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- > Credit approval granted to TCW for mezzanine debt of US\$30 million.
  - > Société Générale join underwriting group.
  - > The approval of the Western Australian Environmental Protection Authority for new methanol plant to be constructed. All native title claims settled.
  - > Peter Middleton appointed as Chairman.

The unaudited Interim Statement for the six-month period ending 30 September 2002 is attached. It has been an eventful period. The Company's principal efforts continued to be focused on bringing the project financing of the Australian methanol project to a conclusion. We anticipate soon receiving underwriting commitments from our four joint lead arrangers, Société Générale, National Australia Bank, Bank of Scotland and West LB in the aggregate amount of US \$275 million. The Company has just been informed that TCW have received credit approval for the mezzanine debt of US \$30 million.

It has been very gratifying to have Société Générale join the underwriting group. They continue to act as the Company's financial adviser and we are grateful for the considerable help they have given us.

It remains for us to tie down the final equity piece to the transaction. A substantial part of the equity will come from our industrial participants and in

the form of multi-user infrastructure provided by the governments of Australia and the State of Western Australia.

Recently, we were pleased to announce that GTL had settled all native title claims and had received the approval of the Western Australian Environmental Protection Authority. Both events were milestones in the project and are a substantial achievement.

In the longer term, we look forward to initiating new projects based upon the Australian model, but in different parts of the World and for different gas products. We believe that the approach we have developed to integrate and lead the engineering, marketing and financing components of a large project has the potential to create very significant shareholder value.

**Peter Middleton**

*Chairman*

20 December, 2002

**CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT**  
for the six months ended 30 September 2002

	(Unaudited) 6 months to 30 September 2002 \$000	(Unaudited) 6 months to 30 September 2001 \$000	(Audited) Year to 31 March 2002 \$000
Administrative expenses:	(1,998)	(1,532)	(3,147)
<b>Group operating loss</b>	<b>(1,998)</b>	<b>(1,532)</b>	<b>(3,147)</b>
Other interest receivable and similar income	9	89	110
Interest payable and similar charges	(3)	(2)	(4)
<b>Loss on ordinary activities before taxation</b>	<b>(1,992)</b>	<b>(1,445)</b>	<b>(3,041)</b>
Tax on loss on ordinary activities	–	–	–
<b>Loss on ordinary activities after taxation</b>	<b>(1,992)</b>	<b>(1,445)</b>	<b>(3,041)</b>
Equity minority interests	28	30	38
<b>Retained loss for the financial period</b>	<b>(1,964)</b>	<b>(1,415)</b>	<b>(3,003)</b>
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.

# CONSOLIDATED INTERIM BALANCE SHEET

As at 30 September 2002

	(Unaudited) 6 months to 30 September 2002 \$000	(Unaudited) 6 months to 30 September 2001 \$000	(Audited) Year to 31 March 2002 \$000
<b>Fixed assets</b>			
Intangible assets	8,508	9,151	8,508
Tangible assets	3,049	142	1,689
	11,557	9,293	10,197
<b>Current assets</b>			
Debtors	211	218	257
Investments	791	–	–
Cash at bank and in hand	737	3,415	964
	1,739	3,633	1,221
<b>Creditors: amounts falling due within one year</b>	(1,008)	(538)	(627)
<b>Net current assets</b>	731	3,095	594
<b>Total assets less current liabilities</b>	12,288	12,388	10,791
<b>Minority interests</b>	239	203	211
<b>Net assets</b>	12,527	12,591	11,002
<b>Capital and reserves</b>			
Called up share capital	3,211	2,937	2,937
Share premium account	12,723	9,508	9,508
Merger reserve	5,141	5,141	5,141
Special cancellation reserve	3,508	3,508	3,508
Profit and loss account	(12,056)	(8,503)	(10,092)
<b>Equity shareholders' funds</b>	12,527	12,591	11,002

These interim financial statements were approved by the Board of Directors on 20 December, 2002 and were signed on its behalf by:

**R A Harris**  
Managing Director

**CONSOLIDATED CASH FLOW STATEMENT**  
for the six months ended 30 September 2002

	(Unaudited) 6 months to 30 September 2002 \$000	(Unaudited) 6 months to 30 September 2001 \$000	(Audited) Year to 31 March 2002 \$000
<b>Reconciliation of operating loss to net cash flow from operating activities</b>			
Operating loss	(1,998)	(1,532)	(3,147)
Loss on sale of fixed assets	266	–	2
Depreciation	33	29	69
Decrease/(Increase) in debtors	23	33	(14)
Increase/(Decrease) in creditors	465	93	202
<b>Net cash outflow from operating activities</b>	<b>(1,211)</b>	<b>(1,377)</b>	<b>(2,888)</b>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash outflow from operating activities</b>	<b>(1,211)</b>	<b>(1,377)</b>	<b>(2,888)</b>
Returns on investments and servicing of finance	6	89	–
Proceeds from sale of fixed assets	1,225	4	106
Capital expenditure	(3,770)	(659)	(1,601)
<b>Cash outflow before financing</b>	<b>(3,750)</b>	<b>(1,943)</b>	<b>(4,383)</b>
Financing	3,571	–	–
<b>Decrease in cash in period</b>	<b>(179)</b>	<b>(1,943)</b>	<b>(4,383)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Decrease in cash in period	(179)	(1,943)	(4,383)
Change in net debt resulting from cash flows	(179)	(1,943)	(4,383)
Translation differences	(48)	9	(2)
<b>Movement in net funds in the year</b>	<b>(227)</b>	<b>(1,934)</b>	<b>(4,385)</b>
<b>Net funds at 1 April, 2002</b>	<b>964</b>	<b>5,349</b>	<b>5,349</b>
<b>Net funds at 30 September, 2002</b>	<b>737</b>	<b>3,415</b>	<b>964</b>

During the periods ended 30 September, 2002 and 2001 and the year ended 31 March, 2002 net debt was equivalent to cash.

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**  
*for the six months ended 30 September 2002*

	(Unaudited) 6 months to 30 September 2002 \$000	(Unaudited) 6 months to 30 September 2001 \$000	(Audited) Year to 31 March 2002 \$000
Loss for the financial period	(1,964)	(1,415)	(3,003)
New share capital subscribed, net of issue costs	3,489	–	–
<b>Net additions/(reductions) to shareholders' funds</b>	<b>1,525</b>	<b>(1,415)</b>	<b>(3,003)</b>
<b>Opening shareholders' funds</b>	<b>11,002</b>	<b>14,005</b>	<b>14,005</b>
<b>Closing shareholders' funds</b>	<b>12,527</b>	<b>12,591</b>	<b>11,002</b>

**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, 2002. The interim financial information for the periods ended 30 September, 2002 and 2001 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 \$1,964,000 (2001: \$1,415,000) and the weighted average number of equity voting shares in issue of 183,390,072 (2001: 177,097,810).

The fully diluted loss per ordinary share is based on the loss for the year of \$1,964,000 (2001: \$1,415,000) and the weighted average number of equity voting shares in issue and outstanding share options of 194,682,209 (2001: 188,264,264).

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, 2002 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.

# DIRECTORS

## Executive Directors

<b>Peter Middleton</b>	<i>Chairman</i>
<b>Michael Fox</b>	<i>Deputy Chairman</i>
<b>Kevin Alexander</b>	<i>Chief Executive Officer</i>
<b>Roger Harris</b>	<i>Managing Director</i>
<b>Stephen Padgett</b>	<i>Executive Director</i>

## Non-Executive Directors

<b>Graham Wickham</b>	<i>Corporate Governance</i>
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<b>Company secretary</b>	Mr K J Alexander
<b>Registered office</b>	60 St. James's Street London, SW1A 1LE. Tel: 020 7493 3393 Fax: 020 7493 3394 Registered number: 2811366
<b>Auditors</b>	KPMG Audit Plc Quayside House 110 Quayside Newcastle upon Tyne, NE1 3DX.
<b>Bankers</b>	Yorkshire Bank PLC Tees Valley Area Business Centre Newport House Teesdale South Stockton on Tees, TS17 6SE.
<b>Registrars</b>	Computershare Investor Services PLC PO Box 82 Caxton House Redcliffe Way Bristol, BS99 7NH.
<b>Solicitors</b>	Salans Hertzfeld & Heilbronn HRK Clements House 14-18 Gresham Street London, EC2V 7NN.
<b>Nominated Advisors and Brokers</b>	Canaccord Capital (Europe) Limited 1st floor, Brook House 27 Upper Brook Street London, W1K 7QF.
<b>Website address</b>	<a href="http://www.gtlresources.com">www.gtlresources.com</a>

The background of the entire page is a dark blue gradient with various abstract, glowing blue elements. On the left side, there is a vertical column of hexagons, some of which are connected by lines, resembling a molecular or network structure. In the center and right, there are several glowing, semi-transparent shapes, including a large, curved, bowl-like structure and some rectangular and circular outlines. The overall aesthetic is futuristic and technological.

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