Hurricane

Hurricane Energy plc

Interim Report and Financial Statements 2014

Chief Executive's Report

Operational Review

The Group successfully completed its drilling and testing of the 1km horizontal appraisal well 205/21a-6 in Q2 2014 at the Group's Lancaster oil discovery West of Shetland. The well was optimally located to benefit from a highly connected fault/fracture network and an underlying 300m oil column (Hurricane's - 2C estimate of field Oil Down To (ODT)). The target faults and fractures identified from pre-drill geological and geophysical analysis were encountered as expected. This not only corroborates the Group's pre-drill geological model but provides a high degree of confidence for future well placement. In addition to targeting specific faults one of the key objectives of this year's operation was to reduce drilling damage to the near well bore environment and the resultant potential detrimental effect on reservoir productivity. Both well test flow rates and pressure response indicate that the drilling operation was successful in mitigating damage to the near wellbore environment.

The production test achieved a sustainable natural flow rate of 5,300 STB/d and a flow rate using artificial lift (using an electrical submersible pump) of 9,800 STB/d. Both of these rates were constrained by surface equipment. Post-well analysis, including pressure volume temperature (PVT) data and brine geochemistry, indicates that the produced water is consistent with drilling brine and that the produced hydrocarbon is 38° API oil (consistent with oil produced from previously tested Lancaster wells).

Despite the constraints of surface equipment it is possible to extrapolate the productivity potential of the 205/21a-6 well and of the reservoir. The Group is extremely encouraged to note that third party analysis combines to demonstrate a reservoir of excellent quality capable of delivering single well rates of 20,000 STB/d. Indeed, the key metrics from the well related to oil productivity are better than pre-drill expectations, providing further encouragement regarding the productive potential of Lancaster and the Group's other basement assets.

Given the positive well results the Group has temporarily suspended the 205/21a-6 well with the objective of using it in a future Lancaster development.

Financial Review

The Group commenced 2014 with cash and cash equivalents of £40.2 million and raised a further £18.0 million (gross) on IPO in February 2014. In the first six months of 2014 the Group incurred £36.9 million of expenditure across its portfolio of exploration assets.

During the period the Group drilled and tested the Lancaster 205/21a-6 horizontal well and continued to assess possible development scenarios for the Lancaster structure and the wider Greater Lancaster Area (GLA). The Transocean Sedco 712 was under contract to Hurricane for 73.5 days, less than the budgeted AFE of 75.9 days. This, coupled with other operational efficiencies, resulted in the well being delivered at a cost of £35.5 million, under the budgeted AFE cost of £39.4 million. The Group ended the period with £37.9 million of cash and cash equivalents, available to meet its outstanding trade and other payables of £23.2 million at 30 June 2014, which relate predominantly to the drilling of the Lancaster well. The Group is therefore fully funded for all remaining liabilities incurred during the recent Lancaster appraisal drilling. However further funding will be required for future exploration and appraisal activities on the Group's licences.

On 4 February 2014, all of the Company's issued share capital was admitted to AIM, a market operated by the London Stock Exchange, as part of its IPO. At the same time a total of 41,860,465 new Ordinary Shares were issued at a price of £0.43 per share, raising £18.0 million (gross).

Admission of the Company's shares to trading on AIM (Admission) triggered the conversion of all outstanding loan notes into Ordinary Shares of the Company to give the holders a conversion price at a 30% discount to the placing price. This resulted in 99,070,189 new Ordinary Shares being issued to loan note holders.

Chief Executive's Report

Also on Admission the warrant attached to the shares issued as part of the Group's pre-IPO fundraising in April 2013 was exercised. This resulted in the issue of Ordinary Shares at a price that gave the holder an average subscription price, across the Ordinary Shares already subscribed for and those subscribed on exercise of the warrant, which equated to a discount of 30% to the placing price and resulted in a further 7,663,453 new Ordinary Shares being issued.

