Persian Gold plc.

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Companies House,
Crown Way,
Maindy,
Cardiff,
CF14 3UZ
December 17, 2008

Reference No: 04967918

Dear Sirs,

Please find enclosed a copy of the Annual Accounts for Persian Gold Plc for the Year Ending 31st December 2008,

Yours sincerely,

James Finn

FRIDAY
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CHAIRMAN'S STATEMENT

It is a cliché to say that we are operating in interesting times. Exploration companies accept uncertainty and volatility as part of their normal operating environment, but the scenario facing Persian Gold for the past eighteen months is not normal. It had to happen; cheap credit led to excess, fear replaced greed and credit simply evaporated.

Economic growth has stopped, wealth has vapourised and political uncertainty increased. Many blue chip stocks have fallen by 90% or more. As mineral prices collapsed, and credit disappeared, mining share prices crumbled. Collateral values collapsed leading to forced sales. Derivatives such as Contracts for Difference (CFDs) exacerbated the fall. Liquidity almost ceased.

Persian Gold, an Irish managed company with a London Stock Exchange (AIM) listing, focused on gold and copper gold exploration projects in Iran, could not avoid the mayhem. Our share price is down 90%, and it has become difficult to raise new cash. Persian Gold did well to raise STG£400,000 new equity, but note it was 50% subscribed by the Directors.

The recession is temporary but the potential in Iran is permanent. To remind shareholders, Iran is a vast country estimated to contain significant quantities of gold, copper and other base metals. Political uncertainty during the past 30 years has resulted in limited exploration using modern techniques. Sanctions have made it difficult for large mining companies to invest. Opaque rules on mineral ownership have not facilitated investment. Persian Gold, as an Irish controlled, Irish managed company, has been able to navigate the complexities. We find ourselves one of the few, if not the sole, Western company actively exploring for minerals in the country.

The focus of our activity is the vast, underexplored Tethyan Belt, stretching in an arc from Turkey in the Northwest through Iran and extending into Pakistan in the Southeast - 2,000 kilometres of prospective ground. There have been numerous gold discoveries on the Turkish end of this belt, while Barrick Gold and Antofagasta are developing the ever growing world's largest copper / gold orebody, Reko Diq, located on the Pakistan / Iran border.

As a small company, Persian Gold cannot undertake the large scale reconnaissance which the Tethyan Belt deserves. Instead, we reduce risk by concentrating on areas and / or projects with known mineralisation.

We have two advanced projects. Chah-e-Zard, a gold-silver deposit near Yazd in Central Iran, and Dalli, a copper-gold project about 200 kilometres south of Tehran. Chah-e-Zard is the most advanced project. We await a Discovery Certificate giving us the right to exploit 160,000 ounces of gold and 1 million plus ounces of silver in near-surface oxide ore. A scoping study indicates that a US$4 million capital expenditure will enable us to mine 15,000 ounces of gold a year at a grade of 1 gramme a tonne with an 80% recovery. The small heap leach operation should have operating costs of US$10 per tonne of ore. Once we obtain the necessary permits, it should take 9 months to construct. Persian Gold will own 70% of the project with a local partner holding the remaining 30%.

The Chah-e-Zard licence has a mineralised zone of 1.25 kilometres x 0.75 kilometres and appears to have better gold grades in the sulphide zone 30 / 50 metres below the surface. Cash from the mine could be used to explore and drill out the property.

Dalli is a copper / gold project where we had high hopes of discovering a large orebody. Two phases of drilling and geophysics led to the conclusion that there are two separate orebodies on the licence, about 1.7 kilometres apart. The South Hill is copper / gold while the North Hill is gold. Modern copper extraction technology, SXEW, which has enabled the commercial development of smaller orebodies may be appropriate here. A conceptual study of Dalli suggests that a US$20M investment could produce up to 50,000 tonnes of copper. We are completing the work necessary to apply for a Discovery Certificate.

Our exploration activities are limited by our finances. Our experienced geological team in Iran is producing a flow of potential targets in Iran and in adjacent countries. We are having to be very selective, focusing on gold projects with the potential to contain at least 1 million ounces. Ideally, we would take a partner who would add finance and some technical skills to our advantages, which are access, people, experience and projects. Many mining companies want to be in Iran but most are reluctant to commit in the present political and economic environment.

In Iran, we have signed Memoranda of Understanding with a bank specialising in mining, a State mining venture and local mining companies. Each one is showing projects to Persian Gold. We are evaluating them using modern technology. In the event of a commercial find, the local partner will access local funds while Persian Gold will operate and bring in external finance.

CHAIRMAN'S STATEMENT

FUTURE

The potential in Iran remains. There will be large gold, copper and zinc mines developed, but they need to be discovered. The current economic turmoil has all but destroyed investor interest in exploration companies. In times like these, bad news is magnified and good news ignored. Add political uncertainty to the economic chaos and it is easy to understand why investors in general ignore companies such as ours. Raising risk capital is very difficult.

But for the discerning investor, the returns can be large. There are faint signs of an economic recovery in the wider world. The global political scene also has positive indicators such as the new administration in the U.S., while the election in Iran will give a 4 year mandate to the winner. But it will be some time before these factors translate into investor confidence in junior companies.

Persian Gold has early mover advantage in Iran. We have built an experienced organisation well capable of performing in the environment. We have good late stage projects and a flow of new proposals. As the economic and political uncertainty clears, we will be well positioned.

John Teeling
Chairman
9th June 2009

REVIEW OF OPERATIONS

OVERVIEW

In 2008 Persian Gold completed the exploration on two advanced gold and gold-copper projects. A Discovery Certificate for the Chah-e-Zard gold-silver deposits near Yazd in Central Iran is due to be issued by the authorities. The second phase of drilling at the Dalli gold-copper deposits has led to a decision to apply for a Discovery Certificate.

At least 15 new projects (eg. Zonouz, Qahan, Deh Hossein, Ab Talkhoon, Gonbad, Kuh Lar, Shekasteh Maher, Kahang, Arghash, Qoleh Sukhteh, Angoran Chay and Khoineroud) almost all gold / copper in different parts of Iran were reviewed by the Company. We are limited by finance and people on the number of projects we can handle at any one time. Large potential projects such as Shadan in eastern Iran were deemed too big for Persian Gold.

The principal geological attraction in Iran is the Tethyan Belt stretching in an arc from Turkey through Iran into Pakistan. Modern geological modelling indicates that this belt has potential for gold, base metals and copper / gold porphyry ore bodies. A number of large gold mines have recently been brought on stream in neighbouring Turkey, while the largest copper-gold porphyry deposit in the world, Reko Diq, on the Iran / Pakistan border is being developed by Antofagasta and Barrick Gold. Yet, little is happening in Iran.

Approaches have been made to Persian Gold to examine exploration projects in areas adjacent to Iran, such as Armenia, Azerbaijan and Georgia, as well as countries in central Asia. Persian Gold sees good potential in some of these countries. Armenia, Azerbaijan, along with Kazakhstan, have good potential of gold and gold-copper projects.

