

GTL RESOURCES PLC

Interim Statement

for the six months to 30 September 2000

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General information

Company secretary	Mr K J Alexander
Registered office	60 St. James's Street London, SW1A 1LE. Tel: 020 7493 3393 Fax: 020 7493 3394 Registered number: 2811366
Auditors	KPMG Audit Plc Quayside House 110 Quayside Newcastle upon Tyne, NE1 3DX.
Bankers	Yorkshire Bank PLC Gresham 307 Linthorpe Road Middlesbrough, TS1 4AR.
Registrars	Computershare Services PLC PO Box 82 Caxton House Redcliffe Way Bristol, BS99 7NH.
Solicitors	Salans Hertzfeld & Heilbronn HRK Clements House 14-18 Gresham Street London, EC2V 7NN.
Nominated Advisors and Brokers	SG Securities (London) Ltd Exchange House Primrose Street London, EC2A 2DD.
Website address	www.gtlresources.com

Directors

Executive Directors

Michael Fox Deputy Chairman

Kevin Alexander Chief Executive Officer

Roger Harris Managing Director

Peter Middleton Executive Director

Paul Grylls Finance Director

Non-Executive Directors

Dr Alan Horan OBE Chairman

Graham Wickham Corporate Governance

Chairman's statement

The unaudited Interim Statement for the six-month period ended 30 September 2000 is attached. During, and subsequent to the period the activities of GTL Resources Plc ("the Company") continued to be focussed on advancing gas to liquid projects for Far East markets.

Gas supply

The Company has signed a letter of intent with an affiliate of Phillips Petroleum for gas supply for up to 20 years for a proposed methanol plant in Darwin, Australia. The supply is to be sufficient to provide feedstock for a plant capable of producing 1 million tonnes of methanol per annum. The Australian methanol project has been awarded Major Project Facilitation status by the Commonwealth of Australia. The Company is also negotiating additional gas supplies both in Australia and elsewhere for other gas to liquid projects for the production of synthetic fuels.

Financial

The Company continues to work with Société Générale as project finance advisor for the methanol plant. Société Générale have taken 5 million share options in the Company at 40 pence each as consideration for part of their fees. A further 5 million share options will be issued at 40 pence each on successful completion of financing for the methanol plant.

Results and Proposed Dividend

The loss for the six months ended 30 September 2000 amounted to \$1,697,000 (1999: \$767,000).

The directors do not recommend a payment of an interim dividend (1999: nil per share).

Outlook

The Company is well placed to progress its first project, having secured the offtake agreement in the early part of 2000 and the additional gas supply in Australia with Phillips. The Company will focus on the technology and financing elements of the project to optimize the economic benefit to the Group.

Dr. Alan Horan
Chairman

26 January 2001

GTL Resources PLC

*Consolidated Interim Profit and Loss Account
for the six months ended 30 September 2000*

	(Unaudited) 6 months to 30-Sep-00 \$000	(Unaudited) 6 months to 30-Sep-99 \$000	(Audited) Year to 31-Mar-00 \$000
Administrative expenses:	<u>(1,953)</u>	<u>(828)</u>	<u>(2,946)</u>
Group operating loss	(1,953)	(828)	(2,946)
Other interest receivable and similar income	242	41	161
Interest payable and similar charges	<u>—</u>	<u>—</u>	<u>(1)</u>
Loss on ordinary activities before taxation	(1,711)	(787)	(2,786)
Tax on loss on ordinary activities	<u>—</u>	<u>—</u>	<u>—</u>
Loss on ordinary activities after taxation	(1,711)	(787)	(2,786)
Equity minority interests	<u>14</u>	<u>20</u>	<u>74</u>
Retained loss for the financial period	(1,697)	(767)	(2,712)
Basic loss per ordinary share (US dollars)	(0.01)	(0.01)	(0.02)
Diluted loss per ordinary share (US dollars)	(0.01)	(0.01)	(0.02)

There were no recognised gains or losses during the current and previous year other than those dealt with above.

The results derive from continuing operations. There were no material changes in the activity and no material acquisitions or disposals in the current period.