Therefore as a result of the IPO, all outstanding loan notes were converted and the warrant exercised, thereby extinguishing all liabilities to the holders. The convertible loan note liability and derivative liabilities were both derecognised from the Group's Balance Sheet. Further details on accounting for the Group's pre-IPO funding are included in the notes of the Interim Financial Statements.

Risk Management

The Executive Directors continually monitor the Group's risk exposures and report to the Audit Committee and Board of Directors as required. The principal risks of the Group remain as detailed on page 14 of the 2013 Annual Report and Group Financial Statements.

Outlook

This has been a very important and productive period for Hurricane and the Group is now considering the positive outcome of this year's operation with a view to bringing Lancaster to field development. The potential size of the Lancaster resource means that any field development is expected to be executed through a phased approach. Development scenarios under review include the Phase 1 Full Field Development as outlined in the Group's Competent Person's Report (CPR) or an Early Production System (EPS) using either a standalone vessel or existing infrastructure. The EPS is an incremental plan towards the Full Field Development, but benefits from the potential of accelerating oil production at a minimum cost. Provision of funding for either development solution is under review.

Given the positive results of the 205/21a-6 well and the associated de-risking of key elements related to field development, the Board of Directors intends to commission a revised CPR for publication in the first quarter of 2015.

Funding options are being considered from a position of strength as the Group has 100% control of over 400 MMboe of 2C contingent resources. The Group also benefits from a Lancaster well stock that includes two wells which are suspended in preparation for use as production wells. As stated in the Group's 2013 Annual Report, Jefferies International is assisting Hurricane to conduct a formal farm-out process to attract an industry partner into some or all of the Group's assets.

Dr Robert Trice
Chief Executive Officer
24 September 2014

Independent Review Report

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 which comprises the Group Income Statement, the Group Balance Sheet, the Group Statement of Changes In Equity, the Group Cash Flow Statement and related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 2, the Annual Financial Statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the accounting policies the Group intends to use in preparing its next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with the AIM Rules of the London Stock Exchange.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
24 September 2014

Condensed Consolidated Income Statement

for the 6 months ended 30 June 2014

	Notes	**6 Months Ended 30 Jun 2014 (Unaudited) £'000**	6 Months Ended 30 Jun 2013 (Unaudited) £'000	12 Months Ended 31 Dec 2013 (Audited) £'000
Operating expenses		**(4,922)**	(4,084)	(5,333)
Intangible exploration and evaluation costs written off	5	**-**	(500)	(534)
Operating loss		**(4,922)**	(4,584)	(5,867)
Investment revenue		**26**	55	125
Foreign exchange (losses)/gains	4	**(1,816)**	486	(1,101)
Finance costs		**(563)**	(1,440)	(5,695)
Fair value loss on derivative financial instruments	11	**-**	(425)	(8,792)
Loss before tax		**(7,275)**	(5,908)	(21,330)
Tax		**(5)**	(11)	(23)
Loss for the period		**(7,280)**	(5,919)	(21,353)
Loss per share, basic and diluted		**(1.18) pence**	(1.24) pence	(4.45) pence

All of the Group's operations are classed as continuing.

There was no income or expense in any period other than that disclosed above. Accordingly a Group Statement of Comprehensive Income is not presented.

