither provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. 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 recognized to the extent that it is probable that they will 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 realization, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

(l) BORROWING COSTS

Any interest payable on funds borrowed for the purpose of obtaining a qualifying asset is capitalized as a cost of that asset. However, any associated interest charge from funds borrowed principally to address a short term cash flow shortfall during the suspension of development activities shall be expensed in the period.

(m) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and at bank in demand and other short-term deposits, which are readily convertible to known amounts of cash. These assets are subject to an insignificant risk of changes in value.

(n) LEASING ACTIVITIES

Finance leases which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, at the fair value of the leased property or the present value of the minimum lease payments, whichever is lower. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

All leases other than finance leases are treated as operating leases. Operating lease payments are recognised as an expense in the income statement on the straight line basis over the lease term.

(o) OTHER PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision net of any reimbursement is presented in the income statement. To the extent such expense is incurred for construction or development of any asset, it is included in the cost of that asset. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expenses.

Provisions include decommissioning provision representing management's best estimate of the Group's liability for restoring the sites of drilled wells to their original status.

Commitments and contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the balance sheet and no disclosure is made.

9. INTANGIBLE ASSETS — EXPLORATION AND EVALUATION ASSETS

Intangible assets comprise of Exploration and evaluation assets. Movement in Intangible assets was as under:

	Intangible assets – Exploration and Evaluation assets $
Balance at 1 April 2004	**3,434,924**
Additions	9,323,840
Balance as at 31 March 2005	**12,758,764**
Additions	10,471,146
Balance as at 31 March 2006	**23,229,910**
Additions	11,911,011
Balance as at 31 March 2007	**35,140,921**

In accordance with the Group's accounting policy, no amortisation has been charged on the exploration and evaluation assets as the exploration, evaluation and appraisal activities have not concluded in the Block during the reported period.

Additions above include depreciation on exploration and evaluation assets (property, plant and equipment) of US$105,453, US$196,619 and US$236,765 in the years ended 31 March 2005, 2006 and 2007 respectively.

The balance as at 31 March 2005, 2006 and 2007 includes total depreciation (accumulated) on exploration and evaluation (property, plant and equipment) assets of US$112,494, US$309,113 and US$523,432 respectively.

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

Cost	Land $	Extended well test equipment $	Bunk Houses $	Vehicles* $	Other assets $	Total $
Balance as at 1 April 2004	—	3,369	28,944	1,630	88,704	122,647
Acquisitions	34,204	126,515	505,468	64,664	123,222	854,073
Balance as at 31 March 2005	**34,204**	**129,884**	**534,412**	**66,294**	**211,926**	**976,720**
Acquisitions	—	28,112	125,518	49,380	134,370	337,380
Balance as at 31 March 2006	**34,204**	**157,996**	**659,930**	**115,674**	**346,296**	**1,314,100**
Acquisitions	—	139,552	85,761	135,449	34,106	394,868
Disposals/Transfers	—	—	(44,343)	(34,405)	(60,413)	(139,161)
Balance as at 31 March 2007	**34,204**	**297,548**	**701,348**	**216,718**	**319,989**	**1,569,807**
Accumulated Depreciation						
Balance at 1 April 2004	—	1,783	—	26	5,232	7,041
Depreciation for the year	—	3,674	66,452	7,210	28,117	105,453
Balance as at 31 March 2005	**—**	**5,457**	**66,452**	**7,236**	**33,349**	**112,494**
Depreciation for the year	—	8,561	118,991	17,165	51,902	196,619
Balance as at 31 March 2006	—	**14,018**	**185,443**	**24,401**	**85,251**	**309,113**
Depreciation for the year	—	11,314	139,549	22,401	63,501	236,765
Disposals/Transfers	—	—	(13,086)	(2,785)	(6,575)	(22,446)
Balance as at 31 March 2007	—	**25,332**	**311,906**	**44,017**	**142,177**	**523,432**

Carrying Value	Land $	Extended well test equipment $	Bunk Houses $	Vehicles* $	Other assets $	Capital work in progress $	Total PPE $
At 31 March 2005	34,204	124,427	467,960	59,058	178,575	193,604	1,057,830
At 31 March 2006	34,204	143,978	474,487	91,273	261,045	131,848	1,136,835
At 31 March 2007	34,204	272,216	389,442	172,701	177,812	490,889	1,537,264

* These vehicles have been secured against the finance leases as specified in Note 16.

The balances above represent the Group share in property, plant and equipment (i.e. 90 per cent. of such assets). As at 31 March 2007, the Group had capital commitments to purchase property, plant and equipment for US$245,266. This amount represents the Group's 90 per cent. share of commitment.

The depreciation in all reported years has been included in the cost of Intangible assets — Exploration and evaluation assets.

11. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Investment in subsidiary undertakings comprises investment held by iServices in iServices India Private Limited and Deccan iServices Private Limited. The management of iServices had entered into agreement to sell the investment in iServices India Private Limited at various points of time in the year ended 31 March 2005 and 2006. Where the agreement to sell was entered into but the sale was not completed at the year end, such amounts have been classified under ''Non-current assets held for sale''.

	31 March 2005		31 March 2006		31 March 2007	
	Number of shares	Amount $	Number of shares	Amount $	Number of shares	Amount $
iServices India Private Limited	540,000	136,233	406,000	102,427	—	—
Deccan iServices Private Limited	9,980	2,400	9,980	2,400	—	—
Total	**549,980**	**138,633**	**415,980**	**104,827**		
Classified as Non-current assets held for sale						
iServices India Private Limited	150,000	37,481	406,000	102,427	—	—
Classified as Investment in subsidiaries						
iServices India Private Limited	390,000	98,752				
Deccan iServices Private Limited	9,980	2,400	9,980	2,400	—	—
Total	**399,980**	**101,152**	**9,980**	**2,400**	**—**	**—**

The expected realisation from investments held for sale, net of costs to sell exceeded their carrying amounts on respective balance sheet dates.

12. OTHER CURRENT ASSETS

Other current assets comprise the following:

	31 March 2005 $	31 March 2006 $	31 March 2007 $
Advance to related parties	3,044,226	5,668,331	9,672,886
Prepayments	1,472		
Total	**3,045,698**	**5,668,331**	**9,672,886**

The above receivables are repayable on demand and do not carry any interest income and management considers the fair values to be not materially different from the carrying amounts recognised in the balance sheet as they are expected to realise in the next one year.

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	31 March 2005 $	31 March 2006 $	31 March 2007 $
Cash in hand	—	—	—
Balances with banks in demand deposits	55	35	1,424
Total	**55**	**35**	**1,424**

14. EQUITY

Authorised share capital

iServices which was incorporated in Mauritius is not required to have any authorised share capital under the national jurisdiction. Newbury which was incorporated in Cyprus has authorised share capital of 1,000, 50,000 and 50,000 shares in the years ended 31 March 2005, 2006 and 2007 respectively.

Number of issued and paid up shares

	31 March 2005	31 March 2006	31 March 2007
iServices	1	100,000	100,000
Newbury	1,000	50,000	50,000

Shares of iServices have a par value of $1 each. The shares of the Newbury have a par value of Cyprus Pound (''CYP'') 1 each. For all matters submitted to vote in the shareholders meeting of each Company, every holder of ordinary shares, as reflected in the records of each of the Companies on the date of the shareholders' meeting has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the Companies.

Additional paid in capital

Additional paid-in capital (''APIC'') represents excess over the par value of share capital paid in by shareholders in return for the shares issued to them.

Gain on sale of investments by iServices to another entity under common control is recorded under APIC in the year of sale as a contribution made by the shareholders.

15. PROVISION FOR DECOMMISSIONING

	Amount $
Balance at 1 April 2004	—
Additions	45,262
Balance as at 31 March 2005	**45,262**
Additions	43,473
Balance as at 31 March 2006	**88,735**
Additions	47,912
Balance as at 31 March 2007	**136,647**

Provision for decommissioning relates to the estimation of future disbursements related to the abandonment and decommissioning of oil wells. The provision has been estimated by the Company's engineers, based on individual well filling and coverage. This provision will be utilised when the related wells are fully depleted.

16. FINANCE LEASE OBLIGATIONS

Finance lease obligations represent leases entered into by Focus for vehicles which are used and operated by the Group for the exploration and evaluation activities. In accordance with interest sharing arrangement, the minimum lease payment, principal and interest have been recognised at 90 per cent. of such expense.

The table below summarises the total liability (short term and long term) on account of these finance lease payments:

	31 March 2005 $	31 March 2006 $	31 March 2007 $
Secured			
Finance lease	24,515	36,827	90,975
Less: current portion	**(6,388)**	**(13,158)**	**(30,530)**
Non current portion	**18,127**	**23,669**	**60,445**

The management considers the fair value of these leases to be not materially different from their carrying amounts recognised in the balance sheet as the interest rates have not significantly changed during the reported period.

The finance lease obligations that are payable within the next 5 years from each reported period are as follows:

As at 31 March 2005

Amount due	Minimum lease payments $	Interest $	Principal $
Within 1 year	8,336	1,948	6,388
Between 1 and 5 years	20,700	2,573	18,127
After 5 years	—	—	—
Total	**29,036**	**4,521**	**24,515**

As at 31 March 2006

Amount due	Minimum lease payments $	Interest $	Principal $
Within 1 year	16,203	3,045	13,158
Between 1 and 5 years	26,351	2,682	23,669
After 5 years	—	—	—
Total	**42,554**	**5,727**	**36,827**

As at 31 March 2007

Amount due	Minimum lease payments $	Interest $	Principal $
Within 1 year	38,149	7,619	30,530
Between 1 and 5 years	68,254	7,809	60,445
After 5 years	—	—	—
Total	**106,403**	**15,428**	**90,975**

17. TRADE AND OTHER PAYABLES

Trade and other payables comprise of the following:

	31 March 2005 $	31 March 2006 $	31 March 2007 $
Amount due to Focus for share in oil and gas operations	16,218,920	26,078,931	23,844,828
Total	**16,218,920**	**26,078,931**	**23,844,828**

The above payables do not carry any interest charge and management considers the fair values to be not materially different from the carrying amounts recognised in the balance sheet as they are expected to be settled within the next one year.

18. SHORT TERM BORROWINGS

	31 March 2005 $	31 March 2006 $	31 March 2007 $
Unsecured			
Loans from related parties payable on demand	—	996,572	996,572
Total	**—**	**996,572**	**996,572**

Loans received from related parties do not carry any interest charge and are repayable on demand. Management considers the carrying value of these loans to be equal to their fair value.