Figure 1: Persian Gold Projects in Iran

REVIEW OF OPERATIONS (CONTINUED)

CHAH-E-ZARD GOLD-SILVER PROJECT

The Chah-e-Zard prospect is located 550km southeast of Tehran, near the city of Yazd. The company holds an option to acquire a 70% equity interest in the project. The Discovery Certificate will be issued within the next few weeks. The licence will then be transferred to a Joint Venture company, of which Persian Gold will hold a 70% share.

Results from phase 1 trenching and drilling at Chah-e-Zard led to a second phase of shallow drilling focused on the Southern lobe of the sampled area. To date, 38 holes, totalling 4,150m have been drilled and 38 trenches totalling 3,545m dug. Almost 3,000 drill core samples and 1,409 trench samples were analysed.

All of the surface and drill hole data were put into a three dimensional model covering the Southern lobe to determine the near surface resources of gold and silver. The model indicates 160,000 ounces of gold and 1 million ounces of silver. It must be emphasised that this estimate is only the near surface Southern lobe.

Figure 2: Second Phase Drilling at Chah-e-Zard

A scoping study suggests that an open cast heap leach operation may be economic. Current plans call for a 15,000 ounce a year gold mine costing about US$4 million to construct with operating costs of US$10 a tonne of ore. Construction time should be nine months. The estimated oxide grade is 1g/t with recoveries of 80 per cent.

It is important to note that the project outlined above relates to only a portion of the 750m by 1.25km mineralised zone previously identified by extensive soil sampling. The potential at depth over the entire area remains open. Cash produced from the oxide zone will be used to drill the deeper zones.

Figure 3: 3D Model of Chah-e-Zard with View of Drillhole and Geology

CHAH-E-ZARD: SECOND PHASE DRILL RESULTS	
ZDH 1	14m @ 0.74 g/t Au and 40.2 g/t Ag
ZDH 3	4m @ 1.5 & 8m @ 0.53 g/t Au and 23m @ 9.6 g/t Ag
ZDH 4	9m @ 0.58, 2m @ 45.4 & 12m @ 6,2 g/t Au and 13m @ 36, 9m @ 8.2 & 12m @ 36.5 g/t Ag
ZDH 5	12m @ 2.65 & 6m @ 1.16 g/t Au and 12m @ 8.6 9m @ 8.2 & 13m @ 15 g/t Ag
ZDH 5-2	5m @ 6 & 19 @ 2.2 g/t Au and 5m @ 8.2& 19 @ 2 2.3 g/t Ag
ZDH 6-2	5m @ 1.48 g/t Au
ZDH 7	8m @ 1.32 g/t Au and 20m @ 14.7, 27m @ 16 & 4m @ 13 g/t Ag
ZDH 8	6m @ 1 g/t Au and 3m @ 21.8 g/t Ag
ZDH 9	2m @ 2.37, 9m @ 1.48 & 3m @ 2 g/t Au and 18m @ 7, 18m @ 24 & 15m @ 7.5g/t Ag
ZDH 10	32m @ 5.9, 3m @ 11.6 & 14m @ 3.1 g/t Au and 5m @ 17, 32m @ 26.5 & 18m @ 81.9 g/t Ag
ZDH 10-2	3m @ 2.63, 3m @ 1.3 & 3m @ 2.65 and 4m 39& 36m 10.7 g/t Ag
ZDH 11	1m @ 7.5, 5m @ 11.1 & 2m @ 4.77 g/t Au
ZDH 12	5m @ 1.47 g/t Au and 12m @ 15 g/t Ag
ZDH 16	9m @ 7.6 g/t Ag

Table 1: Chah-e-Zard Second Phase Drill Results

REVIEW OF OPERATIONS (CONTINUED)

DALLI PORPHYRY GOLD-COPPER PROJECT

The Dalli gold-copper porphyry prospect is located some 200km southwest of Tehran, where a second stage drilling programme has been finalised. In total, 8 holes have been drilled to a total depth of 2,494m, as well as 16 trenches covering 1,513m, from which 2,030 samples were collected and analysed for gold and copper.

We now believe there to be two ore bodies at Dalli, the North and South Hills, separated by 1.7km. The indications are that the North Hill is predominantly a gold deposit, while the South Hill is a copper - gold porphyry. The first phase drilling on the North Hill produced marginally economic grades, so it was decided to focus on the South Hill where the second stage drilling took place.

Figure 4: Satellite Image of Dalli South Hill Drillhole Locations

The style and grade of mineralisation at South Hill is significant. The mineralisation is related to the monzonite. Porphyry stock with mineralised halo is present in the surrounding quartz diorite porphyry and andesite porphyry. Drilling suggests that the stock is not vertical but plunges reasonably steeply off to the northeast and this is consistent with an easterly elongation of the magnetic anomaly. A regional search of the surrounding area to identify similar systems will be undertaken. This study will use Aster interpretation, rock sampling, soil geochemistry and surface IP geophysical survey.

The drilling completed is sufficient to give a rough estimate of the resource that might exist. An estimate based on a circular body of 75m radius with a long axis of 250m and specific gravity of 2.60 and with average grades from the two drillholes gives about 12 Mt @ 0.7 g/t gold and 0.4% copper. Such a resource would contain ~250,000 oz gold and ~50,000 tonnes of contained copper with in-situ values of ~US$175m and US$250m respectively. Once we have completed some further tests we will apply for a Discovery Certificate on this orebody. A preliminary study suggests that a small SXEW mine could be viable.

PHASE 1: SOUTH HILL	
Hole 1	211m 0.68g/t gold & 0.45% copper
Hole 2	213m 0.75g/t gold & 0.57% copper
PHASE 1: NORTH HILL	
Hole 3	233m 0.52g/t gold & 0.12% copper
Hole 4	99m 0.53g/t gold & 0.17% copper
PHASE 2: SOUTH HILL	
Hole 6	56m 0.52g/t gold & 0.37% copper
	66m 0.39g/t gold & 0.31% copper
	11m 0.83g/t gold & 0.71% copper
	24m 0.24g/t gold & 0.49% copper
Hole 7	220m 0.5g/t gold & 0.42% copper
	43m 0.26g/t gold & 0.34% copper
Hole 8	76m 0.36g/t gold & 0.30% copper
Hole 5 was barren but with strong pyrite mineralisation	

Table 2: Dalli First & Second Phase Drill Results

Figure 5: Dalli Prospect Area

Figure 6: Twin Hills/Takestan

TWIN HILLS / TAKESTAN GOLD PROJECT

The Twin Hills project within the Takestan exploration area is located approximately 150km northwest of Tehran. It hosts one of the largest concentrations in the world of the alteration mineral known as alunite. Alunite is associated with significant gold mineralisation in many parts of the world but is best exemplified in South America where some of the continent's largest gold mines are hosted in alunite altered volcanics.

During the regional sampling within the greater Takestan alunite alteration area, Twin Hills emerged as a high priority target with strong gold values sampled in outcrop over a zone of leached silica. Other alteration zones within the Takestan area require follow-up work but the Company is waiting for approval to be given to Twin Hills as the first drill test in the region. There have been extensive delays in getting permission. As a consequence, this high potential project has currently a reduced priority for Persian Gold.

