

**PATERNOSTER RESOURCES PLC**  
**“Paternoster” or the “Company”**

**Unaudited interim results for 6 months ended 30 June 2013**

Paternoster is pleased to announce its unaudited interim results for the six months ended 30 June 2013.

**Chairman’s review**

Paternoster has had an active first six months of the year making a number of investments. Net assets as at 30 June 2013 were £2,568,597 or 0.41p per share, a similar level compared to the year end (31 December 2012: £2,656,343).

During the period under review, a number of the company’s investments have made significant progress:

Andiamo, in which Paternoster invested US\$320,000 in January 2013, raised over US\$1.5 million and drilled over 1,100 metres at its Yacob Dewar, Fratula and Shambola prospects. Assay results for gold and copper are expected in August. SRK Consulting (UK) Limited has completed a maiden NI 43-101 mineral resource estimate covering the oxide gold deposit at Yacob Dewar. This report estimates an open-pit oxide gold mineral resource of 570,000 tonnes at an average grade of 3.35g of gold per tonne. The next step is to prepare a feasibility study on Yacob Dewar but, based on internal calculations, the company believes that Yacob Dewar can support its own mine, generate an attractive return on capital and enable the company to be self-financing.

Shumba Coal, in which Paternoster invested US\$250,000 in February 2013, has successfully achieved its listing on the Botswana Stock Exchange and is actively pursuing its secondary listing on the Stock Exchange of Mauritius. Shumba Coal is in the process of completing a preliminary feasibility and full environmental impact assessment within the next 12 months on its 1 billion tonnes JORC resource compliant coal asset. Morupule Colliery, which is next door to Shumba Coal’s Sechaba coal project, recently began regular exports of coal to Europe, using existing rail, via the Durban Port in South Africa and the Matola Port in Mozambique. This is the first time that Botswana coal is being exported regularly to international markets and Shumba Coal is well-positioned to utilise the same rail infrastructure. Furthermore, there are ongoing discussions about additional investment in Botswana rail infrastructure. The company has also recently agreed to acquire four additional prospecting licences in the East Central part of Botswana for US\$800,000.

North American Petroleum plc, in which Paternoster invested £126,000 in March 2013, raised £2 million and listed on the ISDX in March 2013. Since then it has acquired leases covering 400 net acres in the proven Mississippi Lime formation in Oklahoma and acquired interests in 14 wells in proven US onshore hydrocarbon formations. It has therefore already achieved more than half of its 12 month target of acquiring interests in 25 wells in its first 12 months set at the time of its listing.

Astar Minerals plc has now been successfully restructured and is actively looking for interesting opportunities, as is Plutus Resources plc. As previously announced, Brady Exploration is at an advanced stage of completing a transaction with EER (Norway) Limited, a company with attractive oil and gas development assets in Nigeria. In particular, EER (Norway) Limited has just completed the acquisition of an interest in a major Nigerian oil and gas asset from Chevron for US\$40 million.

Whilst Bison Energy Services Limited was unable to complete its planned IPO, it is actively pursuing alternative funding options in order to develop its business further.

In addition to a significant cash balance, the Company also continues to hold a portfolio of interesting listed, liquid investments in the natural resources sector which have scope for growth.

In summary, during this period, your Company has made good progress with a number of its assets and continues to build an interesting portfolio with significant potential.

The key performance indicators are set out below.

COMPANY STATISTICS	30 June 2013	31 December 2012	Change %
Net asset value	£2,568,597	£2,656,343	-3%
Net asset value – fully diluted per share	0.41p	0.43p	-3%
Closing share price	0.30p	0.31p	-3%
Share price premium/(discount) to net asset value	(27%)	(28%)	-3%
Market capitalisation	£1,734,000	£1,791,000	-3%

N Lee  
Chairman  
8 August 2013

**For more information please contact:**

Paternoster Resources Plc: +44 (0) 20 7580 7576  
Nicholas Lee, Chairman

Nominated Adviser and Joint Broker: +44 (0) 20 7601 6100  
Westhouse Securities  
Antonio Bossi/Paul Gillam

Joint Broker: +44 (0) 20 7562 3351  
Peterhouse Corporate Finance  
Jon Levinson

**UNAUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

	Unaudited 6 months ended 30 June 2013 £	*Restated Unaudited 6 months ended 30 June 2012 £	Audited Year ended 31 December 2012 £
Net gains on investments	27,801	904,964	690,806
Finance income	4,752	1,096	1,209
Total income	32,553	906,060	692,015
Administration expenses	(127,323)	(106,886)	(241,157)
<b>(Loss)/profit before taxation</b>	<b>(94,770)</b>	<b>799,174</b>	<b>450,858</b>
Taxation	-	-	(1,025)
<b>(Loss)/profit for the period and total comprehensive income</b>	<b>(94,770)</b>	<b>799,174</b>	<b>449,833</b>
<b>Basic (loss)/earnings per share</b>			
Continuing and total operations	(0.016p)	0.138p	0.078p
<b>Diluted (loss)/earnings per share</b>			
Continuing and total operations	(0.016p)	0.129p	0.073p

\* Restated to reflect a change in accounting policy, as detailed in note 2.