19. OTHER CURRENT LIABILITIES

Other current liabilities comprises of the following:

	31 March 2005 $	31 March 2006 $	31 March 2007 $
Advance received on the sale of shares in iServices India Private Limited	3,199,960		
Expenses payable	1,214	1,761	6,056
Bank overdraft facility	—	—	216
Total	**3,201,174**	**1,761**	**6,272**

20. EMPLOYEE COSTS

The Group does not have any employees for the reported period and hence no costs and obligations have been disclosed separately in the combined financial statements. The Group's oil and gas operations are carried out by Focus and accordingly all contracts with employees for such obligations are entered into by Focus. In accordance with the original interest sharing agreement between the Newbury, iServices and Focus, the Group recognises their share (being 90 per cent.) of employee costs (which include short term, long term, post employment and termination benefits, where applicable) for each reported period. Based on an allocation made by management, these costs have been recognised as part of exploration and evaluation assets (intangible) where such costs are directly attributable to the oil and gas operations or are charged to the Income Statement where such costs are not directly related to the oil and gas operations.

21. RELATED PARTY TRANSACTIONS

The related parties for each of the entities in the Group have been summarised in the table below:

Nature of the relationship	Related Party's Name
I. Ultimate controlling party	Mr. Ajay Kalsi
II. Entities directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, the reported enterprises	Gynia Holdings Ltd. (*Ultimate Parent, iServices and Newbury*) Gainway Holdings Ltd. (*Parent, iServices*) iServices India Private Ltd. and Deccan iServices Private Ltd. (*Subsidiaries, iServices*) Focusoil Inc. (*Parent, Newbury*)
III. Key management personnel ("KMP") and significant shareholders :	Mr. Ajay Kalsi — (*Ultimate Shareholder, iServices and Newbury*) Mr. Kul Bhushan Sharma (*Director, iServices and Newbury*) Mr. Dev Joory (*Director, iServices*) Rubina Toorawa (*Director, iServices*) Mr. Antonia Kyriakou (*Director, Newbury*) Mr. Andreas Partellas (*Director, Newbury*)
IV. Other Enterprises over which KMP's are able to exercise significant influence	Each of entities listed in II, Reporting Entity and following group entities: Focus Energy Ltd. Granada Services Ltd IFS Limited — Director Interest iEnergizer Holdings Ltd Alliot Partellas Kiliaris Ltd — Director Interest Accuman LLC — Director Interest

Mr. Ajay Kalsi is the ultimate controlling party of the Group as he the beneficial owner and a significant shareholder in each of the entities listed above.

Disclosure of transactions between the Group and related parties and the outstanding balances as on March 31 2005, March 31 2006 and 31 March 2007 respectively are as under:

Transactions with parent and subsidiary companies

Particulars	31 March 2005 $	31 March 2006 $	31 March 2007 $
Transactions during the year			
Loan to Gynia Holdings Limited	3,220,661	1,384,185	4,015,000
Loan from Gynia Holdings Limited		1,100,000	
Shares issued to Gynia Holdings Limited	2,137	256,433	—
Purchase of investment in subsidiary: iSevices India Private Limited	136,233	—	—
Purchase of investment in subsidiary: Deccan iSevices Private Limited	2,400	—	—
Sale of investment: iServices India Private Limited	—	4,585,026	9,065,526
Sale of investment: Deccan iServices Private Limited	—	—	10,129,575
Balances at the end of the year			
Total receivables	**3,044,226**	**4,570,751**	**8,575,306**
Total payables	—	**996,572**	**996,572**

Transactions with entities over which KMP exercise significant control

Particulars	31 March 2005 $	31 March 2006 $	31 March 2007 $
Transactions during the year			
Expenses incurred for administrative services rendered/reimbursed by IFS Limited	7,733	7,314	9,640
Expenses incurred for administrative services rendered by Alliot Partellas Kiliaris Ltd and Accuman LLC	—	7,471	4,295
Remittances to Focus Energy Limited for share of interest in the oil and gas operations of Block RJ-ON/06	—	—	15,175,600
Transfer of net assets from Focus Energy Limited for the interest in Block RJ-ON/06	16,218,920	26,078,931	39,020,428
Loan to iEnergizer Holdings Ltd	—	1,097,580	—
Balances at the end of the year			
Total receivables	—	**1,097,580**	**1,097,580**
Total payables	**16,218,920**	**42,297,851**	**23,844,828**

22. COMMITMENTS AND CONTINGENCIES

A summary of the contingencies and commitments existing as at 31 March 2005, 31 March 2006 and 31 March 2007 are as follows:

S. No.	Nature of the contingency/commitments	31 March 2005 $	31 March 2006 $	31 March 2007 $
(i)	Group's share in the contingent liability arising from bank guarantees raised in favour of GOI and ONGC in respect of oil and gas operations	3,358,021	3,291,617	393,375
	Total	**3,358,021**	**3,291,617**	**393,375**

23. ACCOUNTING OF ESTIMATES AND JUDGEMENTS

The preparation of the historical financial information requires management to make estimates and assumptions, which may differ from actual results in future. Management is also required to use its discretion as to the application of the accounting principles used to prepare these statements.

Tangible assets

In determining the economic useful lives and residual value of property, plant and equipment, management takes into account the most reliable evidence available at the times the estimates are made. The management takes into account the current market prices, technological changes and other related aspects in determining the life and residual value. As regards major inspections, in determining the cost of the existing inspection component of an asset when it was acquired or constructed, management uses the estimated cost of a similar future inspection as an indication.

Provision for decommissioning costs

Provision for decommissioning relates to the estimation of future disbursements related to the abandonment and decommissioning of oil wells. In making an assessment of such costs, the management has utilised best estimates, in consultation of engineers, for the expenditure required to restore site, seal abandoned wells and other decommissioning activities. This provision will be utilised when the related wells are fully depleted. The carrying amount of such provision has been disclosed in Note 15.

24. POST BALANCE SHEET EVENTS

The Group has made successful discoveries of gas reserves in SGL #1 and SGL # 2 wells, on 29 May 2006 and 1 April 2007. These reserves were subsequently tested and confirmed by the Directorate General of Hydrocarbons (''DGH'') on 21 January 2008.

In addition to the above, there has also been a gas discovery in the SSF # 2 well, which has been sealed on 10 September 2007. As on the date of approval of these financial statements, these reserves are yet to be declared commercial by the DGH.

25. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group has significant transactions in Indian Rupees and US Dollars. The Group does not hedge against the effects of movement in exchange rates. The risks are monitored by the management of the Group on a regular basis.

ii) Price risk

Since the Group is still in the exploration phase, it would be difficult to assess the significance of the commodity risk.

(b) Credit risk

The Group has advanced significant amounts to related parties. Though this had led to concentration of credit, the risk associated with such credit is minimal.

(c) Liquidity risk

It is the Group's policy to finance its business by means of internally generated funds, credit from shareholder/affiliates and external share capital. In common with many exploration companies, the Group raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods. Further funding is raised as and when required. At such time that the Group's projects reach the development stage, specific financing may be required to facilitate such development to take place.

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

PART VI E

UNAUDITED CONDENSED INTERIM COMBINED HISTORICAL FINANCIAL INFORMATION ON ISERVICES INVESTMENT LTD. AND NEWBURY OIL CO. LIMITED FOR THE PERIODS ENDED 30 SEPTEMBER 2007 AND 30 SEPTEMBER 2006

1. INTRODUCTION

The condensed interim combined historical financial information on iServices Investment Ltd. (''iServices'') and Newbury Oil Co. Limited (''Newbury'') which has been prepared solely for the purpose of the AIM Admission Document of the Company, contained in this Part VI, does not constitute general purpose financial statements or audited statutory accounts within the meaning of Section 240 of the United Kingdom Companies Act.

iServices and Newbury, (collectively referred to as ''the Group'') are companies incorporated in Mauritius and Cyprus respectively. iServices was incorporated in the year 2003 and Newbury was incorporated in the year 2005. During the reported period iServices and Newbury were subsidiaries of Gainway Holdings Limited BVI and Focus Oil Inc. BVI respectively and were ultimately controlled by Gynia Holdings Limited BVI.

The condensed interim combined historical financial information on the Group, has been prepared solely for the purpose of the AIM Admission Document of Indus Gas and do not constitute general purpose financial statements.

The Group owns an aggregate of 90 per cent. participating interest in a petroleum exploration and development concession in India known as RJ-ON/06 (''the Block''). The balance 10 per cent. interest is owned by Focus Energy Limited (''Focus''). Focus entered into a Production Sharing Contract (''PSC'') with Government of India (''GOI'') and Oil and Natural Gas Corporation (''ONGC'') on 30 June 1998 in respect of the Block. Subsequently, on 13 January 2006, iServices and Newbury entered into an interest sharing agreement (referred to as ''original interest sharing agreement'') with Focus and obtained a share of 65 per cent. and 25 per cent. respectively in the Block.

The GOI has an option to acquire a 30 per cent. participating interest in discovered fields, through ONGC, upon successful discovery of oil or gas reserves. Upon exercise of this option, the GOI shall contribute its share i.e. 30 per cent. in development and production activities and it shall be entitled to 30 per cent. share in the revenues. Focus, iServices and Newbury shall continue to share costs and revenues after excluding GOI's share, in the existing ratio of 10 per cent., 65 per cent. and 25 per cent. respectively.

2. BASIS OF PREPARATION

The unaudited condensed interim combined historical financial information has been prepared in accordance with the requirements of the AIM Rules and in accordance with this basis of preparation. The basis of preparation describes how the condensed interim combined financial information has been prepared in accordance with IFRS and interpretations as laid down by the International Financial Reporting Interpretations Committee (''IFRIC'') except as described below:

IFRS do not provide for the preparation of combined financial information. Accordingly, in preparing the unaudited condensed interim combined historical financial information for the Group (which did not constitute a legal group as at the reporting dates), *Standards for Investment Reporting (''SIR'') 2000* issued by the United Kingdom Auditing Practices Board, has been applied, as elaborated below. The application of these conventions results in the following material departures from IFRS. In other respects IFRS have been applied.

- The unaudited condensed interim combined historical financial information does not constitute a set of general purpose financial statements under paragraph 3 of *IAS 1: Presentation of Financial Statements*. Consequently the Group does not make an explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 14 of IAS 1. An entity is only permitted to apply the first-time adoption rules of *IFRS 1: First-time Adoption of International Financial Reporting Standards* in its first set of financial statements where such an unreserved statement of compliance has been made. Although such a statement has not been made in case of the Group, the combined historical financial information has been prepared as if the date of transition to IFRS was 1 April 2004, the beginning of the first period presented, and the requirements of IFRS 1 have been applied since that date.

