COMPANY REGISTRATION NUMBER 05714562

ZIMNRG PLC

FINANCIAL STATEMENTS

28 FEBRUARY 2009

EDWARDS VEEDER (OLDHAM) LLP
Chartered Accountants & Statutory Auditors
Block E, Brunswick Square
Union Street
Oldham
OL1 1DE

ZIMNRG PLC

FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2009

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ZIMNRG PLC

OFFICERS AND PROFESSIONAL ADVISERS

The directors	J.C.W. De Thierry C.P. Latilla-Campbell A.F. Mason
Company secretary	C.P. Latilla-Campbell
Registered office	The Old Hop Kiln 1 Long Garden Walk Farnham Surrey GU9 7HX
Auditor	Edwards Veeder (Oldham) LLP Chartered Accountants & Statutory Auditors Block E, Brunswick Square Union Street Oldham OL1 1DE
Bankers	Lloyds TSB Bank plc 39 Threadneedle Street London EC2R 8PT
Solicitors	Edwin Coe 2 Stone Buildings Lincoln's Inn London WC2A 2TH

ZIMNRG PLC

THE REPORT OF THE DIRECTORS

YEAR ENDED 28 FEBRUARY 2009

The Directors present their report and the financial statements of the company for the year ended 28 February 2009.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The principal activity of the company during the year was that of investment holding company.

Your Directors have continued to explore possible investments in the mining and energy sectors primarily in Zimbabwe and also in surrounding Southern African Development Community ("SADC") countries.

Conditions in our preferred geographic target of Zimbabwe continue to be extremely fragile, there are however encouraging signs from the World Bank group and other international donors/investors which however, have yet to show results. Your Board continues to regard Zimbabwe as providing excellent investment opportunities when the time is right, and will maintain their strategy of conserving the company's resources until that time which they consider is showing signs of swiftly approaching. Members of your board visited sub-saharan Africa approximately 8 times during the year on ZimNRG business.

RESULTS AND DIVIDENDS
The loss for the year, after taxation, amounted to £66,135. The Directors have not recommended a dividend.

FINANCIAL INSTRUMENTS
Details of the company's financial risk management objectives and policies are included in note 12 to the accounts.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.005 each	
	At 28 February 2009	At 29 February 2008
J.C.W. De Thierry	**1,400,000**	500,000
C.P. Latilla-Campbell	**2,239,761**	1,441,786
A.F. Mason	**2,235,307**	1,473,469

ZIMNRG PLC

THE REPORT OF THE DIRECTORS *(continued)*

YEAR ENDED 28 FEBRUARY 2009

SUBSTANTIAL INTERESTS

At the date of the report the Company had been notified that, other than directors, the following were interested in 3% or more of the issued share capital of the Company:

	No. Ordinary Shares	%
Somers Investments Limited	14,250,000	32.99
Credit Suisse Client Nominees (UK) Limited	7,500,000	17.36
Loeb Aron & Co. Limited	1,500,000	3.47
Lynchwood Nominees Limited	1,300,000	3.01

Somers Investments Limited is controlled by a discretionary trust, of which C.P. Latilla-Campbell is a potential beneficiary.

RESPONSIBILITIES OF THE DIRECTORS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the Directors are aware:

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

ZIMNRG PLC

THE REPORT OF THE DIRECTORS *(continued)*

YEAR ENDED 28 FEBRUARY 2009

AUDITOR
Edwards Veeder (Oldham) LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
The Old Hop Kiln
1 Long Garden Walk
Farnham
Surrey
GU9 7HX

Signed by order of the Directors

C.P. LATILLA-CAMPBELL
Company Secretary

Approved by the Directors on 27/7/09

ZIMNRG PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZIMNRG PLC

YEAR ENDED 28 FEBRUARY 2009

We have audited the financial statements of ZimNRG PLC for the year ended 28 February 2009 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Accounting Policies and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

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

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

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

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

ZIMNRG PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZIMNRG PLC *(continued)*

YEAR ENDED 28 FEBRUARY 2009

OPINION
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2009 and of its loss for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

Edwards Veeder (Oldham) LLP

EDWARDS VEEDER (OLDHAM) LLP
Chartered Accountants
& Statutory Auditors

Block E, Brunswick Square
Union Street
Oldham
OL1 1DE

27.7.09

ZIMNRG PLC

PROFIT AND LOSS ACCOUNT

YEAR ENDED 28 FEBRUARY 2009

	Note	2009 £	2008 £
TURNOVER		–	–
Administrative expenses		(6,821)	90,335
Other operating income		(20,000)	–
OPERATING PROFIT/(LOSS)	1	26,821	(90,335)
Interest receivable		9,059	23,846
Amounts written off investments	4	(100,000)	–
Interest payable and similar charges	5	(120)	(475)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(64,240)	(66,964)
Tax on loss on ordinary activities	6	1,895	–
LOSS FOR THE FINANCIAL YEAR		(66,135)	(66,964)
Balance brought forward		(221,953)	(154,989)
Balance carried forward		(288,088)	(221,953)
Earnings per share (pence)			
Basic	7	(0.16)	(0.17)
Diluted	7	(0.14)	(0.15)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