Condensed Consolidated Balance Sheet

as at 30 June 2014

	Notes	As at 30 Jun 2014 (Unaudited) £'000	As at 30 Jun 2013 (Unaudited) £'000	As at 31 Dec 2013 (Audited) £'000
Non-current assets				
Property, plant and equipment		**264**	-	330
Intangible exploration and evaluation assets	5	**177,016**	134,868	137,681
Other receivables		**130**	130	130
		177,410	134,998	138,141
Current assets				
Trade and other receivables		**1,078**	919	1,098
Cash and cash equivalents		**37,862**	46,679	40,167
		38,940	47,598	41,265
Total assets		**216,350**	182,596	179,406
Current liabilities				
Trade and other payables	6	**(23,198)**	(2,310)	(847)
Current tax liabilities		**(31)**	(14)	(25)
Borrowings	9	**-**	(21,957)	(26,145)
Derivative financial instruments	11	**-**	(7,326)	(15,692)
		(23,229)	(31,607)	(42,709)
Non-current liabilities				
Decommissioning provisions	7	**(7,213)**	(4,000)	(4,764)
Total liabilities		**(30,442)**	(35,607)	(47,473)
Net assets		**185,908**	146,989	131,933
Equity				
Share capital		**632**	483	483
Share premium		**210,697**	167,261	167,328
Share option reserve		**4,004**	1,521	1,901
Own shares held by SIP Trust		**(194)**	(67)	(136)
Accumulated deficit		**(29,231)**	(22,209)	(37,643)
Total equity		**185,908**	146,989	131,933

Condensed Consolidated Statement of Changes in Equity

For the 6 months ended 30 June 2014

	Share capital £'000	Share premium £'000	Share option reserve £'000	Own shares Held by SIP Trust £'000	Accumulated deficit £'000	Total £'000
At 1 January 2013	475	163,910	1,343	(67)	(16,484)	149,177
Shares allotted	8	3,514	-	-	-	3,522
Transaction costs	-	(163)	-	-	-	(163)
Share option charge	-	-	372	-	-	372
Share options exercised	-	-	(194)	-	194	-
Loss for the period	-	-	-	-	(5,919)	(5,919)
At 30 June 2013 (Unaudited)	483	167,261	1,521	(67)	(22,209)	146,989
Transaction costs	-	(2)	-	-	-	(2)
Share option charge	-	-	380	-	-	380
Own shares held by SIP Trust	-	69	-	(69)	-	-
Loss for the period	-	-	-	-	(15,434)	(15,434)
At 31 December 2013 (Audited)	483	167,328	1,901	(136)	(37,643)	131,933
Shares allotted	42	18,077	-	-	-	18,119
Transaction costs	-	(1,272)	-	-	-	(1,272)
Conversion of convertible loan	99	26,564	-	-	14,278	40,941
Exercise of warrant	8	-	-	-	1,414	1,422
Share option charge	-	-	2,103	-	-	2,103
Own shares held by SIP Trust	-	-	-	(58)	-	(58)
Loss for the period	-	-	-	-	(7,280)	(7,280)
At 30 June 2014 (Unaudited)	**632**	**210,697**	**4,004**	**(194)**	**(29,231)**	**185,908**

Condensed Consolidated Cash Flow Statement

for the 6 months ended 30 June 2014

	Notes	**6 Months Ended 30 Jun 2014 (Unaudited) £'000**	6 Months Ended 30 Jun 2013 (Unaudited) £'000	12 Months Ended 31 Dec 2013 (Audited) £'000
Net cash outflow from operating activities	8	**(2,319)**	(2,815)	(4,424)
Investing activities				
Interest received		**26**	54	125
Expenditure on property, plant and equipment		**-**	-	(25)
Expenditure on intangible exploration and evaluation assets		**(14,992)**	(4,213)	(7,044)
Net cash used in investing activities		**(14,966)**	(4,159)	(6,944)
Financing activities				
Interest paid		**(2)**	(1)	(3)
Net proceeds from issue of share capital and warrants		**16,798**	4,065	4,065
Net proceeds from issue of convertible loan notes		**-**	26,713	26,713
Expenses related to corporate finance activities		**-**	-	(529)
Net cash provided by financing activities		**16,796**	30,777	30,246
Net (decrease) / increase in cash and cash equivalents		**(489)**	23,803	18,878
Cash and cash equivalents at the beginning of the period		**40,167**	22,390	22,390
Net (decrease) / increase in cash and cash equivalents		**(489)**	23,803	18,878
Effects of foreign exchange rate changes		**(1,816)**	486	(1,101)
Cash and cash equivalents at the end of the period		**37,862**	46,679	40,167