- The unaudited condensed interim historical financial information for iServices and Newbury has been presented on a combined basis as the entities have been under common management though they do not form a legal group. As mentioned above, combination of unaudited condensed interim historical financial information has been done in accordance with guidance under SIR 2000, where the results, net assets, related share capital balances and reserves of the relevant entities have been aggregated with eliminations for inter-company transactions and balances. The Group acquired 90 per cent. interest in the Block on 13 January 2006 but operations of the Block have remained under common management and control since the inception of such operations. To present comparative information over the period of three years, the management has prepared the unaudited condensed interim combined financial statements as if the Group has been engaged in the operations for Block RJ- ON/06 from the inception of such operations. The amounts payable by the Group to Focus in respect of their contribution to exploration and evaluation costs in proportion of their participating interest have been recognised as trade and other payables under Current liabilities (as detailed in Note 17 of Section D of Part VI of this Admission Document). As mentioned above, though such amounts have been recognised from the inception of oil and gas operations in the Block, such liability has arisen only after 13 January 2006 (i.e. the date that the Group acquired the interest in the Block).
- The unaudited condensed interim combined historical financial information has been prepared by combining standalone (and not consolidated) historical financial information of iServices and Newbury. iServices held controlling stakes in iServices India Private Limited and Deccan iServices Private Limited in some of the reported periods which were sold during the years ended 31 March 2006 and 31 March 2007. These subsidiaries were engaged in the business of providing remote data entry services to clients. Since the Group does not have a continuing interest in these subsidiaries and does not intend to be engaged in the business of remote data entry services in future, the management has decided to prepare historical unaudited combined financial information of the Group using standalone financial information of iServices. Further, considering that the sale of these subsidiary companies has been made to an entity under common management and control, the gain on such sale has been recognised as a contribution made by shareholders. These are departures from the requirements of *IAS 27: Consolidated and Separate Financial Statements.* Furthermore, since the unaudited condensed interim combined historical financial information does not include financial information for these subsidiaries, the discontinued business disclosure as required by *IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations* has not been made in the unaudited condensed interim combined historical financial information.
- Reconciliations to previous GAAP have not been presented as this unaudited historical financial information has been presented on a combined basis and these are not the Group's first IFRS financial statements.
- Earnings per share (''EPS'') has not been presented in accordance with *IAS 33: Earnings per share* as the EPS presented on a combined basis would not be a meaningful number.

As explained in the ‘‘Note 1: INTRODUCTION’’ above, the Group is jointly engaged in the oil and gas exploration activities along with Focus. This venture is a jointly controlled asset as defined under *IAS 31: Interest in Joint Ventures*. All rights and obligations in respect of exploration, development and production of oil and gas resources under the Interest sharing agreement are shared between Focus, iServices and Newbury in the ratio of 10 per cent., 65 per cent. and 25 per cent. respectively. The aggregate amount relating to jointly controlled assets and liabilities related thereto that have been included in the condensed interim combined historical financial information are as follows:

	Period ended 30 September 2007 $	Period ended 30 September 2006 $
Non current assets	45,894,931	29,542,659
Current assets	2,133,521	1,276,223
Non current liabilities	311,200	129,634
Current liabilities	94,687	15,134
Expenses	93,544	54,836

The Group held 75 per cent. and 100 per cent. share capital in iServices India Private Limited and Deccan iServices Private Limited, respectively during the six months period ended 30 September 2006. Shares of iServices India Private Limited were sold off prior to the 30 September 2006. Agreement to sell was also executed for shares held in Deccan iServices Private Limited prior to 30 September 2006 but sale was completed subsequently.

As mentioned above, the results of activities and position of assets and liabilities of these subsidiaries have not been included in the condensed interim combined historical financial information. These investments, to the extent not sold, are carried at cost in the condensed interim combined historical financial statements. Since the sale of these subsidiary companies has been made to an entity under common management and control, the gain on such sale has been recognised as a contribution made by shareholders.

The management of the Group is responsible for the condensed interim combined historical financial information and contents of the AIM Admission Document in which it is included.

3. STANDARDS AND INTERPRETATIONS ISSUED BY IASB BUT NOT YET APPLIED BY THE GROUP

Following standards or interpretations have been issued by IASB till the date of approval of this condensed interim combined historical financial information but have not been considered in the preparation of the condensed interim combined historical financial information.

Standard or Interpretation		Effective dates
IAS 1:	Presentation of Financial Statements (Revised)	Annual periods beginning on or after 1 January 2009
IAS 1:	Presentation of Financial Statements — Capital Disclosures	Annual periods beginning on or after 1 January 2007
IAS 23:	Borrowing costs (Revised)	Annual periods beginning on or after 1 January 2009
IAS 27:	Consolidated and Separate Financial Statements (Amendment January 2008)	Annual periods beginning on or after 1 July 2009
IAS 32:	Financial Instruments: Presentation-Puttable Financial Instruments and Obligations Arising on Liquidation Amendment	Annual periods beginning on or after 1 January 2009
IFRS 2:	Share-based Payment (Amendment)	Annual periods beginning on or after 1 January 2009
IFRS 3:	Business Combinations (January 2008)	For acquisition dated on or after the beginning of the first annual reporting period beginning on or after 1 July 2009
IFRS 7:	Financial Instruments-Disclosures	Annual periods beginning on or after 1 January 2007
IFRS 8:	Operating Segments	Annual periods beginning on or after 1 January 2009
IFRIC 8:	Scope of IFRS 2	Annual periods beginning on or after 1 May 2006
IFRIC 9:	Reassessment of Embedded Derivatives	Annual periods beginning on or after 1 June 2006
IFRIC 10:	Interim Financial Reporting and Impairment	Annual periods beginning on or after 1 November 2006
IFRIC 11:	IFRS 2 — Group and Treasury Share Transactions	Annual periods beginning on or after 1 March 2007
IFRIC 12:	Service Concession Arrangements	Annual periods beginning on or after 1 January 2008
IFRIC 13:	Customer Loyalty Programmes	Annual periods beginning on or after 1 July 2008
IFRIC 14:	IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Annual periods beginning on or after 1 January 2008

Based on the Group's current business model and accounting policies, management does not expect material changes to the recognition and measurement principles on Group's financial statements when these Standards/Interpretations become effective. However, the directors are aware that the application of the above standards and interpretations will significantly alter the amount and complexity of the disclosures contained in the Group's subsequent financial statements.

The Group does not intend to apply any of these pronouncements early.

4. UNAUDITED CONDENSED INTERIM COMBINED BALANCE SHEET

	30 September 2007 $	31 March 2007 $
ASSETS		
Non-current assets		
Intangible assets – Exploration and Evaluation assets	43,908,002	35,140,921
Property, plant and equipment	1,986,929	1,537,264
Total non- current assets	**45,894,931**	**36,678,185**
Current assets		
Inventories	2,133,521	1,613,943
Other current assets	9,530,966	9,672,886
Cash and cash equivalents	1,610	1,424
Total current assets	**11,666,097**	**11,288,253**
Total assets	**57,561,028**	**47,966,438**
LIABILITIES AND EQUITY		
STOCKHOLDERS' EQUITY		
Share capital	206,778	206,778
Additional paid-in capital	23,691,148	23,691,148
Accumulated losses	(1,106,954)	(1,006,782)
Total Stockholders' Equity	**22,790,972**	**22,891,144**
LIABILITIES		
Non Current liabilities		
Provisions for decommissioning	198,746	136,647
Finance lease obligations, excluding current portion	112,454	60,445
Total non current liabilities	**311,200**	**197,092**
Current liabilities		
Trade and other payables	33,357,431	23,844,828
Short term borrowings	996,572	996,572
Finance lease obligations (current portion)	94,687	30,530
Other current liabilities	10,166	6,272
Total current liabilities	**34,458,856**	**24,878,202**
Total liabilities	**34,770,056**	**25,075,294**
Total equity and liabilities	**57,561,028**	**47,966,438**

(The accompanying notes are an integral part of this unaudited condensed interim combined historical financial information)

5. UNAUDITED CONDENSED INTERIM COMBINED INCOME STATEMENT

	Period ended 30 September 2007 $	Period ended 30 September 2006 $
Revenue	—	—
Cost and expenses		
Administrative expenses	100,172	62,404
Loss before tax	**100,172**	**62,404**
Income tax expense	—	—
Loss after tax	**100,172**	**62,404**

(The accompanying notes are an integral part of this unaudited condensed interim combined historical financial information)

6. UNAUDITED CONDENSED INTERIM COMBINED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Share capital	Additional Paid in Capital $	Accumulated losses $	Total shareholders' equity $
Balance as at 1 April 2006	**206,778**	**4,600,876**	**(824,944)**	**3,982,710**
Share capital issued				
Loss for the year			(62,404)	(62,404)
Gain on sale of investment in subsidiary		8,963,099		8,963,099
Balance as at 30 September 2006	**206,778**	**13,563,975**	**(887,348)**	**12,883,405**
Balance as at 1 April 1 2007	**206,778**	**23,691,148**	**(1,006,782)**	**22,891,144**
Loss for the year			(100,172)	(100,172)
Balance as at 30 September 2007	**206,778**	**23,691,148**	**(1,106,954)**	**22,790,972**

(The accompanying notes are an integral part of this unaudited condensed interim combined historical financial information)

7. UNAUDITED CONDENSED INTERIM COMBINED STATEMENT OF CASH FLOWS

	Period ended 30 September 2007 $	Period ended 30 September 2006 $
(A) Cash inflow from operating activities		
Loss before tax	(100,172)	(62,404)
Changes in operating assets and liabilities		
Inventories	(519,579)	(230,628)
Trade and other payables	613,123	285,462
Other current assets	3,623	—
Other current liabilities	3,894	5,710
Cash generated from/(used in) operations	889	(1,860)
Income taxes paid	—	—
Net cash provided by/(used in) operating activities	**889**	**(1,860)**
(B) Cash outflow for investing activities		
Expenditure incurred on Exploration and evaluation assets (intangible assets as well as property, plant and equipment)	(139,000)	(8,210,315)
Sale of property, plant and equipments		116,715
Sale of investment in subsidiary undertakings	—	9,065,527
Related party loans issued	138,297	(970,000)
Net cash provided by/(used in) investing activities	**(703)**	**1,927**
(C) Cash inflow from financing activities		
Net cash provided by financing activities	**—**	**—**
Net increase in cash and cash equivalents	**186**	**67**
Cash and cash equivalents at the beginning of the period	1,424	35
Cash and cash equivalents at the end of the period	1,610	102
Cash and cash equivalents comprise		
Balances with banks in demand deposits	**1,610**	**102**

(The accompanying notes are an integral part of this unaudited condensed interim combined historical financial information)

8. SUMMARY OF ACCOUNTING POLICIES

These unaudited condensed interim combined financial statements have been prepared in accordance with the requirements of *IAS-34: Interim Financial Reporting*. These unaudited condensed interim combined financial statements have been prepared using the same accounting policies that were applied in the preparation of the Group's historical combined financial information for three years ended 31 March 2005, 2006 and 2007 and accordingly, should be read in conjunction with those.

9. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Investment in subsidiary undertakings comprises of investments held by iServices in iServices India Private Limited and Deccan iServices Private Limited. The management of iServices had entered into an agreement to sell the investment in Deccan iServices Private Limited (''Deccan'') during the period ended 30 September 2006. Where the agreement to sell was entered into but the sale was not completed at the end of the reported period, such investments have been classified under ''Non-current assets held for sale''. The sale of such investment was completed subsequent to 30 September 2006 and accordingly the investment as at 30 September 2006 which comprised of 9,980 shares and having a carrying value of US$2,400 was classified as ''Non-current assets held for sale''.

The expected realisation from the investment held for sale, net of costs to sell, exceeded the carrying amounts on 30 September 2006.

10. COMMITMENTS AND CONTINGENCIES

A summary of the contingencies and commitments existing as at 30 September 2007 and 30 September 2006 is as follows:

S. No.	Nature of the contingency/commitments	30 September 2007 $	30 September 2006 $
(i)	Group's share in the contingent liability arising from bank guarantees raised in favour of GOI and ONGC in respect of oil and gas operations	1,003,890	3,553,249

11. POST BALANCE SHEET EVENTS

The Group has made successful discoveries of gas reserves in SGL # 1 and SGL # 2 wells, on 29 May 2006 and 1 April 2007. These reserves were subsequently tested and confirmed by the Directorate General of Hydrocarbons (''DGH'') on 21 January 2008.

In addition to the above, there has also been a gas discovery in the SSF # 2 well, which has been sealed on 10 September 2007. As on the date of approval of these financial statements, these reserves are yet to be declared commercial by the DGH.

PART VII

ADDITIONAL INFORMATION

1 Responsibility

The Directors of the Company, whose names are set out on page 4 of this Document, and the Company accept responsibility both individually and collectively for the information contained in this Document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect its import.

2 The Company

2.1 The Company was incorporated and registered in Guernsey on 4 March 2008 under the Company Law as a company limited by shares with the name Indus Gas Limited. The Company's registered number is 48593.

2.2 The Company is domiciled on the island of Guernsey.

2.3 The registered and head office of the Company is at Louisiana House, South Esplanade, St. Peter Port, Guernsey, Channel Islands, GY1 1BJ and its telephone number is +44 1481 721 500.

2.4 The Company is governed by its memorandum and articles of association.

2.5 The principal legislation under which the Company operates is the Company Law, as amended.

2.6 The Company has the rights and powers of a natural person.

2.7 The liability of the Company's members is limited.

2.8 The ISIN number of the Ordinary Shares to be admitted is GG00B39HF298. The Ordinary Shares have been created pursuant to the Company Law.

2.9 The Company's accounting reference date is 31 March.

3 Subsidiaries and Group structure

3.1 The Company directly or indirectly owns the following subsidiaries:

Company Name	Interest	Place of Incorporation	Principal Activity
iServices Investment Ltd.	100%	Mauritius	Investment holding
Newbury Oil Co. Limited	100%	Cyprus	Investment holding

3.2 iServices Investment Ltd., which is a wholly owned subsidiary of the Company, was incorporated in Mauritius on 18 July 2003. Its registered office is c/o International Financial Services Limited, 3rd Floor, Les Cascades, Edith Cavell Street, Port Louis, Mauritius.

3.3 Newbury Oil Co. Limited, which is a wholly owned subsidiary of the Company, was incorporated in Cyprus on 17 February 2005. Its registered office is at Ifigeneias, 7, 4th Floor, Strovolos, P.C. 2007, Nicosia, Cyprus.

4 Share and loan capital

4.1 The Company was incorporated on 4 March 2008 with an authorised share capital of £5,000,000 divided into 500,000,000 shares of £0.01 each. Of these, one Ordinary Share was issued to CO 1 Limited and one Ordinary Share was issued to CO 2 Limited, CO 1 Limited and CO 2 Limited being the subscribers to the memorandum of association of the Company.

4.2 The following is a summary of the changes on the authorised and issued share capital of the Company since incorporation:

4.2.1 on 27 May 2008, CO 1 Limited transferred its one Ordinary Share to Gynia and CO 2 Limited transferred its one Ordinary Share to Focusoil Inc. (which is held on trust for Gynia);

4.2.2 on 27 May 2008, pursuant to the Share Exchange Agreement, the Company issued a total of 167,670,000 fully paid Ordinary Shares to Gynia in consideration of the transfer to the Company of all of the issued shares of iServices and Newbury from Gainway Holdings Limited and Focus Oil Inc. respectively.

4.3 On 27 May 2008, the Company passed a special resolution to adopt new articles of association with effect from Admission. Further details of the contents of the Company's articles of association are set out at paragraph 5.2 of this Part VII.

4.4 The authorised share capital of the Company at the date of this Document and immediately following Admission is and will be:

	Authorised Share Capital	
	Amount £	**Number**
At the date of this Document	5,000,000	500,000,000
Immediately following Admission	5,000,000	500,000,000

4.5 The fully paid issued share capital of the Company at the date of this Document and immediately following Admission (on the assumption that the Placing is fully subscribed) is and will be:

	Issued Share Capital	
	Amount £	**Number**
At the date of this Document	1,676,700.02	167,670,002
Immediately following Admission	1,829,139.24	182,913,924

4.6 Other than the issue of Ordinary Shares pursuant to the Placing and the issue of the options over Ordinary Shares under the Option Agreement and the Directors' Option Agreements, there are no acquisition rights or obligations over any of the authorised but unissued share capital nor is there an undertaking to increase the authorised share capital of the Company.

4.7 All Ordinary Shares represent capital in the Company. No Ordinary Shares are held by or on behalf of the Company.

4.8 Subject to certain limited exceptions, or as permitted by the Articles, unless the approval of Shareholders in general meeting is obtained, the Company must normally offer Ordinary Shares to be issued for cash to holders of Ordinary Shares on a pro rata basis. Pursuant to the Articles and written resolutions of the Shareholders passed on 27 May 2008, the Directors have been authorised:

4.8.1 to allot Ordinary Shares free of pre-emption if such shares are to be wholly or partly paid otherwise than in cash;

4.8.2 to allot the Ordinary Shares are to be issued under the Placing;

4.8.3 to allot Ordinary Shares free of pre-emption during the five year period following Admission in an amount per year which is not more than 20 per cent. of the number of Ordinary Shares in issue at the commencement of that year;

4.8.4 to allot Ordinary Shares free of pre-emption pursuant to the terms of any employee share option scheme adopted by the Company; and

4.8.5 to make market purchases of Ordinary Shares at any time before the expiry of the first annual general meeting of the Company following Admission up to a maximum of 14.99 per cent. of the Enlarged Share Capital.

4.9 Except pursuant to the Placing Agreement, details of which are set out in paragraph 10.3 of this Part VII, no commission, discount, brokerages or other special terms have been granted by the Company or any other member of the Group in connection with the issue or sale of any share or loan capital of the Company or any other member of the Group.

4.10 Pursuant to the Option Agreement and the Directors' Option Agreements, the Company has granted options (conditional on Admission) over up to 316,220 Ordinary Shares. Save for these options, the Company has not issued or granted any options, warrants or any convertible securities of the Company.

4.11 The Placing Shares will rank *pari passu* for all dividends and other distributions hereafter declared, paid or made on existing Ordinary Shares. All Placing Shares shall form one class with the existing Ordinary Shares and shall rank *pari passu* in respect of payment of dividends, voting rights, entitlement to liquidation proceeds and otherwise.

4.12 The Ordinary Shares are capable of being held in certificated and uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealing through CREST as a participating security. No temporary documents of title will be issued.

4.13 There are no outstanding convertible securities issued by the Company.

4.14 There are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

4.15 None of the Ordinary Shares have been sold or made available to the public in conjunction with the application for Admission.

5 Summary of the Memorandum and Articles of Association

5.1 Memorandum of Association

The memorandum of association of the Company provides that the Company's principal object is to act as an investment company. The objects of the Company are set out in full in clause 3 of its memorandum of association.

5.2 Articles of Association

With effect from the date of Admission, the Company has adopted new articles of association. The Articles contain, among others, provisions to the following effect:

5.2.1 Voting rights attaching to Ordinary Shares

Subject to any special rights or restrictions attached to any class of share, every holder of shares present in person or by proxy shall have one vote on a show of hands. On a poll every Shareholder present in person or by proxy shall have one vote for each share held by him.

5.2.2 Purchase, redemption and conversion of own shares

Subject to provisions of the Company Law the Company may purchase or redeem its own shares and may hold any shares purchased by it as Treasury Shares. With approval of the majority of shareholders the Company may convert any of its fully paid shares into stock with a different nominal value.

5.2.3 Dividends

The Company may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Board. The Board may at any time declare and pay iterim dividends if it appears to be justified by the profits available for distribution. All dividends shall be declared and paid according to the amounts paid upon the shares, except where otherwise provided by the rights specifically attaching to a class of shares.

Any amount paid up in advance of calls shall not entitle the holder of the shares upon which such amount is paid to participate in respect thereof in any dividend until the same would but for such advance become presently payable.

5.2.4 Winding up

If the Company shall be wound up, the surplus assets remaining after payment of all creditors, including the repayment of bank borrowings, shall be divided pari passu among the holders of Shares pro rata to their holdings of those shares.

5.2.5 Variation of rights

Subject to the Company Law, whenever the share capital of the Company is divided into different classes of shares, rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of three-quarters of the capital committed or agreed to be committed in respect of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares.

5.2.6 **Transfer of shares**

Shares in the Company may be transferred by instrument of transfer in any usual form or in any other form which the Board may approve and the instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. In the case of shares held in uncertificated form, shares may be transferred by means of the CREST UK system or other relevant system authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under Guernsey Law or as may be adopted by the Board and in accordance with the rules of any relevant system.

The Board may, in its absolute discretion and without giving any reason, refuse to register a transfer of any share that is not fully paid or on which the Company has a lien (provided that where any such shares are publically traded such discretion may not be exercised in such away as to prevent dealings in the shares from taking place on an open and proper basis).

5.2.7 **Issue of shares**

The Directors may, subject to the terms and rights attaching to shares already in issue, the Articles and otherwise, issue shares of any class with, or have attached to, such preferred or priority rights as the Board may determine or may be issued with or have attached such deferred rights with regard to dividends or the distribution of assets as the Board may determine.

The Directors may, subject to the provisions of the Articles, pre-emption rights and otherwise in respect of unissued shares allot, grant options over or otherwise dispose of them to such persons on such terms and conditions and at such times as they may determine but so that the amount payable on application on each share shall be fixed by the Board.

The Directors shall have the authority during the 12 month period following the date of Admission and in each subsequent 12 month period thereafter, subject to a maximum period of 5 years from the date of Admission of all of the issued shares of the Company to AIM, to issue and allot such number of shares as is equivalent to, but not exceeding, 20% of the aggregate of the number of shares in issue at the commencement of such 12 month period and the number of shares issued (''**General Mandate**'').

