23 May 2016

ANDES ENERGIA PLC
(“Andes” or the “Company” or with its subsidiaries the “Group”)

Final Results for the year ended 31 December 2015

The Board of Andes Energia is pleased to report final results for the year ended 31 December 2015.

OVERVIEW

Year ended 31 December	**2015**	**2014**
	US$m	**US$m**
Revenue	66.8	48.2
Operating profit	2.8	*5.5
EBITDA	16.8	*8.8
Net cash generated from operating activities	18.1	14.6

** Before impairment charges of US$ 3.8 million*

HIGHLIGHTS

2015 highlights:

- Average production rate of 3,211* boepd in 2015 (2014: 1,700 bpd) with the increase primarily arising from the Chachahuen conventional field and the acquisition of the interest in Interoil Exploration and Production ASA (“Interoil”).
- Acquisition of interest in Interoil with 5.7 million 2P reserves and producing assets (producing approximately 1,500 boepd at the date of acquisition) in Colombia and collaboration agreement with Canacol Energy Limited resulting in a net controlling interest of 26%.
- A total of 57 development and appraisal wells were drilled and 5 wells were converted to injection wells in the Chachahuen block, which is now producing 1,325 bpd net to Andes (2014: 709 bpd).
- Las Varillas x-1 well was successfully fracked and tested in the Vaca Muerta shale formation with the well producing 90 bpd during a 48 hour initial testing period.
- A 91% increase in EBITDA.
- Successful US$ 9 million fund raise.
- US$ 10 million cancellation of existing Andes bond through the issue of shares.
- Termination of joint venture agreement in Brazil without further obligations.
- 2015 average selling prices of US$ 71 and US$ 47 per barrel in Argentina and Colombia respectively.

Post year end highlights:

- Current daily production: Argentina 2,300 bpd; Colombia 1,240 boepd; total 3,540 boepd.
- Current selling prices of approximately US$ 62 and US$ 40 per barrel in Argentina and Colombia respectively.

Alejandro Jotayan, CEO said:

“During 2015 we accomplished very demanding objectives, significantly increasing revenues, completing the acquisition of an interest in Interoil and continuing the successfull drilling program in the Chachahuen block. In 2016 we will continue to focus on our drilling program in the Chachahuen block and the development of our other assets. Furthermore, the new government, elected in November 2015, has already implemented changes that are expected to benefit the Argentine oil and gas industry and attract foreign capital into the country.”

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Qualified Person Review
In accordance with AIM guidance for mining, oil and gas companies, Mr. Juan Carlos Esteban has reviewed the information contained in this announcement. Mr. Juan Carlos Esteban, an Officer of the Group, is a petroleum engineer with over 30 years of experience and is a member of the SPE (Society of Petroleum Engineers).

Note to Editors:
Andes Energia plc is an oil and gas exploration and production company focused on onshore assets in South America with a market capitalisation of circa £115m. The Company has its main operations in Argentina and Colombia.

The Company has approximately 25* MMbbls of conventional 2P reserves, and it also has certified prospective resources of 640 MMboe, primarily in the Vaca Muerta unconventional development in Argentina and over 7.5 million acres across South America.

The Company has approximately 250,000 net acres in the Vaca Muerta formation, which is the second largest shale oil deposit in the world and the only producing shale oil deposit outside of North America, currently producing 45,000 boepd. Over 300 wells have already been drilled and fracked in the Vaca Muerta formation.

Andes is the only AIM quoted company on the London Stock Exchange with exposure to the Vaca Muerta shale.

The Company currently produces approximately 3,540* boepd in Argentina and Colombia from six conventional fields in Argentina and two in Colombia, with positive cash flows generated.

**Includes 100% of Interoil's net reserves and production in which Andes holds a 26% interest*

Annual Report
The Company will shortly be posting to shareholders a copy of the audited annual report for the year ended 31 December 2015 together with the notice for the Annual General Meeting, to be held at the offices of Nabarro LLP at 125 London Wall, London EC2U at 2.30p.m. on 30 June 2016. The annual report will be made available on the Group's website at www.andesenergiaplc.com.ar after it has been posted to shareholders.

STRATEGIC REPORT

OVERVIEW

Andes Energia plc ("Andes" or the "Company" and with its subsidiaries the "Group") is a Latin American oil and gas production, appraisal and exploration group, with interests in Argentina, Colombia and Paraguay. Our audited financial results incorporating the results of Andes together with its subsidiaries and joint operations for the year ended 31 December 2015 are set out below.