PROSPECT	LOCATION	MINERALISATION TYPE
Zonouz	NW of Iran	Cu-Au, Porphyry
Takht e Gonbad	SW of Iran	Cu-Au, Porphyry
Kuh Lar	SW of Iran	Cu-Au-Mo, Porphyry
Shekasteh Mahe	E of Iran	Cu-Au, Porphyry
Kahang	Central Iran	Cu, Porphyry
Arghash	NE of Iran	Au, Vein type
Qoleh Sukhteh	Central Iran	Cu-Au, Skarn
Zaglik	NW of Iran	Cu-Au, Porphyry (?)
Angoran Chay	NW of Iran	Au, Placer
Khoineroud	NW of Iran	Cu-Au, Porphyry
Deh Hossein	Central Iran	Sn-W- Au-Cu, Vein Type
Qahan	Central Iran	Cu-Mo-Au, Porphyry
Remeshk	S-SE of Iran	Cu, massive sulphide
Qareh Chaman	NW of Iran	Cu-Au, Porphyry

Table 3: Projects Under Evaluation

OTHER IRANIAN PROJECTS

Several new projects, almost all gold / copper were presented to Persian Gold. The following projects have been selected as possible targets for further exploration; Zonouz, Qahan, Deh Hossein, Takht-e-Gonbad, Kuh Lar, Shekasteh Mahe, Remeshk, Kahang, Arghash, Qoleh Sukhteh, Zaglik, Qareh Chaman, Angoran Chay and Khoineroud.

Almost all of these projects are located in the Tethyan volcanic belt and are prospective for copper-gold and base metals.

Data gathering, several field visits, samplings, assessments, evaluations and ranking have been done for these projects.

Figure 7: View of Alteration Zone, Surrounded by Volcanic Rocks

Figure 8: Sheeted Stock Works

Examples of the projects under evaluation are outlined below. These areas have never been drilled though surface sampling has indicated significant zones of copper and gold mineralisation.

Area I: East Iran

The area is located northeast of Lut block, a promising area which has been known as an interesting target for copper-gold deposits for about two years. The intrusive body is strongly altered and contains quartz, pyrite, and sericite (phyllic alteration). Silisification is pervasive in both intrusive and volcanic rocks but it is very strong along two probably aplitic dykes.

Area II: Northwest Iran

This prospect sits just to the south along an east-west oriented region of argillic alteration that hosts several deposits of kaolin. The approach to the prospect is up a river valley containing fresh dacitic intrusive alternating with siltstones and shales.

This prospect is a porphyry copper system hosted by an intrusive body of dacitic porphyry. The creek where the mineralisation was first recognised runs east-west along the southern margin of the porphyry system.

Figure 9: Phyllic Alteration

Area III: Central Iran

The Eocene sequence of pyroclastic, tuff and volcanic intruded by several intrusion phases and one of the phases that could be some last phase cause porphyry style alteration-mineralisation. Because of the mineralisation, alteration characteristic and related to sub volcanic porphyry masses and cap leaching (Iron oxides), this prospect has been known as a porphyry system.

Area IV: Northwest Iran

This prospect is a porphyry mass bearing metallic anomaly (gold and copper). This 2.3sq km intrusive is an intensively altered porphyry stock with totally similar petrologic and alteration criteria to Sungun intrusive.

PROJECT AREAS OUTSIDE IRAN

Approaches have been made to Persian Gold to examine exploration projects in areas adjacent to Iran, such as Azerbaijan, Armenia and Kazakhstan.

Seven copper-gold and base metal projects in Armenia and six gold and nickel-cobalt projects in the south of Kazakhstan are being evaluated. These projects are early stage and prospective.

An MOU relating to mineral exploration and natural resources development has been signed with Caspian Geo-Consulting Services in Kazakhstan.

Figure 10: Porphyry Outcrop, Phyllic and Argillitic Alteration

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the group for the year ended 31 December 2008.

PRINCIPAL ACTIVITY, BUSINESS REVIEW AND FUTURE DEVELOPMENTS
Persian Gold plc was formed in 2003 and is an Irish based UK incorporated AIM quoted company established to explore gold and porphyry copper-gold deposits in Iran.

Further information concerning the activities of the group and its future prospects is contained in the Chairman's Statement and the Review of Operations.

RESULTS AND DIVIDENDS
The loss after taxation for the year amounted to £310,367 (2007: loss £379,383).

The Directors do not propose that a dividend be paid (2007: £Nil).

CREDITOR PAYMENT POLICY
It is the group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the group's policy that payment is made between 30 - 45 days.

DIRECTORS
The current Directors are listed on the inside back cover. There were no changes to the Board during the year.

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY
The following Directors held office during the year and to date:
J. J. Teeling
J. Finn
Jack Teeling
D. Horgan
M. Takin

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY
The Directors at 31 December 2008 and 31 December 2007 or date of appointment if later had the following interests in the ordinary shares of the company:

	31 December 2008			31 December 2007		
	Ordinary Shares of 0.25p each Shares Number	Ordinary Shares of 0.25p each Options Number	Ordinary Shares of 0.25p each Warrants Number	Ordinary Shares of 0.25p each Shares Number	Ordinary Shares of 0.25p each Options Number	Ordinary Shares of 0.25p each Warrants Number
J. J. Teeling	**11,675,400**	**2,190,000**	**937,500**	9,800,400	2,190,000	-
J. Finn	**5,950,400**	**1,590,000**	**625,000**	4,700,400	1,590,000	-
Jack Teeling	**4,725,000**	**1,590,000**	**312,000**	4,100,000	1,590,000	-
D. Horgan	**5,450,000**	**1,590,000**	**625,000**	4,200,000	1,150,000	-
M. Takin	**300,000**	**175,000**	**150,000**	-	175,000	-

There were no share options or warrants exercised during the year.

DIRECTORS' REPORT (CONTINUED)

SUBSTANTIAL SHAREHOLDINGS

The share register records that the following shareholders, excluding Directors, held 3% or more of the issued share capital of the company as at 31 May 2009 and 31 December 2008:

	31 May 2009 Number of Shares	%	31 December 2008 Number of Shares	%
WB Nominees	4,894,900	6.56	4,894,900	6.56
Michael Thomsen	4,000,000	5.36	4,000,000	5.36
HSBC Global Custody Nominees	3,990,000	5.34	3,990,000	5.34

RISKS AND UNCERTAINITIES

The realisation of exploration and evaluation assets is dependent on the discovery and successful development of economic reserves including the ability to raise finance to develop future projects. Should this prove unsuccessful the value included in the balance sheet would be written off to the income statement. This is subject to a number of significant potential risks including:

- price fluctuations;
- foreign exchange risks;
- uncertainties over development and operational costs;
- political and legal risks, including arrangements with governments for licenses, profit sharing and taxation;
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts;
- liquidity risks; and
- funding risks

GOING CONCERN

The Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the group's projects becoming available. Further information is outlined in Note 3 concerning going concern.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance and to managing the company in an honest and ethical manner.

The Board approves the group's strategy, investment plans, and regularly reviews operational and financial performance, risk management, and Health, Safety, Environment and Community (HSEC) matters.

The Chairman is responsible for leadership of the Board, whilst the Executive Directors are responsible for formulating strategy and delivery once agreed by the Board. Regional leaders and country managers are responsible for the implementation of the group's strategy.

DIRECTORS' REPORT (CONTINUED)

CHARITABLE AND POLITICAL DONATIONS
The group made no political or charitable contributions during the year.