Shares may not be allotted or have options granted over them without first being offered on the same or more favourable terms to each person already holding shares in a proportion nearly as practicably equal to the proportion in nominal value held by him of the aggregate shares. This provision does not apply to the allotments or grants of options which:

(a) take place contemporaneously with the Admission of the Company's shares to trading on AIM;

(b) shares issued pursuant to the General Mandate;

(c) are to be issued wholly or partly paid up otherwise than in cash; and

(d) are held under an employee share scheme.

5.2.8 **Untraced Shareholders**

The Company shall be entitled to sell at the best price reasonably obtainable the shares of a shareholder or any shares to which a person is entitled by transmission on death or bankruptcy if and provided that:

(a) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the shareholder at his address in the Register or otherwise the last known address and no communication has been received by the Company from the shareholder provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final;

(b) the Company has at the expiration of the said period of twelve years by advertisement in a newspaper circulating in the area in which the last known address is located given notice of its intention to sell such shares;

(c) the Company has not during the period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person so entitled; and

(d) if any part of the share capital of the Company is quoted on any stock exchange the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such shares.

The net proceeds of sale shall belong to the Company which shall be obliged to account to the former shareholder or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former shareholder or other person in the books of the Company as a creditor for such amount.

5.2.9 **General meetings**

(a) *Annual general meetings*

An annual general meeting of the Company shall be held once every calendar year.

(b) *Extraordinary general meetings*

All general meetings (other than annual general meetings) shall be called extraordinary general meetings. General meetings shall be held in Guernsey or such other place as may be determined by the Board.

(c) *Convening and notice of general meetings*

Not less than fourteen days' notice shall be given by notice sent by post by the Secretary or other officer of the Company or any other person appointed in that behalf by the Board to shareholders specifying the time and place of any general meeting and specifying also in the case of any special business the general nature of the business to be transacted. A meeting can be held on shorter notice only with the consent in writing of all the shareholders entitled to receive notices of such meeting a meeting. The accidental omission to give notice of any meeting to or the non-receipt of such notice by any shareholder shall not invalidate any resolution (or any proposed resolution otherwise duly approved) passed or proceeding at any meeting.

(d) *Quorum*

The quorum of a general meeting is 2 shareholders, present in person or by proxy.

(e) *Chairman*

The members present and entitled to vote shall choose a chairman of the meeting.

(f) *Chairman's casting vote*

In the case of an equality of votes on a poll the chairman shall have a second or casting vote.

(g) *Adjournment and proceedings after adjournment*

The chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting at any time and to any place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) *Method of voting and demand for poll*

At any meeting, a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the chairman. Nevertheless before or on the declaration of the result a poll may be demanded by the chairman, or by one shareholder present in person or by proxy provided he represents at least one-tenth of the subscribed capital; or by two shareholders present in person or by proxy. The demand for a poll may be withdrawn.

(i) *Representation of corporations*

Any corporation which is a shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or to approve any resolution submitted in writing.

(j) *Proxies*

Subject always to the qualifications of the Articles, every Shareholder is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Shareholder.

(k) *Form of proxy*

The instrument appointing a proxy shall be in any form which the Board approve and shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised.

(l) *Deposit of proxy*

The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid.

(m) *Notice of revocation of proxy*

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death disability or revocation shall have been received by the Company at its registered office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.

5.2.10 **Directors**

(a) *Number*

Until otherwise determined by the Board, the number of Directors shall be not less than two and not more than seven.

(b) *Directors' remuneration*

The Directors (other than alternate Directors) shall be entitled to receive such sum as the Board determines by way of fees for their services as Directors (being not greater that £300,000 per annum, or such larger amount as the Company may by ordinary resolution determine). Such fees do not include any salary or remuneration as an executive director or payments under a consultancy agreement.

(c) *Appointment, retirement, removal and vacation of office by directors*

The Board shall have power at any time to appoint any person to be a Director.

At the first annual general meeting and at each annual general meeting thereafter: (a) any Director who was elected or last re-elected a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation; and (b) such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one-third of the number of Directors in office at the date of the notice of the meeting (or, if their number is not a multiple of three, the number nearest to but not greater than one-third).

No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven nor more than forty two clear days before the date appointed for the meeting there shall have been left at the registered office notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.

Without prejudice to the powers of the Board, the Company by ordinary resolution may appoint any person to be a Director either to fill a casual vacancy or as an additional

Director, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Articles.

(d) *Directors' pensions and benefits*

The Directors shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

(e) *Directors' expenses*

The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors. If by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, he may be paid such reasonable additional remuneration as the Board may determine.

(f) *Directors' interests*

A Director may not vote (or be counted in the quorum) in respect of any resolution of the Board concerning a contract, arrangement, transaction or proposal to which the Company is a party and in which he has a material interest (other than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company) but the prohibition does not apply to a resolution concerning any of the following matters:

(i) the giving of a guarantee, security or indemnity in respect of a debt or obligations incurred by him or any other person at the request of or for the benefit of the Company;

(ii) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part, under a guarantee or indemnity or by the giving of security;

(iii) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company for subscription or purchase, i n which offer he is or maybe entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(iv) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company in which he is interested and whether as an officer, shareholder, creditor or otherwise, if he does not to his knowledge hold an interest in shares representing one per cent. or more of either a class of the equity share capital (or of any third party company through which his interest is derived) or of the voting rights in the relevant company;

(v) any contract, arrangement, transaction or proposal relating to an arrangement' for the benefit of the employees of the Company which does not award him any privilege or benefit not generally awarded to the employees to which such arrangement relates concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme under which he may benefit and which either has been approved by or is subject to and conditional on approval by the Board of Inland Revenue of the United Kingdom for taxation purposes or relates to both employees and Directors of the Company (or any of its subsidiaries) and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; and

(vi) a contract, arrangement, transaction or proposal concerning the purchase and/ or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

A Director who to his knowledge is in anyway directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board.

(g) *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property or assets (present or future) and uncalled capital and to issue debentures, loan stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(h) *Indemnity of Directors and officers*

The Directors, managers, agents, Secretary and other officers or servants for the time being of the Company are fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they may incur by reason of any contract entered into or any act in or about the execution of their respective offices except such incurred as a result of their own wilful act neglect or default respectively.

(i) *Board meetings (Notice of board meetings; Quorum; Voting; Telephone and video conference meetings; Resolutions in writing*)

The Board may meet for the despatch of business adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman at the meeting shall have a second or casting vote.

A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting.

A resolution in writing signed by each Director (or his alternate) entitled to receive notice of a meeting of the Board or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or committee.

(j) *Delegation to individual Directors and Committees and power to appoint alternates*

The Board may delegate any of their powers to committees consisting of such one or more Directors as they think fit.

Any Director may by notice in writing appoint any person approved by the Board as an alternate Director to attend and vote in his place at any meeting of the Board at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally.

5.2.11 **Share Offers**

When a person acquires shares which when taken together with his connected persons carry 30 per cent. or more of the voting rights of the Company or, when any person or persons acting in concert acquire additional shares which increase his percentage of the voting rights to 30 per cent. or more of the Company, except with the consent of the Board, that person shall be required to make an offer to acquire all the issued shares of the Company for cash or a cash alternative at not less than the highest price paid by the offeror or any concert party during the previous 12 months. Except with the consent of the Board, such offer must be conditional upon the offeror receiving acceptances in respect of shares which will result in the offeror holding more than 50 per cent, of the voting rights of the Company. The Board has been vested with equivalent powers as those afforded to the Panel under the Code, including powers to disenfranchise Shareholders in certain circumstances.

5.2.12 **Compulsory Purchase**

If any person makes an offer for all of the shares (or any class of shares) of the Company, whether as a result of the provisions of the preceding paragraph or otherwise and that person (alone or together with persons acting in concert with him) has received acceptances or contractual undertakings in respect of not less than nine-tenths in value of the shares to which the offer relates, he may give written notice to the holders of any shares to which the offer relates which he has not acquired or contracted to acquire that he desires to acquire those shares.

A notice must be given during the two month period beginning with the date on which the offeror (alone or together with persons acting in concert with him) has acquired or contracted to acquire shares which satisfy the minimum specified in that article and must specify the date upon which the acquisition of the shares to which it relates shall complete and the consideration per share that shall be paid to the relevant shareholder.

Following service of a written notice in accordance with these provisions, the offeror shall be entitled and bound to acquire the shares to which the notice relates on the terms of the general offer and the notice and the shareholder shall be obliged to sell its shares. The Directors have powers to sign an instrument of transfer on behalf of a defaulting shareholder.

5.2.13 **Disclosure and Transparency**

If at any time the Company shall have a class of shares admitted to trading on AIM, the provisions of Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) (''**DTR 5**'') of the UK Financial Services Authority Handbook (the ''**Handbook**'') shall be deemed to be incorporated by reference in the Articles and accordingly the vote holder and issuer notification rules set out in DTR 5 shall apply to the Company and each Shareholder. Notwithstanding the time limits for disclosure set out in DTR 5, the Company is required by Rule 17 of the AIM Rules to announce' via a Regulatory Information Service, all the information contained in any vote holder notification ''without delay''.

In addition, the Company may, by issuing a notice in writing in such form as the Directors may from time to time approve (a ''**Disclosure Notice**''), require a registered Member to disclose the nature of his interest in a relevant shareholding in the Company.

The Company may issue a Disclosure Notice to any Shareholder at any time and the Shareholder shall be obliged to respond in writing confirming such details as the Disclosure Notice requires within 14 days of receipt of the Disclosure Notice. Failure to comply may result in disenfranchisement of the defaulting Member.

6 Directors and other interests

6.1 As at the date of this Document and on Admission, the interests of the Directors (including the interests of their spouses and infant children and the interests of any person connected with him (within the meaning of sections 252 to 254 of the UK Act) are as follows:

	On the date of this Document		Upon Admission		
	Number of Ordinary Shares	Percentage of issued share capital	Number of options over Ordinary Shares	Number of Ordinary Shares	Percentage of issued share capital
Director					
Mr Ajay Kalsi*#	167,670,002	100	—	167,670,002	91.67
Mr John Scott	—	—	100,000	—	—
Mr Marc Holtzman	—	—	60,000	—	—
Mr John Behar	—	—	50,000	15,244	0.01

*Mr Ajay Kalsi is interested in 163,478,252 Ordinary Shares through his beneficial interest in Gynia. Mr. Kalsi's wife holds the remaining beneficial interest in Gynia.

Mr Ajay Kalsi controls 4,191,750 Ordinary Shares on behalf of employees of Focus Energy Limited under the Taurus Group Foundation.

6.2 Save as disclosed above and in paragraph 12.14 of this Part VII, none of the Directors nor any member of his immediate family or person connected with him (within the meaning of sections 252 to 254 of the UK Act) holds or is interested, whether beneficially or non-beneficially, directly or indirectly, in any shares, options over shares, voting rights in respect of shares or securities convertible into shares of the Company or any of its subsidiaries.