Year ended 31 December	**2015**	**2014**
	US$m	**US$m**
Revenue	66.8	48.2
Operating profit	2.8	*5.5
EBITDA	16.8	*8.8
Net cash generated from operating activities	18.1	14.6

** Before impairment charges of US$ 3.8 million*

The Group recorded an EBITDA of US$ 16.8 million for the year compared with an EBITDA of US$ 8.8 million in 2014 before impairment charges and a net loss of US$18.4 million (2014: US$10.9 million).

BUSINESS REVIEW

Andes's portfolio includes:

- 47 licences
- Over 7.5 million net acres of licence area
- 25 million bbls of 2P net reserves in Argentina and Colombia
- 640 millon boe of net contingent and prospective resources
- 2015 average production of approximately 3,211* boepd
- 250,000 net acres in Vaca Muerta

The Group has interests in producing, development and exploration assets. The Group has 25 million bbls of conventional 2P reserves in Argentina and Colombia and certified prospective resources of 640 million boe. The Group's licences cover over 7.5 million acres across South America and has approximately 250,000 net acres in the Vaca Muerta formation, which is the second largest shale oil deposit in the world and the only producing shale oil deposit outside of North America. Over 1,000 wells have already been drilled and fracked in the Vaca Muerta formation. The Group currently produces ~3,500* boepd from 6 conventional fields in Argentina and 2 conventional fields in Colombia.

OPERATIONAL REVIEW

2015 highlights:

- Average production rate of 3,211* boepd in 2015 (2014: 1,700 bpd) with the increase primarily arising from the Chachahuen conventional field and the acquisition of the interest in Interoil Exploration and Production ASA ("Interoil").
- Acquisition of interest in Interoil with 5.7 million 2P reserves and producing assets (producing approximately 1,500 boepd at the date of acquisition) in Colombia and collaboration agreement with Canacol Energy Limited resulting in a net controlling interest of 26%.
- A total of 57 development and appraisal wells were drilled and 5 wells were converted to injection wells in the Chachahuen block, which is now producing 1,325 bpd net to Andes (2014: 709 bpd).
- Las Varillas x-1 well was successfully fracked and tested in the Vaca Muerta shale formation with the well producing 90 bpd during a 48 hour initial testing period.
- A 91% increase in EBITDA.
- Successful US$ 9 million fund raise.
- US$ 10 million cancellation of existing Andes bond through the issue of shares.
- Termination of joint venture agreement in Brazil without further obligations.
- 2015 average selling prices of US$ 71 and US$ 47 per barrel in Argentina and Colombia respectively.

Post year end highlights:

- Current daily production: Argentina 2,300 bpd; Colombia 1,240 boepd; total 3,540 boepd.
- Current selling prices of approximately US$ 62 and US$ 40 per barrel in Argentina and Colombia respectively.

Andes continued with its stated strategy to expand and diversify its oil and gas portfolio during 2015 and has been able to increase its average production from 1,700 boepd in 2014 to 3,211* boepd in 2015. Andes has experienced strong performance from its conventional activities and is currently reviewing strategies, taking into account market conditions, to develop its position in the Vaca Muerta formation.

Argentina

Summary

Type	Province	Licences	2P reserves (MMbbls)	Resources (MMbbls)	Current production (bbls/day)	Net acres
Conventional production/shale development	Mendoza	7	17.3	368.7	~2,300	496,946
Conventional development	Mendoza	4	1.6	2.0	-	2,575
Shale oil development	Neuquén	2	0.2	171.0	-	39,230
Conventional/unconventional exploration	Río Negro	1	N/A	32.0	-	124,788
Conventional/unconventional exploration	Chubut	7	N/A	16.7	-	2,771,402
Conventional exploration	Salta	3	N/A	50.0	-	2,865,439
Conventional exploration	Mendoza	6	N/A	0.0	-	332,678
Total		30	19.1	640.4	~2,300	6,633,058

Conventional production/shale development

Chachahuen block - Mendoza

Licence status
During 2015 the Province of Mendoza issued a resolution creating a new period of evaluation for the heavy crude oil prospect in the north part of the Chachahuen block, whilst the southern areas passed into the second period exploration and development phases. An area totalling approximately 460 km² of the original Chachahuen licence area has now been relinquished.