KEY PERFORMANCE INDICATORS
The group's main key performance indicators are in relation to the discovery of gold in Iran include measuring:
- quantity and quality of potential gold reserves identified by the group.

FINANCIAL RISK MANAGEMENT
Details of the group's financial risk management policies are set out in note 21.

SUBSEQUENT EVENTS
There are no material subsequent events affecting the group.

DIRECTORS' INDEMNITIES
The company does not currently maintain Directors' or officers liability insurance but is in the process of establishing such indemnities.

AUDITORS
Each of the Directors at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act, 1985. A resolution to re-appoint the auditors, Deloitte & Touche, Chartered Accountants, will be proposed at the annual general meeting.

Approved by the Board and signed on its behalf by:

James Finn
Secretary James Finn
9th June 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with laws 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

However, Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSIAN GOLD PLC

We have audited the Group and Parent company Financial Statements ("the financial statements") of Persian Gold PLC for the year ended 31 December 2008 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Cash Flow Statement and the related notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS
The directors' responsiblities for preparing the Annual Report and the Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Chairman's Statement and the Review of Operations. We consider the implications of our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any further information outside the Annual Report.

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 group's and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSIAN GOLD PLC (CONTINUED)

OPINION

In our opinion:

- the Group Financial Statements give a true and fair view, in accordance with with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2008 and of its loss for the year then ended;

- the Parent Company Financial Statements give a true and fair view, in accordance with IFRSs, as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985 of the state of the parent company affairs as at 31 December 2008.

- 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.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to Notes 3, 12 and 14 of the financial statements concerning going concern, the valuation of intangible assets and amounts due by group undertakings. The group incurred a loss for the year of £310,367 and has a retained earnings deficit of £1,198,442. These conditions indicate the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The realisation of the intangible assets of £1,831,551 included in the consolidated balance sheet and intangible assets of £1,571,789 and amounts due by group undertakings of £165,450 included in the company balance sheet is dependent on the discovery and successful development of economic mineral reserves including the ability of the Group to raise sufficient finance to develop the projects. The financial statements do not include any adjustments relating to these uncertainties, and the ultimate outcome cannot, at present, be determined.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

9th June 2009

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
REVENUE		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Administrative expenses		**(316,524)**	(394,950)
OPERATING LOSS		**(316,524)**	(394,950)
Finance income	5	**7,957**	16,868
Finance costs	6	**(1,800)**	(1,301)
LOSS BEFORE TAXATION	4	**(310,367)**	(379,383)
Income tax expense	10	-	-
LOSS AFTER TAXATION		**(310,367)**	(379,383)
LOSS PER SHARE - Basic and diluted	11	**(0.48p)**	(0.66p)

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	12	**1,831,551**	1,283,362
CURRENT ASSETS			
Other receivables	14	**12,697**	20,085
Cash and cash equivalents	15	**194,125**	693,076
		206,822	713,161
TOTAL ASSETS		**2,038,373**	1,996,523
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	16	**170,759**	271,977
NON-CURRENT LIABILITIES			
Provision	17	**10,000**	10,000
TOTAL LIABILITIES		**180,759**	281,977
NET ASSETS		**1,857,614**	1,714,546
EQUITY			
Called-up share capital	19	**186,656**	158,531
Share premium		**2,654,764**	2,314,113
Retained earnings - (deficit)		**(1,198,442)**	(888,075)
Share based payment reserve		**214,636**	129,977
TOTAL EQUITY		**1,857,614**	1,714,546

The financial statements were approved by the Board of Directors on 9th June 2009 and signed on its behalf by:

JJ Teeling
Director

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	12	**1,571,789**	1,283,362
Investment in subsidiaries	13	**213**	213
		1,572,002	1,283,575
CURRENT ASSETS			
Other receivables	14	**178,080**	20,085
Cash and cash equivalents	15	**193,874**	693,076
		371,954	713,161
TOTAL ASSETS		**1,943,956**	1,996,736
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	16	**76,342**	272,190
NON-CURRENT LIABILITIES			
Provision	17	**10,000**	10,000
TOTAL LIABILITIES		**86,342**	282,190
NET ASSETS		**1,857,614**	1,714,546
EQUITY			
Called-up share capital	19	**186,656**	158,531
Share premium		**2,654,764**	2,314,113
Retained earnings - (deficit)		**(1,198,442)**	(888,075)
Share based payment reserve		**214,636**	129,977
TOTAL EQUITY		**1,857,614**	1,714,546

The financial statements were approved by the Board of Directors on 9th June 2009 and signed on its behalf by:

JJ Teeling
Director

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

	Called up Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Earnings Deficit £	Total £
At 1 January 2007	139,507	1,246,034	55,288	(508,692)	932,137
Share based payments	-	-	74,689	-	74,689
Shares issued for cash	19,024	1,122,386	-	-	1,141,410
Share issue expenses	-	(54,307)	-	-	(54,307)
Loss for the year	-	-	-	(379,383)	(379,383)
At 31 December 2007	158,531	2,314,113	129,977	(888,075)	1,714,546
Share based payments	-	-	84,659	-	84,659
Shares issued	28,125	421,875	-	-	450,000
Share issue expenses	-	(81,224)	-	-	(81,224)
Loss for the year	-	-	-	(310,367)	(310,367)
At 31 December 2008	186,656	2,654,764	214,636	(1,198,442)	1,857,614

Share premium
The share premium reserve comprises of a premium arising on the issue of shares.

Share based payment reserve
The share based payment reserve comprises of share based payments made in 2007 and 2008.

Retained earnings (deficit)
Retained earnings (deficit) comprises of losses incurred in 2008 and prior years.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for financial year		**(310,367)**	(379,383)
Finance costs recognised in loss		**1,800**	1,301
Finance revenue recognised in loss		**(7,957)**	(16,868)
Share based payment		**-**	59,413
Exchange movement		**10,549**	-
Shares issued in lieu of fees		**212,749**	-
		(93,226)	(335,537)
MOVEMENTS IN WORKING CAPITAL			
(Decrease)/increase in trade and other payables		**(101,218)**	72,122
(Decrease)/increase in trade and other receivables		**7,388**	(16,556)
CASH USED BY OPERATIONS		**(187,056)**	(279,971)
Finance cost		**(1,800)**	(1,301)
Finance income		**7,957**	16,868
NET CASH USED IN OPERATING ACTIVITIES		**(180,899)**	(264,404)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for intangible assets		**(544,754)**	(438,883)
NET CASH USED IN INVESTING ACTIVITIES		**(544,754)**	(438,883)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares		**237,251**	1,087,103
NET CASH GENERATED FROM FINANCING ACTIVITIES		**237,251**	1,087,103
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(488,402)**	383,816
Cash and cash equivalents at beginning of the financial year		**693,076**	309,260
Effect of exchange rate changes on cash held in foreign currencies		**(10,549)**	-
Cash and cash equivalents at end of the financial year	15	**194,125**	693,076

COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for financial year		**(310,367)**	(379,383)
Finance costs recognised in loss		**1,800**	1,301
Finance revenue recognised in loss		**(7,957)**	(16,868)
Share based payment		**-**	59,413
Exchange movement		**10,549**	-
Share issued in lieu of fees		**212,749**	-
		(93,226)	(335,537)
MOVEMENTS IN WORKING CAPITAL			
(Decrease)/increase in trade and other payables		**(195,848)**	72,122
Increase in trade and other receivables		**(157,996)**	(16,556)
CASH USED BY OPERATIONS		**(447,070)**	(279,971)
Finance cost		**(1,800)**	(1,301)
Finance income		**7,957**	16,868
NET CASH USED IN OPERATING ACTIVITIES		**(440,913)**	(264,401)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for intangible assets		**(284,991)**	(438,883)
NET CASH USED IN INVESTING ACTIVITIES		**(284,991)**	(438,883)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares		**237,251**	1,087,103
NET CASH GENERATED FROM FINANCING ACTIVITIES		**237,251**	1,087,103
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(488,653)**	383,816
Cash and cash equivalents at beginning of the financial year		**693,076**	309,260
Effect of exchange rate changes on cash held in foreign currencies		**(10,549)**	-
Cash and cash equivalents at end of the financial year	15	**193,874**	693,076

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. PRINCIPAL ACCOUNTING POLICIES

The significant accounting policies adopted by the group and company are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRSs as adopted by the European Union.

(ii) Accounting convention

The financial statements are prepared under the historical cost convention. The presentation currency of the Group financial statements is sterling and the functional currency and presentation currency of the parent company is sterling.

(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired, is recognised as goodwill and any deficiency credited to the income statement in the period of acquisition.

Where necessary, adjustments have been made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

All intra-group transactions' balances, income and expenses are eliminated on consolidation.

(iv) Intangible assets

Exploration and evaluation assets
Under the successful efforts method of accounting, all license acquisition exploration and appraisal costs are initially capitalised in well, field or specific geography exploration cost centres as appropriate, pending determination.

Exploration expenditure relates to the initial search for mineral deposits with economic potential in Iran. Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential.

The costs of exploration properties and leases, which include the cost of acquiring prospective properties and exploration rights and costs incurred in exploration and evaluation activities, are capitalised as intangible assets as part of exploration and evaluation assets.

Exploration costs are capitalised until technical feasibility and commercial viability of extraction of reserves are demonstrable. Exploration costs include an allocation of administration and salary costs (including share based payments) as determined by management.

Impairment of intangible assets
Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The company reviews and tests for impairment on an ongoing basis and specifically if the following occurs:

a) the period for which the group has a right to explore in the specific area has expired or is expected to expire;
b) the exploration and evaluation has not led to the discovery of economic reserves;
c) the development of the reserves is not economically or commercially viable;
d) the exploration is located in an area that has become politically unstable.

Prior to reclassification to property, plant and equipment, exploration and evaluation assets are assessed for impairment and any impairment loss recognised immediately in the income statement.

(v) Foreign currencies

The presentation currency of the Group Financial Statements is pound sterling and the functional currency and presentation currency of the parent company is pound sterling.

The individual financial statements of each Group company are maintained in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was re-determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(v) Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(vi) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences arising on investments in subsidiaries and associates, only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(vii) Share-based payments

The group has applied the requirements of IFRS 2 'Share-Based Payment'. In accordance with the transitional provisions, IFRS 2 has been applied to all equity instruments vesting after 1 January 2006, where the grant date is after 7 November 2002.

The group issues equity-settled share based payments to certain employees and directors. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Where the value of the goods or services received in exchange for the share-based payment cannot be reliably estimated the fair value is measured by use of a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

(viii) Investment in Subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment.

(ix) Operating loss

Operating loss comprises of general administrative costs incurred by the company, which are not specific to evaluation and exploration projects. Operating loss is stated before finance income, finance costs and other gains and losses.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(x) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material. The restoration provision includes the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Restoration costs are a normal consequence of exploring. Although the ultimate cost to be incurred is uncertain the Group estimate their respective costs based on feasibility and engineering studies using current restoration standards and techniques. The restoration provision is capitalised within intangible assets.

(xi) Financial Instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents
Cash comprises cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into, mainly accruals.

Trade Payables
Trade payables classified as financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(xii) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Exploration and evaluation
The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management consider the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets. Costs which can be demonstrated as project related are included within exploration and evaluation assets. Exploration and evaluation assets relate to prospecting, exploration and related expenditure in Iran. The group's exploration activities are subject to a number of significant and potential risks including:

- price fluctuations
- foreign exchange risks
- uncertainties over development and operational risks
- operations and environmental risks
- political and legal risks, including arrangements with governments for licenses, profit sharing and taxation.
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts
- liquidity risks
- funding risks

The recoverability of these intangible assets is dependent on the discovery and successful development of economic reserves, including the ability to raise finance to develop future projects. Should this prove unsuccessful, the value included in the balance sheet would be written off to the income statement.

Impairment of intangible assets
The assessment of intangible assets for any indications of impairment involves judgement. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

The assessment requires judgement as to the likely future commerciality of the asset and when such commerciality should be determined; future revenues, capital and operating costs and the discount rate to be applied to such revenues and costs.

Deferred tax assets
The assessment of availability of future taxable profits involves judgement. A deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Going concern
The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the group's projects becoming available. Based on the assumptions that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the group's assets, in particular the intangible assets, to their realisable values. Further information concerning going concern is outlined in Note 3.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(xii) Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Group has made estimates as to the volatility of its own shares, the probable life of options granted and the time of exercise of those options. The model used by the Group is the Black-Scholes valuation model.

2. STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET ADOPTED

Standards and interpretations in issue but not yet adopted.

Three interpretations issued by the international financial reporting interpretations committee are effective for the current period. These are: IFRIC 11 Group and Treasury Share Transactions; IFRIC 12 Service Concession Arrangements; and IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interactions. The adoption of these interpretations has not led to any changes in the Group's accounting policies.

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet adopted:

IAS 1 (Amendment) Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2009);

IAS 7 (Amendment) Statement of Cash Flows (effective for accounting periods beginning on or after 1 January 2010);

IAS 17 (Amendment) leases (effective for accounting periods beginning on or after 1 January 2010);

IAS 23 (Amendment) Borrowing costs (effective for accounting periods beginning on or after 1 July 2009);

IAS 27 (Amendment) Consolidated and Separate Financial Statements (effective for accounting periods beginning on or after 1 July 2010);

IAS 32 (Amendment) Financial Instruments: Presentation (effective for accounting periods beginning on or after 1 January 2009);

IAS 36 (Amendment) Impairment of Assets (effective for accounting periods beginning on or after 1 January 2010);

IAS 38 (Amendment) Intangible Assets (effective for accounting periods beginning on or after 1 July 2009);

IAS 39 (Amendment) Financial Instruments: Recognition and Measurement (effective for accounting periods beginning on or after 1 January 2010);

IFRS 1 (Amendment) First-time Adoption of Financial Reporting Standards (effective for accounting periods beginning on or after 1 July 2009);

IFRS 2 (Amendment) Share Based Payment (effective for accounting periods beginning on or after 1 July 2009);

IFRS 3 (Amendment) Business Combinations (effective for accounting periods beginning on or after 1 July 2009);

IFRS 5 (Amendment) Non-current Assets Held for Sale and Discontinued Operations (effective for accounting periods beginning on or after 1 January 2010);