6.3 In addition to the interests of the Directors disclosed in paragraphs 6.1 above, as at the date of this Document, insofar as is known to the Company, the following persons were, or will at Admission, be directly or indirectly interested (within the meaning of Part VI of FSMA and DTR 5) in three per cent. or more of the issued share capital of the Company:

Name	Number of Ordinary Shares (at the date of this Document)	Percentage of issued share capital (at the date of this Document)	Number of Ordinary Shares (on Admission)	Percentage of Issued Ordinary Shares (on Admission)
Gynia	163,478,252	97.5	163,478,252	89.4
Taurus Group Foundation*	4,191,750	2.5	4,191,750	2.3
Focusoil Inc.*	1	—	1	—

*Mr. Ajay Kalsi controls the voting rights in respect of the Ordinary Shares held in the Taurus Group Foundation.

*Focusoil Inc. holds its one Ordinary Share on trust for Gynia pursuant to a declaration of trust dated 27 May 2008

6.4 Save as disclosed above, so far as the Directors are aware there are no persons who are at the date of this Document, or will be immediately following Admission, interested directly or indirectly in three per cent. or more of the issued share capital of the Company or who directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

6.5 The persons referred to in this paragraph 6 do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other shareholder of the Company.

6.6 Except for the provisions of the Articles described in paragraph 5.2.11 of this Part VII, the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

6.7 Save as disclosed in the Document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company or the Group effected during the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

6.8 There are no outstanding loans or guarantees provided by the Company or any member of the Group to or for the benefit of any Directors.

6.9 No Director, nor any member of his immediate family, nor any person connected with him (within the meaning of Sections 252 to 254 of the Companies Act 2006), has a Related Financial Product (as defined in the AIM Rules) referenced to Ordinary Shares.

7 Further information about the Directors

7.1 The full names, ages, functions and dates of appointment of the Directors are as follows:

Name	Age	Functions in the Company	Date of Appointment as Director
Mr Ajay Kalsi	47	Chief Executive Officer	4 March 2008
Mr John Scott	49	Chief Financial Officer	16 May 2008
Mr Marc Holtzman	48	Non-Executive Chairman	16 May 2008
Mr John Behar	38	Non-Executive Director	16 May 2008

7.2 The Directors currently hold, and have during the five years preceding the date of this Document held, the following directorships or partnerships in addition to their directorships of the Company and its subsidiary undertakings:

Name	Current directorships/partnerships	Previous directorships/partnerships
Mr Ajay Kalsi	Multidot Entertainment Limited Focus Energy Limited Spartan Agro Industries Ltd Sasoon Agencies Private Ltd Indus Gas Transmission Limited Focus Oil & Gas Private Limited	Phoenix Capital Services Limited Phoenix Real Time Services Limited Phoenix International Limited Phoenix Hydro Carbon Corporation Limited Phoenix Footwear Private Limited Phoenix Industries Limited Phoenix International Finance Limited Phoenix Land Development Limited Phoenix Cement Limited Phoenix Power Development Corporation Limited Phoenix Overseas Ltd (now known as Focus Energy Ltd) Phoenix Media Private Limited Mussoorie Exports Private Limited
Mr John Scott	Abbeymount Services Limited Greenfield Project Management Limited	Exile Resources Inc
Mr Marc Holtzman	Saginaw Fund XAwave, Inc.	—
Mr John Behar	Prospect Capital Ltd PL Capital Ltd	Catalyst Partners Ltd

7.3 None of the Directors has:

7.3.1 any unspent convictions in relation to indictable offences;

7.3.2 been made bankrupt nor been the subject of any form of individual voluntary arrangement;

7.3.3 been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors;

7.3.4 been a partner in a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or partnership voluntary arrangement;

7.3.5 had any asset of his subject to a receivership or been a partner in a partnership at the time of or within the 12 months preceding any asset of such partnership being subject to a receivership; or

7.3.6 been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies) nor disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

8 Directors and senior management's service agreements

8.1 **Executive Directors**

The following service agreements have been entered into between the Company and its executive directors:

8.1.1 a consultancy agreement dated 29 May 2008 between the Company, Focusoil Inc. and Mr Ajay Kalsi in relation to the provision of the services of Mr Kalsi as an executive director of the Company with effect from 29 May 2008. Under the consultancy agreement, Focusoil Inc. will be paid a gross monthly retainer of £12,500. The consultancy agreement may be terminated by either party giving the other two months' written notice. In accordance with the terms of the consultancy agreement, Mr Kalsi will be responsible for the overall strategic planning and development of the Group and such other responsibilities as would normally be undertaken by a chief executive officer of an AIM company; and

8.1.2 a consultancy agreement dated 29 May 2008 between the Company, Abbeymount Services Limited (''**Abbeymount**'') and Mr John Scott in relation to the provision of the services of Mr Scott as an executive director of the Company with effect from 29 May 2008. Under the consultancy agreement, Abbeymount will be paid a gross monthly retainer of £8,333. The consultancy agreement may be terminated by either party giving the other two months' written notice. In accordance with the terms of the consultancy agreement, Mr Scott will be responsible for the overall financial management of the Group and such other responsibilities as would normally be undertaken by a chief financial officer of an AIM company.

8.2 **Non-executive Directors**

The following letters of appointment have been entered into between the Company and its executive directors in each case conditional on and commencing from Admission:

8.2.1 a letter of appointment dated 29 May 2008 pursuant to which Mr Marc Holtzman is to be appointed as non-executive chairman of the Company, the appointment being for an initial period of three years commencing on the date of Admission and terminable by either party on three months' written notice to expire at any time during the initial term, at an annual fee (exclusive of VAT) of £40,000; and

8.2.2 a letter of appointment dated 29 May 2008 pursuant to which Mr John Behar is to be appointed as a non-executive director of the Company, the appointment being for an initial period of three years commencing on the date of Admission and terminable by either party on three months' written notice to expire at any time during the initial term, at an annual fee (exclusive of VAT) of £25,000.

8.3 It is estimated that the aggregate remuneration (including pension fund contributions and benefits in kind but excluding bonuses payable to the Directors by members of the Group) in respect of the current financial year (under the arrangements in force at the date of this Document) is expected to be approximately £262,000.

8.4 Save as disclosed in paragraphs 8.1 and 8.2 above, there are no service agreements, existing or proposed, between any Director and the Company providing for benefits upon termination of employment.

9 Taxation

Please refer to Part V of this Document for a summary of taxation relating to the United Kingdom and Guernsey.

10 Material contracts

The following are the only contracts which have been entered into by the Company since its incorporation or which have been entered into by other members of the Group and which are, or may be, material or which have been entered into at any time by any member of the Group and which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this Document:

10.1 Oil and gas agreements

The PSC and the Operating Agreement, details of which are set out in Part I of this Document, are material contracts of the Group.

10.2 Assignment agreements

The following agreements have been entered into in connection with the assignment of the Participating Interests to iServices and Newbury:

1. iServices Assignment Agreement (as amended)

   Pursuant to an assignment agreement dated 13 January 2006 (as amended on 27 May 2008) made between Focus and iServices, Focus transferred its legal and beneficial interest in 65 per cent. of its total Participating Interest in the Block to iServices together with all corresponding rights, liabilities, duties, risks and obligations under and pursuant to the PSC and the Operating Agreement.

Under this agreement, Focus agreed to provide an irrevocable, unconditional bank guarantee in favour of the GOI as required under the PSC on behalf of iServices at the cost and expenses of iServices for the period until 30 September 2008. With effect from 1 October 2008, iServices will be obliged to provide an equivalent bank guarantee without the assistance of Focus.

Pursuant to the amendment agreement dated 27 May 2008 made between Focus, iServices and the Company, it has been agreed that part of the contract costs incurred by the Operator prior to 13 January 2006 in accordance with the PSC (and which are payable by Newbury as a result of the assignment agreement) shall be reduced by an amount equal to 65 per cent. of the amount drawn under the loan agreement entered into between Focus and PNB and described in more detail in paragraph 10.9 of this Part VII. The balance of pre-13 January 2006 contract costs, together with contract costs incurred by the Operator between 13 January 2006 and the date of this amendment agreement, are due by 30 September 2008. In the event that iServices does not make repayment by 30 September 2008, the outstanding balance will convert into a loan on terms which are not worse than those obtained by Focus in the loan with PNB. The shareholders of the Company are not required to grant security in favour of any such loan.

2. Newbury Assignment Agreement (as amended)

Pursuant to an assignment agreement dated 13 January 2006 (as amended on 27 May 2008) made between Focus and Newbury, Focus transferred its legal and beneficial interest in 25 per cent. of its total Participating Interest in the Block to Newbury together with all corresponding rights, liabilities, duties, risks and obligations under and pursuant to the PSC and the Operating Agreement.

Under this agreement, Focus agreed to provide an irrevocable, unconditional bank guarantee in favour of the GOI as required under the PSC on behalf of Newbury at the cost and expenses of Newbury for the period until 30 September 2008. With effect from 1 October 2008, Newbury will be obliged to provide an equivalent bank guarantee without the assistance of Focus.

Pursuant to the amendment agreement dated 27 May 2008 made between Focus, Newbury and the Company, it has been agreed that part of the contract costs incurred by the Operator prior to 13 January 2006 in accordance with the PSC (and which are payable by Newbury following the assignment agreement) shall be reduced by an amount equal to 25 per cent. of the amount drawn under the loan agreement entered into between Focus and PNB and described in more detail in paragraph 10.9 of this Part VII. The balance of pre-13 January 2006 contract costs, together with contract costs incurred by the Operator between 13 January 2006 and the date of this amendment agreement, are due by 30 September 2008. In the event that Newbury does not make repayment by 30 September 2008, the outstanding balance will convert into a loan on terms which are not worse than those obtained by Focus in the loan with PNB. The shareholders of the Company are not required to grant security in favour of any such loan.

10.3 **Placing agreement**

A placing agreement dated 29 May 2008 between the Company, Gynia the Directors and Arden Partners, pursuant to which, Arden Partners has agreed (conditionally, inter alia, on Admission taking place not later than 30 June 2008) to act as agent for the Company to procure subscribers for the Placing Shares.

Under the Placing Agreement and subject to its becoming unconditional the Company has agreed: (i) to pay Arden Partners a broking commission of 4 per cent. of funds raised through its introductions together with a corporate finance fee of £200,000, together with any applicable VAT.

The Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing including all fees and expenses payable in connection with Admission, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses.

The Placing Agreement contains representations, warranties and indemnities given by the Company and representations and warranties given by the Directors to Arden Partners as to the accuracy of the information contained in this Document and other matters relating to the Group and its business. Gynia has agreed to guarantee the liabilities of Mr Kalsi arising in connection with the warranties provided by him. Arden Partners is entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission.