As a consequence of the above the Chachahuen block has now been divided into the following sub blocks:

Chachahuen Sur (Development block)
After the declaration of commerciality in October 2013, the Mendoza province awarded an initial exploitation period of 25 years. This development block covers an area of 72 km² in the south of the Chachahuen block that borders the energy-rich Neuquén Province.

Development and Delineation Drilling
As part of our ongoing development drilling program a total of 57 new development and appraisal wells were drilled and completed during 2015, which are all producing wells.

During 2015 a total of 12 appraisal wells were drilled and completed successfully, which have extended the field limits. The wells targeted the clastic member, cycle 2 and 3 of the Rayoso formation deposited during the early Cretaceous period in a predominantly continental environment. These separate units are composed of a succession of fine sandstones, red mudstones, and minor evaporates.

Oil Production
A total of 114 wells are now on stream producing approximately 6,624 bpd (1,325 bpd net to Andes). In all wells a progressive cavity pump artificial lift system has been installed which best suits the conditions of the wells and has long been proven to be efficient.

As part of the second stage of the infrastructure development a new oil pipeline was commissioned. The new pipeline has a diameter of 6 inches and this 10 km extension will reduce transportation costs

Enhanced Oil Recovery - Water Flood Project
During the year, 2 injection wells were drilled, completed and tied to the injection network and 9 additional production wells were converted to injection wells increasing the average rate of injection from 825 bpd to 3,600 bpd through a total of 17 injection wells increasing the recovery rate.

Chachahuen Sur (Exploration block)
This exploration block covers an area of 478 km². A two and a half year extension has been granted, subject to the following commitments:

- Acquire 478 km² of 3D seismic; this was completed in the second half of 2015
- Process and interpret acquired 3D seismic
- Drill 4 exploratory wells; this was completed in the second half of 2015

Chachahuen Norte (Exploration block)
In this zone a new oil play has been explored by drilling five shallow stratigraphic wells. This campaign targeted the sandstone pinch-out of the Neuquén group in the north part of the Chachahuen block. Several fresh oil shows and core samples soaked in heavy, viscous and biodegraded oil were recovered during the drilling stage.

A three year evaluation period has been granted to evaluate the potential of this zone, which covers an area of 1,480 km², subject to the following commitments:

- Complete 1 previously drilled well
- Drill 1 stratigraphic well targeting the Neuquén group
- Implement a 2 well pilot project to test productivity
- Delineate 10 shallow well drilling program

Chachahuen Centro (Exploration block)
This exploration block covers an area of 464 km². A two year extension has been granted to the JV, subject to the following commitments:

- Acquire 267 km² of 2D seismic; this was completed in the second half of 2015
- Drill 1 exploratory well

Exploratory Activities
3D and 2D seismic programs have been completed successfully, with 3D covering 552 km² on the Chachahuen Sur exploration block and the Chachahuen development block and 2D covering 267 km² on the Chachahuen Centro block. Computer processing of the 3D data is in progress and preliminary results have identified the "LaOrx-1" prospect targeting the Centenario, Mulichinco and deeper Tordillo formations. The low cost exploration well "LaOrx-1" is located approximately 17 km southeast of the discovery well "Chus x-2" on the Chachahuen Sur development block. The completion program and analysis of results is due to be finished in June 2016.

A second low cost exploration well "CeMo x-1" has been spudded on the "Chachahuen Centro" block targeting Mulichinco, a Centenario formation. The well is located approximately 37 km northeast of the discovery well "Chus x-2".

Puesto Pozo Cercado and Chañares Herrados blocks - Mendoza
Interventions on wells CHH-1014 and CHH-1031 were performed to replace the sucker rod system with electrical submersible pumps (ESPs) increasing oil production by approximately 38 bpd.

An overhaul of the existing oil treatment plant was performed and commissioned at the end of December, which involved building a new bund wall for the four oil storage tanks, a pump relocation, a new walkway and a new internal flowline.

El Manzano West block - Mendoza
As part of the well reactivation program the Company successfully re-entered and tested wells "EM x-1" and "EM-3", which came on stream at an initial rate of 79 bpd and 20 bpd respectively. After a period, a sharp decline occurred with both wells stabilising at approximately 6 bpd. These operations were performed with our own rig and crew, targeting the Agrio formation.