IFRS 7 (Amendment) Financial Instruments: Disclosures (effective for accounting periods beginning on or after 1 January 2009);

IFRS 8 Operating Segments (effective for accounting periods beginning on or after 1 January 2010);

IFRIC 9 (Amendment) Embedded Derivatives (effective for accounting periods beginning on or after 30 July 2009);

IFRIC 13 Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008);

IFRIC 15 Agreements for the construction of Real estate (effective for accounting periods beginning on or after 1 January 2009);

IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 July 2009);

IFRIC 17 Distributions of Non-Cash Assets to Owners (effective for accounting periods beginning on or after 1 July 2009);

IFRIC 18 Transfers of Assets from customers (effective for transfer of assets from customers received on or after 1 July 2009)

The directors are currently assessing the impact in relation to the adoption of these standards and interpretations for future periods of the Group. Given the current group operation, in the opinion of the Directors, the above will have no material impact on the group financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

3. GOING CONCERN

The group incurred a loss for the year of £310,367 and has a retained earnings deficit of £1,198,442 leading to concern about the group's ability to continue as a going concern. The group had net current assets of £36,063 (including cash of £194,125) at the balance sheet date.

In the opinion of the directors the company has sufficient funds in place to continue operations for the foreseeable future. In particular, the directors believe that they will if required have access to funds from shareholders in order to ensure that the group and company can continue to fund on-going administrative expenses. In the event that the company requires to develop the existing projects or incur further exploration expenditure additional funds will have to be raised from shareholders or other sources.

On the basis that additional funding will be received when required the directors are satisfied that it is appropriate to continue to prepare the financial statements of the group on the going concern basis. The financial statements do not include any adjustment to the carrying amount, or classification of assets and liabilities, if the company was unable to continue as a going concern.

4. LOSS BEFORE TAXATION

	2008	2007
	£	£
The loss before taxation is stated after charging:		
Foreign exchange gains	(12,032)	(2,563)
Auditors' remuneration	20,000	7,700
Share based payments	-	59,413
Directors' remuneration	180,000	180,000

The analysis of auditors' remuneration is as follows:

	2008	2007
Fees payable to the Group's auditors for the audit of the Group's annual accounts	20,000	10,000
Total audit fees	20,000	10,000

Details of directors' remuneration are disclosed in Note 8.

Administrative expenses comprise:

	2008	2007
Professional fees	68,374	44,336
Foreign exchange (gains)/losses	(12,032)	(2,563)
Share based payments	-	59,413
Directors' remuneration	180,000	180,000
Other administrative expenses	80,182	113,764
	316,524	394,950

5. FINANCE INCOME

	2008	2007
	£	£
Bank deposit interest	7,957	16,868

6. FINANCE COSTS

	2008	2007
	£	£
Bank charges	1,800	1,301

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

7. SEGMENTAL ANALYSIS

The group has one class of business: mining exploration and development. The business is located in Iran.

The analysis of turnover, the loss before taxation, assets, liabilities, depreciation and additions to non-current assets by geographical segment is shown below.

7A. Segment Revenue and Segment Result

	Segment Revenue		Segment Result	
	2008	2007	2008	2007
	£	£	£	£
Continuing operations in Iran	-	-	-	-
Total continuing operations	-	-	-	-
Unallocated head office	-	-	(310,367)	(379,383)
	-	-	(310,367)	(379,383)

7B. Segment assets and liabilities

Group

	Assets		Liabilities	
	2008	2007	2008	2007
	£	£	£	£
Iran	1,664,088	1,142,626	94,427	-
Total continuing operations	1,664,088	1,142,626	94,427	-
Unallocated head office	374,285	853,897	86,332	281,977
	2,038,373	1,996,523	180,759	281,977

Company

	Assets		Liabilities	
	2008	2007	2008	2007
	£	£	£	£
Iran	1,404,075	1,142,626	-	-
Total continuing operations	1,404,075	1,142,626	-	-
Unallocated head office	539,881	854,110	86,342	282,190
	1,943,956	1,996,736	86,342	282,190

7C. Other segmental information

Group

		Depreciation	Additions to Non current assets	
	2008	2007	2008	2007
	£	£	£	£
Iran	-	-	521,211	344,365
Total continuing operations	-	-	521,211	344,365
Unallocated head office	-	-	26,978	119,794
	-	-	548,189	464,159

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

7. SEGMENTAL ANALYSIS (CONTINUED)

Company

	Depreciation		Additions to Non current assets	
	2008	2007	2008	2007
	£	£	£	£
Iran	-	-	261,449	344,365
Total continuing operations	-	-	261,449	344,365
Unallocated head office	-	-	26,978	119,794
	-	-	288,427	464,159

8. RELATED PARTY TRANSACTIONS

Group

- **Key Management Compensation**

	2008	2007
	£	£
The compensation paid to key management personnel is set out as follows:		
Short term employee benefits	180,000	180,000
Share based payments	-	59,413
	180,000	239,413

- **Directors' Remuneration**

The remuneration of the directors of the group is set out below in aggregate in accordance with IAS 24 "Related Party Disclosures".

	2008	2007
	£	£
Short term benefit	180,000	180,000
Share-based payment	-	59,413
	180,000	239,413

- **Common Directorship**

Cooley Distillery plc is a related party by virtue of common directors. Persian Gold plc shares offices and overheads with Cooley Distillery plc and a number of resource companies also based at 162 Clontarf Road. During the year £40,177 was incurred in respect of these overheads and office costs. At the year end there was £6,269 due to Cooley Distillery plc.

Company

At 31 December the following amount was due to the company by its subsidiaries:

	2008	2007
	£	£
Amounts due from subsidiary companies (Note 14)	165,450	-

- **Other**

On 26 January 2009, the company was notified that John J. Teeling, a director of the company, had pledged 11,675,400 ordinary shares of 1p each in the company, as security against personal borrowings.

9. EMPLOYEE INFORMATION

There were no employees of the group other than the directors during the current year.

10. INCOME TAX EXPENSE

	2008 £	2007 £
Current tax:		
Deferred tax	-	-
UK	-	-
Tax on loss	-	-
	-	-
Factors affecting the tax expense:		
Loss on ordinary activities before tax	(310,367)	(379,383)
Income tax calculated at 30%	(93,110)	(113,815)
Effects of:		
Tax losses carried forward	90,695	113,815
Items not subject to taxation	2,415	-
Tax charge	-	-

No charge to corporation tax arises in the current year or the prior year due to losses brought forward.