The Directors and Gynia have undertaken, subject to certain limited exceptions as prescribed under Rule 7 of the AIM Rules, not to dispose of their respective interests in Ordinary Shares held immediately following Admission for a period of 12 months. The Placing Agreement also contains certain orderly market provisions which apply for a further twelve months after the expiry of the lock-in period.

10.4 **Nominated Adviser and Broker Agreement**

A nominated adviser and broker agreement dated 29 May 2008 between Arden Partners and the Company, pursuant to which Arden Partners has agreed to act as the Company's Nominated Adviser and Broker from Admission for the purpose of the AIM Rules (the "**Nominated Adviser and Broker Agreement**").

Under the Nominated Adviser and Broker Agreement, the Company has agreed to pay Arden Partners a fee of £40,000 per annum together with any applicable VAT thereon. Such annual fee shall be payable semi-annually in advance with the first such payment being due and payable on 1 January 2009. This agreement is terminable on ninety days' written notice, such notice not to expire earlier than 1 January 2009. The agreement may be terminated on shorter notice in certain limited circumstances.

The Nominated Adviser and Broker Agreement contains warranties, indemnities and undertakings given by the Company to Arden Partners.

10.5 **Option Agreement**

An option agreement dated 29 May 2008 between the Company and Arden Partners under which Arden Partners is granted the right to subscribe at the Placing Price for Ordinary Shares up to an amount equivalent to 0.5 per cent. in number of the number of Placing Shares. Such right may be exercised at any time during the period starting on the date of Admission and ending on the third anniversary of Admission.

10.6 **Reorganisation Agreement**

A share exchange agreement dated 18 April 2008 between (1) the Company, (2) Gainway Holdings Limited ("**Gainway**"), (3) Focusoil Inc. ("**Focusoil**") and (4) Gynia under which Gainway and Focusoil agreed to transfer all of their respective shareholdings in iServices and Newbury to the Company. In consideration, the Company agreed to issue in aggregate 167,670,000 Ordinary Shares to Gynia (the parent company of each of Gainway and Focusoil).

10.7 **Relationship Agreement**

A relationship agreement dated 29 May 2008 between (1) the Company, (2) Arden Partners, (3) Gynia and (4) Mr Ajay Kalsi regulating the arrangements between Gynia, Mr Kalsi and the Company following Admission (the "**Relationship Agreement**"). The Relationship Agreement applies for as long as Gynia directly or indirectly holds in excess of thirty per cent. of the issued share capital of the Company and the Company's shares remain admitted to trading on AIM. The Relationship Agreement includes provisions to ensure that, in the event of a conflict of interest (or a risk of a conflict of interest) arises between Gynia and the Board:

(i) the Board and its committees are able to carry on their business independently of the personal interests of Gynia;

(ii) the constitutional documents of the Company are not changed in such a way which would be inconsistent with the Relationship Agreement;

(iii) all transactions between the Group and Gynia (or its affiliates) are on a normal commercial basis and concluded at arm's length;

(iv) Gynia shall not:

(1) exercise the voting rights attaching to its Ordinary Shares; or

(2) procure that the voting rights attaching to its Ordinary Shares be exercised,

so as (a) to appoint any person who is connected to Gynia to the Board if, as a direct consequence of such appointment, the number of persons connected to Gynia appointed to the Board would exceed the number of independent Directors appointed to the Board, unless such appointment(s) has been previously approved by the nomination committee of the Board constituted by a majority of independent Directors; or (b) to remove any independent Director from the Board unless such removal has previously been recommended by a majority of the independent Directors, excluding the independent Director in question;

(v) certain restrictions are put in place to prevent interference by the Shareholder with the business of the Company.

For the purposes of this paragraph 10.7, an independent Director is one who is independent of Gynia and free from any business or other relationship which could materially interfere with the exercise of his independent judgment.

10.8 **PNB Facility Agreement**

Under a facility agreement dated 15 March 2008 made between Focus and PNB (the ''**PNB Facility Agreement**''), PNB has agreed to make available to Focus a term loan of up to INR 82,00,00,000 (approximately US$20.5 million) to be disbursed through the current account of Focus through which payment is to be made directly against expenses for rig rentals, seismic APISD, diesel equipment, logging equipment, salary payment, casing pipes, drilling bits, camp expenses, purchase and marketing movable containers to be used for camp and interest expenses (up to the date of commercial production at the Block). Drawdowns may be made by Focus in accordance with an agreed drawdown schedule.

The loan is repayable in 72 monthly instalments commencing from December, 2008. Interest will accrue daily and is to be repaid as and when due or demanded on a monthly basis. Default interest at 2 per cent. above the normal rate of interest may be charged if an event of default occurs. The following are events of default under the PNB Facility Agreement:

a. Any default in payment of principal or interest;

b. Agreed security not being put in place within the period prescribed;

c. Focus contravening any of the terms and conditions of the facility agreement;

d. Any other circumstance as PNB may deem fit and proper.

Focus has granted PNB a lien and right to set off and combine accounts on all movable property coming into its possession.

The PNB Facility Agreement provides for early repayment of the loan. If this right is exercised, a penalty of one per cent. on the balancing payment would be due if the loan is being refinanced by by another bank or financial institution. No such prepayment would be payable if Focus were to pay the money from its own resources. Prepayment charges are applicable only during the first year of the facility agreement.

10.9 **Security Agreements**

The following security has been granted to PNB by Group companies in connection with the PNB Facility Agreement:

1. Escrow Agreement

Focus, iServices, Newbury and PNB have agreed to establish an escrow account (''**Escrow Account**'') in to which Focus is required to deposit the entire amount levied and collected by Focus as cash flows, treasury income, revenues, receivables on account of lease rentals, sale or otherwise (''**Receivables**'') to the payment obligations of Focus to PNB under the PNB Facility Agreement. PNB has been appointed as the escrow agent for the purposes of this agreement (''**Escrow Agent**'').

iServices and Newbury have created a charge on the Receivables on gas sales of up to 7 million cubic feet (0.2 mmscm) gas per day to GAIL under the term sheet described in paragraph 10.13 of this Part VII.

The Escrow Account is to be utilised and withdrawn in the following order of priority:

1. First, towards the cost of the project in accordance with the project plan to be submitted on quarterly basis in advance;
2. Second, towards taxes due and payable;
3. Third, towards debt service payments in terms of the PNB debt;
4. Fourth, towards other payments to be made under the project as agreed by PNB; and
5. The balance, as determined by Focus.

If an event of default occurs under the PNB Facility Agreement, no amounts shall be withdrawn from the Escrow Account by the Participants.

2. Corporate Guarantee (iServices)

iServices executed a continuing corporate guarantee on 5 April 2008 in favour of PNB for the repayment of amounts outstanding under the PNB Facility Agreement.

3. Corporate Guarantee (Newbury)

Newbury executed a continuing corporate guarantee on 5 April 2008 in favour of PNB for the repayment of amounts outstanding under the PNB Facility Agreement.

4. Charge agreement (iServices)

iServices has created first charge on the fixed Receivables arising out of sale of up to 7 million cubic feet (0.2 mmscm) gas per day to GAIL under the term sheet described in paragraph 10.13 of this Part VII in connection with the PNB Facility Agreement. iServices has further charged all moneys standing to the credit of the Escrow Account for the repayment of the amounts outstanding under the PNB Facility Agreement.

5. Charge agreement (Newbury)

Newbury has created first charge on the fixed Receivables arising out of sale of up to 7 million cubic feet (0.2 mmscm) gas per day to GAIL under the term sheet described in paragraph 10.13 of this Part VII in connection with the PNB Facility Agreement. Newbury has further charged all moneys standing to the credit of the Escrow Account for the repayment of the amounts outstanding under the PNB Facility Agreement.

6. Power of attorney (iServices)

iServices has executed an irrevocable general power of attorney in favour of PNB to do all things which may be required for any sale or disposition or enforcement action of or in connection with the receivables arising out of sale of 7 million cubic feet (0.2 mmscm) gas per day to GAIL. In addition, PNB is authorised to collect and receive all receivables which shall be credited to the Escrow Account and to debit from the Escrow Account the monthly instalments in repayment of amounts due under the PNB Facility Agreement.

7. Power of attorney (Newbury)

Newbury has executed an irrevocable general power of attorney in favour of PNB to do all things which may be required for any sale or disposition or enforcement action of or in connection with the receivables arising out of sale of 7 million cubic feet (0.2 mmscm) gas per day to GAIL. In addition, PNB is authorised to collect and receive all receivables which shall be credited to the Escrow Account and to debit from the Escrow Account the monthly instalments in repayment of amounts due under the PNB Facility Agreement.

10.10 **Administration Agreement**

An administration agreement dated 28 May 2008 and made between the Company and Willow Trust Limited (the "**Administrator**") (the "**Administration Agreement**").

The Company has appointed the Administrator as its administrator and company secretary. Pursuant to the Administration Agreement, the Administrator will be responsible for, among other things, the following matters, under the general supervision of the Directors:

10.10.1 providing a registered office for the Company;

10.10.2 keeping the statutory books and records of the Company; and

10.10.3 performing duties usually required of a company secretary.

The Administration Agreement may be terminated by either party on written notice Agreement or the insolvency or receivership of either party or if the Administrator ceases to be qualified to act as such. The Company has agreed that in the absence of fraud or dishonesty on the part of the Administrator, it will indemnify the Administrator and other certain related parties, to the extent permitted by law, against all proceedings arising in connection with the performance of the Administrator's duties. The Administrators liability to the Company under the Administration Agreement is limited to the value of fees received in the previous twelve months from the Company.

10.11 **CREST Services Agreement**

On 28 May 2008 the Company entered into a CREST services agreement with the Administrator and Computershare Investor Services (Channel Islands) Limited (''**Computershare**'') under which Computershare agreed to provide registrar and CREST services to the Administrator and the Company. The Company has agreed to indemnify Computershare for any loss which it suffers as a result of the proper performance of its duties under this agreement. The agreement may be terminated by either party with 6 months' notice to expire no earlier than the first anniversary of the appointment.

10.12 **GAIL Term Sheet**

A term sheet made between (1) Focus, iServices, Newbury (the ''**Sellers**'') and (2) GAIL (the ''**Buyer**'') dated 2 November 2007 as amended by an agreement dated 16 May 2008 but effective from 1 February 2008 (the ''**Term Sheet**'') in relation to the sale of natural gas to GAIL on a take or pay basis. The Term Sheet commenced on the date of signature and will expire on 29 June 2023. The Sellers and the Buyer intend to enter into a full gas sales and purchase agreement on or before 31 July 2008.

The Term Sheet is conditional on the following conditions precedent being fulfilled by the Sellers:

(i) certification of gas reserves by DGH; and

(ii) confirmation from DGH regarding the gas reserves (recoverable) and the production profile for supply of at least 0.95 MMSCMD of gas for a period of 12 years from the Start Date.