GTL Resources PLC

Consolidated Interim Balance Sheet
As at 30 September 2000

	(Unaudited) 6 months to 30-Sep-20 \$000	(Unaudited) 6 months to 30-Sep-99 \$000	(Audited) Year to 31-Mar-00 \$000
Fixed Assets			
Intangible assets	8,418	8,418	8,418
Tangible assets	209	17	27
	<u>8,627</u>	<u>8,435</u>	<u>8,445</u>
Current Assets			
Debtors	307	134	152
Cash at bank and in hand	7,130	1,541	9,596
	<u>7,437</u>	<u>1,675</u>	<u>9,748</u>
Creditors: amounts falling due within one year	<u>(658)</u>	<u>(367)</u>	<u>(1,110)</u>
Net current assets	<u>6,779</u>	<u>1,308</u>	<u>8,638</u>
Total assets less current liabilities	<u>15,406</u>	<u>9,743</u>	<u>17,083</u>
Minority interests	<u>169</u>	<u>101</u>	<u>155</u>
Net assets	<u>15,575</u>	<u>9,844</u>	<u>17,238</u>
Capital and reserves			
Called up share capital	2,930	8,322	2,928
Share premium account	9,482	97,007	9,449
Merger reserve	5,141	5,141	5,141
Special cancellation reserve	3,508	—	3,508
Profit and loss account	(5,486)	(100,626)	(3,788)
Equity shareholders' funds	<u>15,575</u>	<u>9,844</u>	<u>17,238</u>

These interim financial statements were approved by the Board of Directors on 26 January 2001 and were signed on its behalf by:

R A Harris
Managing Director

GTL Resources PLC

*Consolidated Cash Flow Statement
for the six months ended 30 September 2000*

	(Unaudited) 6 months to 30-Sep-00 \$000	(Unaudited) 6 months to 30-Sep-99 \$000	(Audited) Year to 31-Mar-00 \$000
Reconciliation of operating loss to net cash flow from operating activities			
Operating loss	(1,953)	(828)	(2,946)
Loss on sale of fixed assets	—	5	2
Depreciation	15	—	13
(Increase)/Decrease in debtors	(169)	545	521
(Decrease)/increase in creditors	(379)	(33)	730
Net cash outflow from operating activities	(2,486)	(311)	(1,680)
CASH FLOW STATEMENT			
Net cash outflow from operating activities	(2,486)	(311)	(1,680)
Returns on investments and servicing of finance	276	41	160
Capital expenditure	(197)	(4)	(23)
Cash outflow before financing	(2,407)	(274)	(1,543)
Financing	—	—	9,222
Increase/(Decrease) in cash in period	(2,407)	(274)	7,679
Reconciliation of net cash flow to movement in net debts			
Increase/(Decrease) in cash	(2,407)	(274)	7,679
Change in net debt resulting from cash flows	(2,407)	(274)	7,679
Translation differences	(59)	(110)	(8)
Movement in net debt for the year	(2,466)	(384)	7,671
Net debt at 1 April, 2000	9,596	1,925	1,925
Net debt at 30 September 2000	7,130	1,541	9,596

During the periods ended 30 September 2000 and 1999 and the year ended 31 March 2000 net debt was equivalent to cash.

Notes to the Interim Statement

For the six months ended 30 September 2000

1 Basis of preparation

The interim financial information has been prepared using the accounting policies set out in the company's statutory financial statements for the year ended 31 March 2000. The interim financial information for the periods ended 30 September 2000 and 1999 is unaudited.

2 Segmental reporting

The Group's activities have been concentrated upon the development of the gas to methanol process as set out in the circular to shareholders dated 4 September 1998.

3 Loss per ordinary share

The calculation of basic loss per ordinary share is based on the loss for the period of \$1,697,000 (1999: \$767,000) and the weighted average number of equity voting shares in issue of 176,519,620 (1999: 160,618,656).

The fully diluted loss per ordinary share is based on the loss for the year of \$1,697,000 (1999: \$767,000) and the weighted average number of equity voting shares in issue and outstanding share options of 180,028,500 (1999: 162,368,656).

The difference between the weighted average number of equity voting shares in addition to the basic and fully diluted loss per share is due to the weighted average number of equity voting shares, which would be in issue on conversion of options.

4 Interim dividend

The directors do not recommend the payment of an interim dividend.

5 Financial information

All financial information is presented in United States dollars. The comparative figures for the financial year ended 31 March 2000 are not the Company's statutory financial statements for that financial year. Those financial statements have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

6 Interim statement

The interim statement is being forwarded to all shareholders and will be available to the public from 60 St. James's Street, London SW1A 1LE.

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