**UNAUDITED GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

	Called up share capital £	Share premium account £	Other reserves £	Retained deficit £	Total equity £
<b>Balance at 1 January 2012</b>	3,830,796	2,774,849	31,690	(4,469,244)	2,168,091
Profit and total comprehensive income for the year	–	–	–	449,833	449,833
Share based payment costs	–	–	38,419	–	38,419
Transactions with owners	–	–	38,419	–	38,419
<b>Balance at 31 December 2012</b>	3,830,796	2,774,849	70,109	(4,019,411)	2,656,343
Loss and total comprehensive income for the year	–	–	–	(94,770)	(94,770)
Share based payments costs	–	–	7,024	–	7,024
Transactions with owners	–	–	7,024	–	7,024
<b>Balance at 30 June 2013</b>	3,830,796	2,774,849	77,133	(4,114,181)	2,568,597

**UNAUDITED GROUP STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013**

	Unaudited 6 months ended 30 June 2013 £	*Restated Unaudited 6 months ended 30 June 2012 £	Audited Year ended 31 December 2012 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Available for sale investments	2,102,679	629,447	1,199,608
<b>Total non-current assets</b>	<b>2,102,679</b>	<b>629,447</b>	<b>1,199,608</b>
<b>Current assets</b>			
Trade and other receivables	32,793	94,533	41,680
Cash and cash equivalents	464,240	2,433,734	1,454,495
<b>Total current assets</b>	<b>497,033</b>	<b>2,528,267</b>	<b>1,496,175</b>
<b>Total assets</b>	<b>2,599,712</b>	<b>3,157,714</b>	<b>2,695,783</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	31,115	65,449	39,440
<b>Total current liabilities</b>	<b>31,115</b>	<b>65,449</b>	<b>39,440</b>
<b>Net assets</b>	<b>2,568,597</b>	<b>3,092,265</b>	<b>2,656,343</b>
<b>EQUITY</b>			
Share capital	3,830,796	3,830,796	3,830,796
Share premium account	2,774,849	2,774,849	2,774,849
Capital redemption reserve	27,000	27,000	27,000
Share option reserve	50,133	23,900	43,109
Retained losses	(4,114,181)	(3,564,280)	(4,019,411)
<b>Total equity</b>	<b>2,568,597</b>	<b>3,092,265</b>	<b>2,656,343</b>

\* Restated to reflect a change in accounting policy, as detailed in note 2.

**UNAUDITED GROUP STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

	Unaudited 6 months ended 30 June 2013 £	*Restated Unaudited 6 months ended 30 June 2012 £	Audited Year ended 31 December 2012 £
<b>Cash flows from operating activities</b>			
(Loss)/profit before tax	(94,770)	799,174	450,858
Profit on disposal of investments	(27,801)	(904,964)	(690,806)
Share based payment expense	7,024	19,210	38,419
Interest receivable	(4,752)	(1,096)	(1,209)
Decrease/(increase) in trade and other receivables	8,887	(9,363)	(20,982)
(Decrease)/increase in trade and other payables	(8,325)	12,625	(13,384)
	(119,737)	(84,414)	(237,104)
Tax (paid)/received	-	-	(1,025)
<b>Net cash used by operating activities</b>	<b>(119,737)</b>	<b>(84,414)</b>	<b>(238,129)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	(1,052,806)	(300,000)	(1,185,435)
Proceeds from disposal of investments	177,536	2,441,393	2,501,269
Interest received	4,752	1,096	1,131
<b>Net cash from investing activities</b>	<b>(870,518)</b>	<b>2,142,489</b>	<b>1,316,965</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(990,255)</b>	<b>2,058,075</b>	<b>1,078,836</b>
Cash and cash equivalents at beginning of period	1,454,495	375,659	375,659
<b>Cash and cash equivalents at end of period</b>	<b>464,240</b>	<b>2,433,734</b>	<b>1,454,495</b>

\* Restated to reflect a change in accounting policy, as detailed in note 2.

## NOTES TO THE INTERIM REPORT

1. The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The group's statutory financial statements for the period ended 31 December 2012, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2012. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The financial statements have been prepared on a going concern basis under the historical cost convention. The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

2. In the financial statements for the year ended 31 December 2012 the Group early adopted "Investment Entities (Amendments to IFRS 10, IFRS 12, and IAS 27)" issued by the International Accounting Standards Board in October 2012. The effect of this accounting policy change was that the Group's investments which previously were all classified and designated as available for sale were classified as held for trading and designated as at fair value through profit or loss. As a result the interim statement for the 6 months to 30 June 2012 has been restated to include unrealised fair value gains on investments in the income statement rather than in other comprehensive income, and the statement of financial position has been restated to include the unrealised fair value gains in retained earnings rather than in the investment reserve.

3. The calculation of basic earnings per share is based on the loss for the period of £94,770 (2012: profit £799,174) and a weighted average number of ordinary shares of 577,857,956 (2012: 577,857,956). The fully diluted earnings per share is based on a weighted average number of ordinary shares of 577,857,956\* (2012: 613,704,110)

\*The number of shares used in the calculation of the diluted loss per share is the same as that used for the basic loss per share for the current period, as the exercise of options would be anti-dilutive.

4. No interim dividend will be paid.

5. Copies of the interim report can be obtained from: The Company Secretary, Paternoster Resources plc, 31, Harley Street, London W1G 9QS and are available to view and download from the Company's website : [www.paternosterresources.com](http://www.paternosterresources.com)