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The Group's core activity is the application of technologies for the conversion of bulk raw materials into marketable petrochemical products.

The current focus is on completing the financing and contractual structure for a 1 million tonnes per annum Methanol Plant on the Burrup Peninsula in Western Australia with business partners including Lurgi, Vitol and Apache. There is one material contract to complete before the financing package can be finalised and the Group is working hard to resolve the remaining issues on this particular project.

While the delays accompanying this project have been frustrating, in the intervening period the Group has gained invaluable experience and secured a number of significant contracts and agreements with international companies and financiers. This has allowed GTL to establish a generic model whereby it could project manage the construction of plants for the conversion of bulk raw materials into marketable petrochemical products throughout the world. The Group has already received several expressions of interest to apply its model to several geographical regions, in particular the Middle East.

We are confident of the future prospects for the Group. The recent successful fundraising demonstrates the continued institutional interest in our operations and the global demand for methanol and forecasted growth in this market underlines our commitment to the industry.

Peter Middleton

Chairman

24 November 2003

CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT

for the six months ended 30 September 2003

	(Unaudited) 6 months to 30 September 2003 \$000	As restated (Unaudited) 6 months to 30 September 2002 \$000	(Audited) Year to 31 March 2003 \$000
Administrative expenses:	(2,138)	(2,063)	(4,252)
Group operating loss	(2,138)	(2,063)	(4,252)
Loss on sale of current asset investments	-	-	(273)
Other interest receivable and similar income	10	9	17
Amounts written off current asset investments	-	-	(615)
Interest payable and similar charges	(12)	(3)	(5)
Loss on ordinary activities before taxation	(2,140)	(2,057)	(5,128)
Tax on loss on ordinary activities	-	-	-
Loss on ordinary activities after taxation	(2,140)	(2,057)	(5,128)
Equity minority interests	16	28	30
Retained loss for the financial period	(2,124)	(2,029)	(5,098)
Basic loss per ordinary share (US dollars)	(0.01)	(0.01)	(0.03)
Diluted loss per ordinary share (US dollars)	(0.01)	(0.01)	(0.03)

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

CONSOLIDATED INTERIM BALANCE SHEET

As at 30 September 2003

	(Unaudited) 6 months to 30 September 2003 \$000	As restated (Unaudited) 6 months to 30 September 2002 \$000	(Audited) Year to 31 March 2003 \$000
Fixed assets			
Intangible assets	8,508	8,508	8,508
Tangible assets	3,228	1,976	2,531
	11,736	10,484	11,039
Current assets			
Debtors	5,161	1,219	2,343
Investments	-	791	172
Cash at bank and in hand	667	737	428
	5,828	2,747	2,943
Creditors: amounts falling due within one year	(1,413)	(1,008)	(1,433)
Net current assets/(liabilities)	4,415	1,739	1,510
Total assets less current liabilities	16,151	12,223	12,549
Minority interests	256	239	241
Net assets	16,407	12,462	12,790
Capital and reserves			
Called up share capital	4,101	3,211	3,504
Share premium account	20,970	12,723	15,827
Merger reserve	5,141	5,141	5,141
Special cancellation reserve	3,508	3,508	3,508
Profit and loss account	(17,313)	(12,121)	(15,190)
Equity shareholders' funds	16,407	12,462	12,790

These interim financial statements were approved by the Board of Directors on 24 November 2003 and were signed on its behalf by:

R A Harris
Managing Director

CONSOLIDATED INTERIM CASH FLOW STATEMENT

for the six months ended 30 September 2003

	(Unaudited) 6 months to 30 September 2003 \$000	As restated (Unaudited) 6 months to 30 September 2002 \$000	(Audited) Year to 31 March 2003 \$000
Reconciliation of operating loss to net cash flow from operating activities			
Operating loss	(2,138)	(2,063)	(4,252)
Depreciation	29	33	67
Increase in debtors	(2,997)	(1,043)	(1,864)
Increase in creditors	52	465	917
Net cash outflow from operating activities	(5,054)	(2,608)	(5,132)
CASH FLOW STATEMENT			
Net cash outflow from operating activities	(5,054)	(2,608)	(5,132)
Returns on investments and servicing of finance	(2)	6	12
Capital expenditure	(726)	(321)	(1,154)
Cash outflow before financing	(5,782)	(2,923)	(6,274)
Management of liquid resources	172	1,491	1,314
Financing	5,741	1,194	4,509
Increase/(decrease) in cash in period	131	(238)	(451)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in period	131	(238)	(451)
Change in net funds resulting from cash flows	131	(238)	(451)
Translation differences	108	11	(85)
Movement in net funds in the period	239	(227)	(536)
Net funds at 1 April, 2003	428	964	964
Net funds at 30 September, 2003	667	737	428

During the periods ended 30 September, 2003 and 2002 and the year ended 31 March, 2003 net funds was equivalent to cash.

NOTES TO THE INTERIM STATEMENT for the six months ended 30 September 2003

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, 2003. The interim financial information for the periods ended 30 September, 2003 and 2002 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 \$2,124,000 (2002: \$2,029,000) and the weighted average number of equity voting shares in issue of 230,457,335 (2002: 183,390,072).

The fully diluted loss per ordinary share is based on the loss for the year of \$2,124,000 (2002: \$2,029,000) and the weighted average number of equity voting shares in issue and outstanding share options of 244,921,922 (2002: 194,682,209).

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 Prior period adjustments

Following the preparation of the 30 September, 2002 interim statement the directors re-assessed the classification of certain equity investments and pre-contract costs which were disclosed as Fixed Assets in those statements. In the financial statements for the year ended 31 March, 2003 these were re-classified as Current Assets. The Balance Sheet at 30 September, 2002 and the Cash Flow Statement for the six months then ended have been restated to reflect this re-classification.

This re-classification has no material effect on the results for the 6 months to 30 September, 2002, nor the profit and loss reserves at that date.

	As restated \$000	As previously reported \$000	Prior period adjustment \$000
Tangible fixed assets	1,976	3,049	(1,073)
Debtors	1,219	211	1,008

NOTES TO THE INTERIM STATEMENT

for the six months ended 30 September 2003

6 Post balance sheet events

On 21 October, 2003 the Company raised £2,750,000 through a private placement of 34,375,000 new ordinary shares at 8 pence per share. Subscribers also received one three year warrant with each ordinary share, exercisable at 10 pence. The placement was managed by St. James's Securities, which received fees and one warrant for every ten shares placed, exercisable at 8 pence.

7 Financial information

All financial information is presented in United States dollars.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The figures for the year ended 31 March, 2003 have been extracted from the statutory financial statements, which have been filed with the Registrar of Companies. The auditors' report on those financial statements was unqualified and did not contain a statement under Section 237 (2) or (3) of the Companies Act 1985.

8 Interim statement

The interim statement is being forwarded to all shareholders and will be available to the public from 133 High Street, Yarm, TS15 9BB.

Executive Directors**Peter Middleton***Chairman***Michael Fox***Chief Executive Officer***Stephen Padgett***Chief Operating Officer and Finance Director***Roger Harris***Managing Director***Non-Executive Directors****David Quint***Corporate Governance***Graham Wickham***Corporate Governance*

GENERAL INFORMATION

Company secretary	Phillip Leatham
Registered office	133 High Street Yarm, TS15 9BB Tel: 01642 794000 Fax: 01642 794001 Registered number: 2811366
Auditors	KPMG Audit Plc Quayside House 110 Quayside Newcastle upon Tyne, NE1 3DX
Bankers	Yorkshire Bank PLC Tees Valley Area Business Centre Newport House Teesdale South Stockton on Tees, TS17 6SE
Registrars	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol, BS99 7NH
Solicitors	Norton Rose Kempson House Camomile Street London, EC3A 7AN
Nominated Advisors and Brokers	Durlacher Limited 4 Chiswell Street London, EC1Y 4UP
Website address	www.gtlresources.com

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