ZIMNRG PLC

BALANCE SHEET

28 FEBRUARY 2009

	Note	2009 £	2009 £	2008 £	2008 £
FIXED ASSETS					
Investments	8		–		100,000
CURRENT ASSETS					
Debtors	9	8,034		9,356	
Cash at bank		568,187		472,554	
		576,221		481,910	
CREDITORS: Amounts falling due within one year	10	51,105		39,855	
NET CURRENT ASSETS			525,116		442,055
TOTAL ASSETS LESS CURRENT LIABILITIES			525,116		542,055
CAPITAL AND RESERVES					
Called-up equity share capital	14		216,000		203,701
Share premium account	15		597,204		560,307
Profit and loss account			(288,088)		(221,953)
SHAREHOLDERS' FUNDS	16		525,116		542,055

These financial statements were approved by the Directors and authorised for issue on 27/7/09 and are signed on their behalf by:

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~~A.F. MASON~~

C.P. LATILLA-CAMPBELL

ZIMNRG PLC

CASH FLOW STATEMENT

YEAR ENDED 28 FEBRUARY 2009

	Note	2009 £	2009 £	2008 £	2008 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17		(79,790)		(91,601)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	17		8,939		23,371
ACQUISITIONS AND DISPOSALS	17		–		(100,000)
CASH OUTFLOW BEFORE FINANCING			(70,851)		(168,230)
FINANCING	17		49,196		18,407
DECREASE IN CASH	17		(21,655)		(149,823)

ZIMNRG PLC

ACCOUNTING POLICIES

YEAR ENDED 28 FEBRUARY 2009

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable accounting standards.

Investment properties

Fixed asset investments are initially recorded at cost. Investments are reviewed annually for impairment and if any permanent diminution in value is recognised, then are written down to net realisable value.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange 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. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

ZIMNRG PLC

ACCOUNTING POLICIES *(continued)*

YEAR ENDED 28 FEBRUARY 2009

Share-based payments

The company issues equity-settled share-based payments to executive directors as remuneration. These payments are measured at the fair value which is based on the average of the mid market price on the ten days prior to the period for which the payment is due.

The fair value of directors' share options granted is calculated using the fair value at the date of the grant. Based on the fair value of the options at the period end, there were no significant balances arising, therefore the disclosure requirements of FRS20 have not been shown, due to the immateriality of the amounts involved.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2009

1. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2009	2008
	£	£
Net profit on foreign currency translation	(117,288)	(1,093)
Auditor's remuneration - audit of the financial statements	4,524	4,113
Auditor's remuneration - other fees	809	999

	2009	2008
	£	£
Auditor's remuneration - other fees:		
- Payroll services	486	999
- Interim accounts review	323	–
	809	999

2. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2009	2008
	No	No
Number of management staff	2	2

The aggregate payroll costs of the above were:

	2009	2008
	£	£
Wages and salaries	42,825	38,800
Social security costs	6,009	5,762
	48,834	44,562

3. EMOLUMENTS OF THE DIRECTORS

The aggregate emoluments of the Directors in respect of qualifying services were:

	2009	2008
	£	£
Executive directors salaries	42,825	38,800
Non-executive directors fees	7,500	10,500
	50,325	49,300

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2009

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2009	2008
	£	£
Investment written down	**100,000**	–

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Interest payable on bank borrowing	**28**	–
Other similar charges payable	**92**	475
	120	475

6. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2009	2008
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 21/20%	**1,895**	-
Total current tax	**1,895**	-

7. EARNINGS PER SHARE

The basic earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year.

The diluted earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares).

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2009

7. EARNINGS PER SHARE *(continued)*

The calculation of basic and diluted earnings per ordinary share is based upon the following data:

Earnings

	2009	2008
	£	£
Earnings for the purposes of basic earnings per share	**(64,240)**	(66,964)
Earnings for the purposes of diluted earnings per share	**(64,240)**	(66,964)

Number of shares

	2009	2008
	No	No
Basic weighted average number of shares	**40,753,733**	40,142,877
Dilutive potential ordinary shares:		
Share options granted	**4,000,000**	4,000,000
Weighted average number of shares for the purposes of diluted earnings per share	**44,753,733**	44,142,877

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

8. INVESTMENTS

	Unlisted Investment
	£
COST	
At 29 February 2008 and 28 February 2009	**100,000**
AMOUNTS WRITTEN OFF	
Written off in year	**100,000**
At 28 February 2009	**100,000**
NET BOOK VALUE	
At 28 February 2009	**-**
At 28 February 2008	100,000

In the light of Lengau being unquoted, the significant market movements subsequent to the investment, the fall of valuations of quoted mining sector stocks, particularly early stage pre-revenue businesses, and given that Lengau has yet to raise additional capital, the directors have chosen to value the investment in Lengau at zero at this time..