The Term Sheet is conditional on the following conditions precedent being fulfilled by GAIL:

(i) management approval granted to GAIL for laying a pipeline to connect to the Sellers' facilities; and

(ii) signing of a term sheet/gas sales agreement with downstream customers.

The daily contracted quantity (''**DCQ**'') under the Term Sheet is for an initial period of 12 years of supply from the Start Date, after which DCQ will be mutually agreed between the Parties. For these purposes, ''Start Date'' means in case of quantities of up to 0.2 MMSCMD to Rajasthan Rajya Vidyut Utpadan Nigam (''**RRVUNL**''), 12 months after the satisfaction of the conditions precedent referred to above or such earlier date as the parties may agree. In case of the sale of additional quantities to RRVUNL for 0.75 MMSCMB or the sale of quantities to customers other than RRVUNL, the Start Date is to be 24 months after the satisfaction of these conditions precedent or such earlier date as the parties may agree

The Gas is to be delivered by the Sellers to GAIL at the outlet flange of the Sellers' facilities located at the SGL well (the ''**Delivery Point**''). The Seller is responsible for making the gas available at the Delivery Point at a pressure of not less than 58 kg/cm^2(g) and GAIL is responsible for ensuring receipt, offtake and transportation from the Delivery Point to its own facilities. Title to gas and risk shall pass from the Sellers to GAIL at the Delivery Point. The DCQ shall be 0.95 MMSCMD, subject to fulfilment of the conditions precedent.

The sales price for gas supplied to RRVUNL shall be as follows:

i. The sales price shall be USD 4.11/MMBTU on the net calorific value (NCV) basis, excluding statutory taxes, for quantities of up to 0.2 MMSCMD supplied in accordance with the specifications provided in the term sheet.

ii. If additional quantities are to be sold to RRVUNL, the Sellers shall install a CO2 removal facility to enable the Sellers to supply gas in accordance with revised specifications set out in the term sheet and the price for all quantities supplied to RRVUNL shall be amended from USD 4.11 to USD 5.0/MMBTU on a net calorific value basis, excluding statutory taxes, for the entire gas supplies to RRVUNL from the date the gas is supplied by the Sellers in accordance with the revised specification.

iii. After completion of 3 years from the date of first gas supplies of 0.2 MMSCMD to RRVUNL or completion of three years from the date of the price increase described above, whichever is later, further revisions to the sales price and the frequency of the revisions shall be mutually agreed between the Sellers and the Buyer for the remaining period of the termsheet.

For gas supplies to customers other than RRUVNL, the sales price will be as mutually agreed between the Buyer and the Sellers on a case by case basis.

Three months before the expiry of the initial 3 years of supply, the Sellers and GAIL shall hold negotiations to agree on the price applicable to the remaining period and pending such agreement on the Sale Price, GAIL is required to pay the Sale Price applicable for the initial 3 years of gas supply. The revised Sale Price shall only be applicable from the due date of such Sale Price revision after the initial 3 years of gas supply.

10.13 **Advisory Agreements**

Under advisory agreements dated 29 May 2008, Mr Vikas Agarwal and Mr Kul Bushan Sharma have each been engaged by the Company as advisers to provide such reasonable assistance to the Company in connection with the Admission and thereafter until terminated by either party as may be agreed between the adviser and the Company from time to time. The fees under these agreements do not exceed £10,000.

10.14 Under a consultancy agreement dated 29 May 2008 between the Company and Mr Paul Fink, Mr Fink has been engaged by the Company to provide technical consultancy services in connection with the Admission and the Group's oil and gas interests. Under the consultancy agreement, Mr Fink will be paid an annual retainer of €85,000 and has been granted options over Ordinary Shares as described in paragraph 10.15 of this Part VII. Mr Fink has agreed to comply with the Company's share dealing code. The consultancy agreement contains standard indemnities for an agreement of this type and may be terminated by either party giving the other two months' written notice.

10.15 **Option Agreements (Directors and Advisers)**

Four separate option agreements all dated 29 May 2008 made between the Company and (i) John Scott, (ii) Marc Holtzman, (iii) John Behar and (iv) Paul Fink pursuant to which the Company has granted options to subscribe for Ordinary Shares. Relevant Particulars of these option agreements are as follows:

Optionholder	Number of Ordinary Shares under option	Exercise price	Vesting arrangements*	Exercise period
Mr John Scott	100,000	Placing Price	One third of total grant on first, second and third anniversaries of Admission	From vesting until fifth anniversary of Admission
Mr Marc Holtzman	60,000	Placing Price	One third of total grant on first, second and third anniversaries of Admission	From vesting until fifth anniversary of Admission
Mr John Behar	50,000	Placing Price	One third of total grant on first, second and third anniversaries of Admission	From vesting until fifth anniversary of Admission
Mr Paul Fink	30,000	Placing Price	One third of total grant on first, second and third anniversaries of Admission	From vesting until fifth anniversary of Admission

* Options shall not vest if the optionholder has ceased to be a Director

11 Related party transactions

11.1 Save as disclosed in this Document, neither the Company nor any member of the Group has entered into any related party transactions of the type set out in the Standards adopted according to the Regulation (EC) No. 1606/2002.

11.2 The Production Sharing Contract and the Joint Operating Agreement are related party transactions as Mr Ajay Kalsi has a beneficial interest in Focus Energy. Each of the transactions was concluded at arm's length.

11.3 The share exchange agreement described in paragraph 10.6 of this Part VII and the relationship agreement described in paragraph 10.7 of this Part are related party transactions due to Mr Ajay Kalsi's beneficial interest in Gynia, Gainway and Focusoil.

11.4 Mr Kalsi has given a personal guarantee and has mortgaged personal property in relation to the Group's liabilities under the PNB Facility Agreement. These agreements are in a standard form for security of this type.

11.5 The transactions described on page 140 of this Document under the heading ''Transactions with parent and subsidiary companies'' and ''Transaction with entities over which KMP exercises significant control'' are each related party transactions for the purposes of the AIM Rules. The transactions with Focus have been entered into in connection with the Group's obligations under, and are governed by the terms of, the PSC, the Operating Agreement and the assignment agreements (as amended) described in paragraph 10.2 of this Part VII. The loan with iEnergizer was provided on an interest-free basis. The transactions involving iServices India Private Limited and Deccan iServices Private Limited are described in paragraph 11.6 below.

11.6 iServices acquired majority shareholding interests in each of iServices India Private Limited and Deccan iServices Private Limited during the financial year ended 31 March 2005. The purchase price paid by iServices was determined following a financial audit of the relevant companies. During the financial years ended 31 March 2006 and 31 March 2007, iServices disposed of its entire shareholding interest in iServices India Private Limited and Deccan iServices Private Limited pursuant to agreements made with Granada Services Limited (a related party of the Group). Under these agreements, iServices gave normal warranties relating to its shareholding interests. Granada is no longer able to make a claim under these warranties. The purchase price paid by Granada was determined following a financial audit of the relevant companies.

12 Working capital

The Directors are of the opinion, having made due and careful enquiry, and after taking into account the financing facilities available and the net proceeds of the Placing to be received by the Group, the working capital available to the Group will be sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

13 Legal and arbitration proceedings

The Group is not and during the 12 month period prior to the date of this Document has not been involved in any governmental, legal or arbitration proceedings which may have or have had in the recent past a significant effect on the Group's financial position or profitability nor, so far as the Group is aware, are there any such proceedings pending or threatened.

14 General

14.1 Save as disclosed in this document, there has been no significant change in the trading or financial position of the Group since 31 March 2007, being the date to which the Accountants' Report in Part VI is made up.

14.2 The total costs/charges and expenses of, or incidental to, the Placing and Admission are estimated to amount to approximately £1.6 million (excluding VAT where applicable). The total net proceeds of the Placing are expected to amount to £23.4 million.

14.3 Grant Thornton, India of L-41 Connaught Circus, New Delhi 110 001, India are the reporting accountants of the Company and are members of the Institute of Chartered Accountants in England and Wales.

14.4 Grant Thornton, India has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its name, report and references to each of them in the form and context in which they appear and accepts responsibility for the contents of its reports for the purposes of the AIM Rules.

14.5 Arden Partners plc is registered in England and Wales under number 4427253 and its registered office is at Arden House, Highfield Road, Edgebaston, Birmingham B15 3DU. Arden Partners is regulated by the Financial Services Authority and is acting in the capacity as nominated adviser and broker to the Company.

14.6 Arden Partners has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its name and references to it in the form and context in which they appear.

14.7 The Directors believe that the Company is not dependent on patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

14.8 Save as disclosed in the Document, no person (excluding professional advisers otherwise disclosed in this Document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the date of this Document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:

14.8.1 fees totalling £10,000 or more;

14.8.2 securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or

14.8.3 any other benefit with a value of £10,000 or more at the date of Admission.

14.9 Assuming that the Placing Shares are fully subscribed, the Existing Ordinary Shares will account for approximately 91.67 per cent. of the Enlarged Share Capital following the Placing and Admission. Holders of Existing Ordinary Shares will be diluted by the subscription for the 15,243,922 Placing Shares.

14.10 The Directors are unaware of exceptional factors which have influenced the Company's activities.

14.11 Save as disclosed in this Document, the Directors are unaware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.

14.12 Save as disclosed in this Document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

14.13 Save as disclosed in this Document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Company.

14.14 The Group does not have any employees.

14.15 TRACS International Consultancy Limited has given and has not withdrawn its written consent to the inclusion of its report in the form set out in Part IV of this Document and the references to such report in the form and the context in which it appears and accepts responsibility for the contents of its report for the purposes of the AIM Rules.

14.16 TRACS International Consultancy Limited, the Competent Person, whose principal place of business is at 1-2 Mill Lane, Guildford GU1 3XX, delivers high quality integrated studies and evaluations to the upstream petroleum industry and has prepared the report contained in Part IV of this Document at the request of the Company. The Competent Person does not have any material interest in the Company or the Ordinary Shares. Information contained in this Document which is stated to have been taken from the report prepared by the Competent Person has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by the Competent Person, no facts have been omitted which would render the information reproduced from the Competent Person's report inaccurate or misleading.

14.17 DeGolyer and MacNaughton has given and has not withdrawn its written consent to the inclusion of its report in the form set out in Part IV of this Document and the references to such report in the form and the context in which it appears in this Document.

14.18 Focus Energy Limited has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its name and references to it in the form and context in which they appear.

15 Third party information

Where information has been sourced from a third party, the information has been accurately reproduced and, as far as the Company and the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Reference materials include various historical and recent publications. A comprehensive list of reports and information used in the preparation of this document is available if required.

16 Availability of this Document

Copies of this Document are available free of charge for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Arden Partners plc, Nicholas House, 3 Laurence Pountney Hill, London EC4R 0EU for at least one month after Admission.

29 May 2008