Notes to the Interim Financial Statements

for the 6 months ended 30 June 2014

1. General information

Hurricane Energy plc is a company incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006 (registered company number 5245689). The nature of the Group's operations and its principal activity is exploration of oil and gas reserves principally on the UK Continental Shelf. The address of Hurricane Energy plc's registered office is The Wharf, Abbey Mill Business Park, Lower Eashing, Godalming, Surrey, GU7 2QN. Hurricane Energy plc's shares are listed on the AIM market of the London Stock Exchange.

This Interim Report and Financial Statements was approved by the Board of Directors and authorised for issue on 24 September 2014.

This set of Interim Financial Statements for the 6 months ended 30 June 2014 and 30 June 2013 is unaudited and does not constitute statutory accounts as defined by the Companies Act. The information for the year ended 31 December 2013 contained within these Interim Financial Statements does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The Group Financial Statements for the year ended 31 December 2013 have been delivered to the Registrar of Companies. The auditor's report on those Financial Statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement made under Section 498 of the Companies Act 2006.

2. Basis of preparation

The Interim Financial Statements have been prepared using accounting bases and policies consistent with those used in the preparation of the audited Financial Statements of the Group for the year ended 31 December 2013 and those to be used in the year ending 31 December 2014.

The Interim Financial Statements have been prepared under the historical cost convention, except for share based payments and any derivative financial instruments, which have been measured at fair value, and in accordance with the requirements of the AIM Rules.

3. Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in this Chief Executive's report. The financial position of the Group, its cash flows and liquidity position are set out in the Financial Statements. In addition, note 23 of the audited Financial Statements of the Group for the year ended 31 December 2013 includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

The Group ended the period with £37.9 million of cash and cash equivalents, available to meet its outstanding trade and other payables of £23.2 million at 30 June 2014, which relate predominantly to the drilling of the Lancaster well. The Group has no external borrowings. The Group has no source of operating revenue and currently obtains working capital primarily through equity financing. The Group is therefore dependent on future fundraising, capital receipts or other forms of finance in order to continue in operation and the Group's work programme is dependent on this future fundraising activity.

Having considered reasonable possible sensitivities, the Directors believe that the Group will be able to operate within its existing funding and meet all commitments as they fall due. The Group is fully funded to settle all remaining liabilities that have arisen from the recent drilling activities and to cover its essential overheads for twelve months or longer. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Interim Financial Statements.

4. Foreign exchange gains and losses

Foreign exchange losses in the period of £1.8 million (6 months ended 30 June 2013: gain of £0.5 million, 12 months ended 31 December 2013: loss of £1.1 million) relate to fluctuations in the US Dollar to Pounds Sterling exchange rate. The Group's cash and cash equivalents are predominately held in Pounds Sterling. However, during the period the Group held significant cash balances in US Dollars to meet the commitments due in respect of the drilling of the Lancaster 205/21a-6 horizontal well.

5. Intangible exploration and evaluation assets

	6 Months Ended 30 Jun 2014 (Unaudited) £'000	6 Months Ended 30 Jun 2013 (Unaudited) £'000	12 Months Ended 31 Dec 2013 (Audited) £'000
At start of period	**137,681**	131,077	131,077
Additions	**36,931**	4,291	6,441
Effects of changes to decommissioning estimates (note 7)	**2,404**	-	697
Amounts written off	**-**	(500)	(534)
At end of period	**177,016**	134,868	137,681

Intangible exploration and evaluation expenditure comprises the book cost of licence interests and exploration and evaluation expenditure within the Group's licensed acreage in the West of Shetlands.

The amounts written off in the year ended 31 December 2013 relate to the exploration expenditure on licence P1884 which was relinquished in October 2013.