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2009

9. DEBTORS

	2009	2008
	£	£
Prepayments and accrued income	8,034	9,356

10. CREDITORS: Amounts falling due within one year

	2009		2008	
	£	£	£	£
Trade creditors		19,461		–
Other creditors including taxation and social security:				
Corporation tax	1,895		–	
Other taxation and social security	25,276		–	
		27,171		–
Accruals and deferred income		4,473		39,855
		51,105		39,855

11. SHARE-BASED PAYMENTS

Equity-settled share-based payments

Executive directors have elected to received remuneration by way of equity-settled share-based payments. Non-executive director has also elected to receive remuneration by way of equity-settled share-based payments. The remuneration paid in this way is stated in note 3 to the financial statements.

The company has a share option scheme for all directors. Options are exercisable at a price equal to the average market price of the company's shares on the date of grant. The vesting period is between 1 to 3 years after the date of admission. The options are settled in equity once exercised.

Options totaling 4,000,000 ordinary shares were granted on 21 June 2006 at an exercise price of 2p.

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2009

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise cash held in current accounts and fixed short term deposits.

The main purpose of financial instruments is to raise finance for the operations of the company's business.

The main risk arising from the company's financial instruments are interest rate, currency exchange rate and liquidity risk.

Interest rate risk
The company holds monies on deposit and the interest received is subject to the prevailing market interest rates.

Currency exchange risk
Some of the monies on deposit are held in US $ and therefore are subject to currency exchange rate fluctuations. Directors closely monitor the exchange rate and transfer monies as appropriate to minimise the risk.

Liquidity risk
Funds are intended to finance the future development and growth of the company and the effective management of these funds is based upon policies determined by the Board. Funds are invested through the use of short-term deposits.

Fair values of financial assets and liabilities
The fair value of the company's financial instruments was not materially different from the book value.

13. RELATED PARTY TRANSACTIONS

There is no individual with ultimate overall control of the company.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

14. SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
150,000,000 Ordinary shares of £0.005 each	**750,000**	750,000

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary shares of £0.005 each	**43,200,068**	**216,000**	40,740,255	203,701

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2009

14. SHARE CAPITAL ***(continued)***

During the year 1,559,813 shares were issued to executive directors and 900,000 shares to a non-executive director as equity settled share based payments.

At the year end share options granted to directors at an exercisable price of £0.02 totalled 4,000,000 (2008 - 4,000,000).

15. SHARE PREMIUM ACCOUNT

	2009	2008
	£	£
Balance brought forward	**560,307**	546,863
Premium on shares issued in the year	**36,897**	13,444
Balance carried forward	**597,204**	560,307

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009		2008	
	£	£	£	£
Loss for the financial year		**(66,135)**		(66,964)
New equity share capital subscribed	**12,299**		4,963	
Premium on new share capital subscribed	**36,897**		13,444	
		49,196		18,407
Other movements		**–**		(15,900)
Net reduction to shareholders' funds		**(16,939)**		(64,457)
Opening shareholders' funds		**542,055**		606,512
Closing shareholders' funds		**525,116**		542,055

17. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£	£
Operating profit/(loss)	**26,821**	(90,335)
Decrease/(increase) in debtors	**1,322**	(2,867)
Increase in creditors	**9,355**	18,594
Gain on foreign currency retranslation	**(117,288)**	(1,093)
Decrease in liability for cash-settled share-based payments	**–**	(15,900)
Net cash outflow from operating activities	**(79,790)**	(91,601)

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2009

17. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2009	2008
	£	£
Interest received	9,059	23,846
Interest paid	(120)	(475)
Net cash inflow from returns on investments and servicing of finance	8,939	23,371

ACQUISITIONS AND DISPOSALS

	2009	2008
	£	£
Acquire investments in participating interests	–	(100,000)
Net cash outflow from acquisitions and disposals	–	(100,000)

FINANCING

	2009	2008
	£	£
Issue of equity share capital	12,299	4,963
Share premium on issue of equity share capital	36,897	13,444
Net cash inflow from financing	49,196	18,407

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009	2008
	£	£
Decrease in cash in the period	(21,655)	(149,823)
Translation differences	117,288	1,093
Movement in net funds in the period	95,633	(148,730)
Net funds at 29 February 2008	472,554	621,284
Net funds at 28 February 2009	568,187	472,554

ANALYSIS OF CHANGES IN NET FUNDS

	At 29 Feb 2008	Cash flows	Exchange movement	At 28 Feb 2009
	£	£	£	£
Net cash:				
Cash in hand and at bank	472,554	(21,655)	117,288	568,187
Net funds	472,554	(21,655)	117,288	568,187