At the balance sheet date, the group had unused tax losses of £1,198,443 (2007: £896,127) and share based payment reserves of £133,412 (2007: £129,977) available to offset against future profits which equates to a deferred tax asset of £399,557 (2007: £307,831). No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

11. LOSS PER SHARE

Basis loss per share is computed by dividing the loss after taxation for the year available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividend the profit or loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets out the computation for basic and diluted earnings per share (EPS):

	2008 £	2007 £
Numerator		
For basic and diluted EPS retained loss	(310,367)	(379,383)
	No.	No.
Denominator		
For basic and diluted EPS	64,090,280	57,720,785
Basic EPS	(0.48p)	(0.66p)
Diluted EPS	(0.48p)	(0.66p)

Basic and diluted loss per share are the same as the effect of the outstanding share options is anti-dilutive and is therefore excluded.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

12. INTANGIBLE ASSETS

	2008 Group £	2007 Group £	2008 Company £	2007 Company £
Exploration and evaluation assets:				
Cost:				
At 1 January	**1,283,362**	819,203	**1,283,362**	819,203
Additions during the year	**548,189**	464,159	**288,427**	464,159
At 31 December	**1,831,551**	1,283,362	**1,571,789**	1,283,362
Carrying Value:				
At 31 December	**1,831,551**	1,283,362	**1,571,789**	1,283,362

Segmental analysis - group	2008 £ Group	2007 £ Group	2008 £ Company	2007 £ Company
Iran	**1,831,551**	1,283,362	**1,571,789**	1,283,362

Exploration and evaluation assets relates to expenditure incurred prospecting, exploration for gold and related expenditure in Iran.

The realisation of this intangible asset is dependent on the discovery and successful development of economic mineral reserves which is affected by the risks outlined in Note 1. Should the realisation of the intangible asset prove unsuccessful the value included in the balance sheet would be written off to the income statement.

The directors are aware that by its nature there is an inherent uncertainty in such development expenditure as to the value of the asset. Having reviewed the deferred exploration and evaluation expenditure at 31 December 2008, the directors are satisfied that the value of the intangible asset is not less than carrying value.

Included above is an amount of £3,435 (2007: £15,276) of capitalised expenses related to equity-settled share-based payment transactions during the year (Note 22).

13. INVESTMENT IN SUBSIDIARIES

	2008 £	2007 £
Company		
Balance at beginning of year	**213**	67
Additions	**-**	146
Balance at end of year	**213**	213

In the opinion of the directors, at 31 December 2008, the value of the investments are not less than their balance sheet value.

The subsidiaries of the company at 31 December 2008 are:

	Total allotted Capital	Country of Incorporation	% Ownership	Nature of Business
Persian Gold Limited	100 Ordinary Shares of €1	Republic of Ireland	100	Dormant
Persian Gold Kish Co	100 Ordinary Shares of Rls10,000	Iran	100	Dormant
Talaye Zard Pars	100 Ordinary Shares of Rls10,000	Iran	100	Prospecting and exploration for gold
Talaye Pars Yazd*	100 Ordinary Shares of Rls10,000	Iran	70	Prospecting and exploration for gold

*Neither a profit nor a loss was generated during the year and accordingly no minority interest arose.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

14. OTHER RECEIVABLES

	2008	2007	2008	2007
	£	£	£	£
Group and Company	**Group**	Group	**Company**	Company
Current assets				
Prepayments	**2,845**	2,645	**2,845**	2,645
Other receivables	**9,852**	17,440	**9,785**	17,440
Non-current assets:				
Due by group undertakings	**-**	-	**165,450**	-
	12,697	20,085	**178,080**	20,085

As outlined in Note 12, the value of amounts due from group undertakings is dependent on the discovery and successful development of economic reserves.

Other receivables are non interest bearing and are generally repayable within 90 days.

The carrying value of the other receivables approximates to their fair value.

15. CASH AND CASH EQUIVALENTS

	2008	2007	2008	2007
	£	£	£	£
	Group	Group	**Company**	Company
Group and Company				
Cash and cash equivalents	**194,125**	693,076	**193,874**	693,076

Cash at bank earns interest at floating rates based on daily bank deposits rates. The fair values of cash and cash equivalents is £194,125 (2007: £693,096) for group and £193,874 (2007: £693,076) for company. The group and company only deposits cash surpluses with major banks.

16. TRADE AND OTHER PAYABLES

	2008	2007	2008	2007
	Group	Group	**Company**	Company
	£	£	£	£
Trade payables and other accruals	**162,502**	249,367	**68,288**	249,367
Other payables	**8,257**	22,610	**8,054**	22,823
	170,759	271,977	**76,342**	272,190

It is the group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the group's policy that payment is made between 30 - 45 days.

The carrying value of trade and other payables approximates to their fair value.

17. PROVISION

	2008	2007	2008	2007
	Group	Group	**Company**	Company
	£	£	£	£
Restoration provision	**10,000**	10,000	**10,000**	10,000

18. FINANCIAL INSTRUMENTS

The Group and Company undertake certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group and Company hold cash as a liquid resource to fund the obligations of the Group. The Group's cash balances are held in euro and sterling. The Group and Company strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group and Company expenditure. This is achieved by monthly reviews of expenditure.

The Group and Company has a policy of not hedging due to no significant dealings in currencies other than the reporting currency and euro denominated transactions and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposures on an ad hoc basis.

18. FINANCIAL INSTRUMENTS (CONTINUED)

To date, the Group and Company has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations for future exploitation but controls over expenditure are carefully managed.

The carrying amounts of the Group and Company foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

Group

		Assets		Liabilities
	2008	2007	**2008**	2007
	£	£	**£**	£
Euro	**51,765**	48,794	**101,905**	40,520
US Dollar	**-**	-	**-**	95,986

Company

		Assets		Liabilities
	2008	2007	**2008**	2007
	£	£	**£**	£
Euro	**51,765**	48,794	**7,478**	40,520
US Dollar	**-**	-	**-**	95,986

19. CALLED-UP SHARE CAPITAL

	2008	2007
	£	£
Group and Company		
Authorised:		
800,000,000 Ordinary shares of 0.25p each	**2,000,000**	2,000,000
Allotted, called-up and fully paid:		
Opening balance 63,412,198 shares of 0.25p each (2007: 55,802,800 shares of 0.25p)	**158,531**	139,507
Issued during the year 11,250,000 shares of 0.25p each (2007: 7,609,398 shares of 0.25p each)	**28,125**	19,024
Closing balance 74,662,198shares of 0.25p each (2007: 63,412,198 shares of 0.25p each)	**186,656**	158,531

Movements in issued share capital
On 9 December 2008, 11,250,000 shares were issued at a price of 4p per share to provide additional working capital and fund development costs of the shares issued, 5,318,725 were issued to directors and certain individuals who have performed services for the Group. On 1 October 2007, 7,609,398 shares were issued at a price of 15p per share.

Share options
A total number of 9,370,000 share options were in issue at 31 December 2008 (2007: 9,330,000). These options are exercisable, at prices ranging between 1p and 25p for the year up to seven years from the date of granting the options unless otherwise determined by the board.

Warrants
On 4 December 2008, the company issued warrants to directors and shareholders which grants the right to subscribe for 5,625,000 ordinary shares. This warrant is exercisable at a price of 4p for a period up to two years from the date of admission to AIM, being 4 December 2008.

20. MATERIAL NON-CASH TRANSACTIONS

There were no material non-cash transactions during the year, other than those outlined in Note 19 and Note 22.

21. RISK MANAGEMENT

The group's financial instruments comprise cash and cash equivalent balances. The main purpose of these financial instruments is to raise finance to fund operations.

The group does not enter into any derivative transactions, and it is the group's policy that no trading in financial instruments is undertaken.

The main financial risk arising from the group's financial instruments is currency risk. The board reviews and agrees policies for managing this risk and they are summarised below.

Interest rate risk profile of financial assets and financial liabilities
The group has no outstanding bank borrowings and has no interest rate exposure, as the group finances its operations primarily through equity finance.