The Directors have fully considered and reviewed the potential value of licence interests, including carried forward exploration and evaluation expenditure. The Directors have considered the Group's tenure to its licence interests, including the licences P1485 and P1835 where the Group's Tempest and Typhoon assets are located, which are due to expire on 31 December 2014. The Directors have also considered the plans for further exploration and evaluation activities in relation to the Group's assets and the likely opportunities for realising the value of the Group's licences, either by farm-out or by development of the assets. The Directors have concluded that no impairment is necessary at this time.

6. Trade and other payables

	As at 30 Jun 2014 (Unaudited) £'000	As at 30 Jun 2013 (Unaudited) £'000	As at 31 Dec 2013 (Audited) £'000
Trade payables	**3,595**	843	197
Other payables	**102**	6	125
Accruals	**19,501**	1,461	525
	23,198	2,310	847

Trade payables and accruals at 30 June 2014, predominantly relate to the costs associated with the drilling of the Lancaster 205/21a-6 horizontal well.

7. Decommissioning provisions

	6 Months Ended 30 Jun 2014 (Unaudited) £'000	6 Months Ended 30 Jun 2013 (Unaudited) £'000	12 Months Ended 31 Dec 2013 (Audited) £'000
At start of period	**4,764**	4,000	4,000
Unwinding	**45**	-	67
Additions	**2,404**	-	697
At end of period	**7,213**	4,000	4,764

The provision for decommissioning relates to the costs required to decommission the Lancaster and Whirlwind exploration assets. The additions in the period represent the expected decommissioning cost for the Lancaster 205/21a-6 horizontal well which was completed in June 2014. Additions in the 12 months ended 31 December 2013 represent adjustments to reflect an updated estimate of the present value of decommissioning costs for the Group's assets based on better information regarding the discoveries. The expected decommissioning cost for both assets is based on the Directors' best estimate of the cost of decommissioning at the end of the current licence term in 2019.

8. Reconciliation of operating loss to net cash outflow from operating activities

	6 Months Ended 30 Jun 2014 (Unaudited) £'000	6 Months Ended 30 Jun 2013 (Unaudited) £'000	12 Months Ended 31 Dec 2013 (Audited) £'000
Operating loss	**(4,922)**	(4,582)	(5,867)
Adjustments for:			
Depreciation of property, plant and equipment	**67**	-	182
Non cash property, plant and equipment movements	**-**	-	(360)
Intangible exploration and evaluation costs written off	**-**	500	534
Share based payment charge	**2,103**	373	752
Operating cash outflow before working capital movements	**(2,752)**	(3,709)	(4,759)
Decrease / (increase) in receivables	**24**	(528)	55
Increase in payables	**414**	1,441	299
Cash used in operating activities	**(2,314)**	(2,796)	(4,406)
Corporation tax paid	**(5)**	(19)	(19)
Net cash outflow from operating activities	**(2,319)**	(2,815)	(4,424)

9. Convertible loan notes

In April 2013 the Group raised £28.1 million (gross) by issuing convertible loan notes at an issue price of £1.00 per note, with a maturity date of 1 year from issue. The maturity date of the loan notes was extended by a further year in October 2013. The convertible loan notes accrued interest at a rate of 5% per annum for the first seven months and at a rate of 15% thereafter.

The admission of the Company's shares to trading on AIM (Admission) triggered the conversion of all outstanding loan notes into Ordinary Shares of the Company to give the holders a conversion price at a 30% discount to the placing price. This resulted in 99,070,189 Ordinary Shares being issued to loan note holders.

The conversion feature of the convertible loan notes was classified as an embedded derivative liability and measured at fair value through profit and loss. The amount recognised on inception in respect of the host debt contract was determined by deducting the fair value of the conversion option at inception from the fair value of the consideration received for the convertible loan notes. The debt component is then recognised at amortised cost, using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

On 4 February 2014, Admission occurred. On this date the loan notes converted which extinguished the loan note liability and associated derivative liability.