Financial assets
The group has no financial assets, other than short-term receivables and cash at bank.

Liquidity risk
As regards liquidity, the group's policy is to ensure continuity of funding primarily through fresh issues of shares. Short-term funding is achieved through utilising and optimising the management of working capital. The directors are confident that adequate cash resources exist to finance operations in the short term, including exploration and development.

Foreign currency risk
The group has no significant dealings in currencies other than the reporting currency and euro denominated currencies.

Capital Management
The primary objective of the group's capital management is to ensure that it maintains a healthy capital ration in order to support its business and maximise shareholder value. The capital structure of the group consists issued share capital and reserves.

The group manages it capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2008 and 31 December 2007.

Credit risk
With respect to credit risk arising from financial assets of the group, which comprise of cash and cash equivalents, the group's exposure to credit risk arises from default of counter party, with a maximum exposure equal to the carrying amount of these instruments. The credit risk of the group is considered minimal.

22. SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain directors and individuals who have performed services for the Group. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is capitalised as part of exploration and evaluation assets as the transaction relates to the payment of goods and services which qualify to be recognised as an asset.

Fair value is measured by use of a Black-Scholes model.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant. The options vest immediately.

	2008 Options	2008 Warrants	2008 Weighted average exercise price in pence Options	2008 Weighted average exercise price in pence Warrants	2007 Options	2007 Warrants	2007 Weighted average exercise price in pence Options	2007 Weighted average exercise price in pence Warrants
Outstanding at beginning of year	1,500,000	-	16.9	-	400,000	-	22.13	-
Granted during the year	40,000	5,625,000	17	4	1,100,000	-	15	-
Outstanding and exercisable at the end of the year	1,540,000	5,625,000	16.9	4	1,500,000	-	16.9	-
Exercisable at the end of the year	1,540,000	5,625,000	16.9	4	1,500,000	-	16.9	-

The options outstanding at 31 December 2008 had a weighted average exercise price of 16.9p (2007: 16.9p), and a weighted average remaining contractual life of 6.18 years (2007: 6.19 years).

During 2008, 40,000 options were granted with a fair value of £3,435. This fair value was calculated using a Black-Scholes model.

During 2008, 5,650,000 warrants were granted with a fair value of £81,224. This fair value was calculated using a Black-Scholes model.

22. SHARE-BASED PAYMENTS (CONTINUED)

The inputs into the Black-Scholes model are as follows:	**2008 Options**	**2008 Warrants**	2007 Options	2007 Warrants
Weighted average share price at date of grant (in pence)	**15**	**4**	15	-
Weighted average exercise price (in pence)	**17**	**4,625**	15	-
Expected volatility	**38.2%**	**38.2%**	30%	-
Expected life	**7 years**	**2 years**	7 years	-
Risk free rate	**5.5%**	**4.5%**	5.75%	-
Expected dividends	**None**	**None**	None	-

Expected volatility was determined by management based on their cumulative experience of the movement in share prices over the previous number of years. The expected useful life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The terms of the options granted do not contain any market conditions within the meaning of IFRS 2.

The Group capitalised expenses of £3,435 (2007:£15,276) related to equity-settled share-based payments transactions during the year.

23. COMMITMENTS

There is no capital expenditure authorised or contracted which is not provided for in these accounts (2007:£Nil).

24. CONTINGENT LIABILITIES

There are no contingent liabilities (2007:£Nil).

25. PARENT COMPANY INCOME STATEMENT

As permitted by Section 230 of the Companies Act, 1985 the Parent Company's Income Statement has not been presented in this document. The loss after taxation as determined in accordance with IFRS for the parent company for the year is £310,367 (2007:£286,272).

26. SUBSEQUENT EVENTS

There were no material subsequent events affecting the Group.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of Persian Gold plc will be held on 7th July 2009 at 12 noon at the City of London Club, 19 Old Broad Street, London EC2N 1DS for the following purposes:

1. To receive and consider the Directors' Report, Audited Accounts and Auditors' Report for the year ended December 31, 2008.

2. To re-elect Director:
   James Finn retires in accordance with Article 89 and seeks re-election.

3. To re-elect Deloitte & Touche as auditors and to authorise the Directors to fix their remuneration.

4. To transact any other ordinary business of an Annual General Meeting.

5. Special Business:
   To consider and if thought fit, pass the following special resolution:
   That:
   (a) the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985, to exercise all the powers of the Company to allot, grant options over, offer, deal with or otherwise dispose of any relevant securities (as defined in sub-section (2) of the said Section 80) of the Company up to a maximum aggregate nominal amount equal to the authorised but unissued share capital of the Company at the date of passing of this Resolution (and after the passing of this Resolution) such authority (unless previously revoked varied or extended by the Company in general meeting) to expire on the day five years after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the power conferred hereby had not expired and;

   (b) pursuant to Section 95 of the Companies Act 1985, the Directors be and they are hereby empowered to allot equity securities (as defined in Section 94 of the Companies Act 1985) of the Company pursuant to the authority conferred by paragraph (a) above as if sub-section (1) of Section 89 of the Companies Act 1985 did not apply to such allotment and this power shall expire on the day five years after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board:

James Finn
Secretary

9th June 2009

Note: A member of the Board who is unable to attend and vote at the above Annual General Meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company.

FORM OF PROXY

I/We ....
(BLOCK LETTERS)

of ....
being (an) ordinary shareholder(s) of Persian Gold plc, hereby appoint the Chairman of the Meeting #

....

of ....
as my / our proxy to vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on 7th July 2009 at 12 noon at the City of London Club, 19 Old Broad Street, London EC2N 1DS and at any adjournment thereof.

I/We direct that my / our vote(s) be cast on the specified Resolution as indicated by an "X" in the appropriate box.

		FOR*	AGAINST*
1.	To receive and consider the Directors' Report and audited financial statements for the year ended 31 December 2008	☐	☐
2.	To re-elect Director: James Finn	☐	☐
3.	To re-elect Deloitte & Touche as auditors and to authorise the Directors to fix their remuneration	☐	☐
4.	To transact any other ordinary business of an Annual General Meeting	☐	☐
	Special Resolution		
5.	Special Business	☐	☐

Dated this .... day of 2009

Signature ....

Unless otherwise directed, and in respect of any other business resolution properly moved at the Meeting, the proxy will vote, or may abstain from voting, as he/she thinks fit. If it is desired to appoint another person as a proxy, these words should be deleted and the name and the address of the proxy, who need not be a member of the Company, inserted.

NOTES:

1. To be effective, the Form of Proxy duly signed, together with the power of attorney (if any) under which it is signed, must be deposited at the Company's Registrars, Computershare Services (Ireland) Ltd., Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, not less than forty-eight hours before the time appointed for the Meeting or any adjournment thereof, at which the person named in the Form is to vote.

2. If the Form of Proxy is given to a body corporate, it must be given under its Common Seal or under the hand of the attorney or officer duly authorised.

3. A proxy need not be a member of the Company.

4. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the other registered holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of such holding.

FOLD 2

The Company Registrar,
Computershare Services (Ireland) Ltd,
Heron House,
Corrig Road,
Sandyford Industrial Estate,
Dublin 18.

FOLD 3
(then turn in)

FOLD 1