	6 Months Ended 30 Jun 2014 (Unaudited) £'000	6 Months Ended 30 Jun 2013 (Unaudited) £'000	12 Months Ended 31 Dec 2013 (Audited) £'000
Net proceeds on issue of convertible loan notes	**-**	26,713	26,713
Liability component at start of period / date of issue	**26,145**	20,520	20,520
Interest charged	**517**	1,437	5,625
Conversion of loan notes	**(26,662)**	-	-
Liability at end of period	**-**	21,957	26,145
Derivative liability at start of period / date of issue	**14,278**	6,193	6,193
Change in fair value recognised in the income statement	**-**	426	8,085
Derecognition on conversion of loan notes	**(14,278)**	-	-
Derivative liability at end of period	**-**	6,619	14,278

The interest expensed was calculated by applying an effective interest rate of 41% to the liability component to October 2013. After the extension of the repayment date, the interest was calculated by applying an effective interest rate of 23.7%.

10. Warrant

In April 2013 the Group raised £3.3 million (gross) by issuing Ordinary Shares together with a warrant to subscribe for additional Ordinary Shares. The holder of the warrant could elect to subscribe for Ordinary Shares on Admission. The warrant was exercisable on Admission and lapsed if not exercised. On initial issue of the warrant, if Admission did not occur, the warrant would lapse 12 months after issue, however this was extended to 24 months after initial issue in November 2013.

On Admission the warrant was exercised. This resulted in the issue of Ordinary Shares at a price which gave the holder an average subscription price, across the Ordinary Shares already subscribed for and those subscribed on exercise of the warrant, which equated to a discount of 30% to the placing price. This resulted in 7,663,453 new Ordinary Shares being issued at £0.001 per share to the warrant holder.

The warrant has been recognised as a derivative financial liability and measured at fair value through profit and loss. The value attributed to the equity shares issued in April 2013 was determined by deducting the fair value of the warrant from the fair value of the consideration received for the share and warrant issue as a whole.

On 4 February 2014, Admission occurred. On this date the warrant was exercised and the associated derivative liability was extinguished.

	6 Months Ended 30 Jun 2014 (Unaudited) £'000	6 Months Ended 30 Jun 2013 (Unaudited) £'000	12 Months Ended 31 Dec 2013 (Audited) £'000
Net proceeds on issue of shares and warrant	**-**	3,135	3,135
Derivative liability at start of period / date of issue	**1,414**	707	707
Change in fair value recognised in the income statement	**-**	-	707
Derecognition on exercise of warrant	**(1,414)**	-	-
Derivative liability at end of period	**-**	707	1,414

11. Derivative financial instruments

The only derivative financial instruments held by the Group were associated with the issue of the convertible loan notes and the warrant in April 2013. The fair value of the derivatives was calculated based on the 30% discount to the placing price that the holders of the loan notes and the warrant would receive on Admission of the Company, the amount of accrued interest the holders would be entitled to (only relevant for the derivatives associated with the loan notes) and an assessment of the date and likelihood of Admission occurring.

On 4 February 2014, Admission occurred. On this date the warrant was exercised and the loan notes converted. This extinguished the derivative liabilities associated with both financial instruments.

	6 Months Ended 30 Jun 2014 (Unaudited) £'000	6 Months Ended 30 Jun 2013 (Unaudited) £'000	12 Months Ended 31 Dec 2013 (Audited) £'000
Derivative liability at start of period / date of issue	**15,692**	6,900	6,900
Change in fair value recognised in the income statement	**-**	426	8,792
Derecognition on conversion of loan notes / exercise of warrant	**(15,692)**	-	-
Derivative liability at end of period	**-**	7,326	15,692

The change in the fair value relates to the changes in the assumptions related to the date and likelihood of Admission occurring between inception and derecognition.