Mirador del Valle x-1, the discovery well of the Neuquén group produced at a stable rate of 45 bpd (18 bpd net to Andes), whilst production from the second unconventional well, Las Varillas x-1, after a year of startup, remained steady at a rate of 15 bpd (6 bpd net to Andes).

Andes has a 100% working interest in all production from the Agrio formation and a 40% carried interest in production from the other formations, including Vaca Muerta.

Vega Grande block – Mendoza
Workover intervention was performed on well VGx-2 to stimulate the Agrio formation. As a result oil production increased by 9 bpd. Well VG x-1 came on stream in December 2014 and after a year producing from the unfracked Vaca Muerta formation stabilized at a rate of 28 bpd production with an associate water cut of 10% (26 bpd net).

Conventional production/unconventional exploration

Ñirihuau block - Chubut
A total of 160 km of 2D seismic was reprocessed and reinterpreted, which gave us an increased understanding of the structure of the block. As part of our commitments and to gain a better understanding of the static model, we plan to acquire 50 km of additional 2D seismic.

Colombia

Andes has interests in 13 exploration licences and 2 producing licences including licences held through its 26% interest in Interoil.

On 20 January 2015 Andes acquired a 51% interest in Interoil through the participation in a placing of 330,000,000 Interoil shares at a price of NOK 0.11 per share (approximately US$4.95 million). Subsequently on 16 November 2015 Andes announced that it had entered into a collaboration agreement with Canacol Energy Ltd reducing its holding to 26% for a consideration of US$3.2 million. Due to Andes retaining control of Interoil it has been consolidated in the financial statements. Interoil operates production and exploration oil and gas licences in Colombia and has over 30 years of operating experience in the country. In December 2015 the Colombian assets on average produced 1,333 boepd (862 bpd oil and 471 boepd gas) and had approximately 5.2 million boe of net 2P reserves (3.0 million bbls of oil and 12.2 BCF of gas) as at 31 December 2015.

Puli field
A comprehensive study was performed to gain a better understanding of the reservoir distribution, reservoir continuity and also the complexity of faults in order to design a water flood project. After completing the static model a preliminary pilot project was identified and a conceptual simulation is being conducted in order to provide a better understanding of the fluid behaviour to define the optimal water injection pattern in the pilot project.

Workovers campaign
As a result of a comprehensive review of petrophysical properties, new drilled/behind-pipe oil-bearing intervals were identified in the prolific Chicoral formation conformed by mid to coarse grain sandstones with low percent of clay matrix, with good porosity and permeability and a second objective identified in the Doima formation formed by fluvial channel sandstones. On October 2015 a rig was mobilised for a workover campaign:

- MN-28 well - An oil producer from the Chicoral Formation in which a new zone was drilled at 145ft, which resulted in oil production increasing by 14 bpd;
- MN-6SH well - A 32ft zone was drilled in the Doima formation, discovering a new gas zone producing 1MMscft (Cumulative at 31 March 2016: 56 MMscft);
- MNS-4 well - An additional 63ft zone was drilled in the Chicoral formation increasing oil production by 4 bpd; and
- MN-4 well - An additional 28ft zone was drilled in the Doima formation increasing production by 24 bpd.

4 further targets have been identified for workover consideration.

Exploration licences

Andes is currently conducting regional geological studies, petrophysical interpretation and reprocessing of existing seismic data on its exploration licences in Colombia. In the YDND-5 block 67 soil gas samples were collected and additional geochemical survey work will be carried out in YDND-8 and YDLLA-2 during the dry season.

In the blocks LLA-2, LLA-28 and LLA-79 the Company has requested from the regulator, the Agencia Nacional de Hidrocarburos ("ANH"), an agreement to replace the seismic acquisition commitment with high density geochemical sampling. On COR-6, a block located in the Upper Magdalena Valley basin, Interoil had investment obligations of US$ 22 million on the licence to be completed by November 2014. However, due to environmental and in particular community issues, it has not been possible for Interoil to commence work on the licence. In April 2016 the ANH issued a new resolution pursuant to which it reiterates the decision taken under the 2014 resolution that Interoil is in breach of the licence contract, claiming it is entitled to recover from Interoil, in the form of damages, the amount committed by Interoil under the contract. Interoil continues to believe it has a strong argument to defend the reasons why it has been unable to fulfil its obligations on COR-6 and in view of such limitations beyond its control, has offered to transfer its commitments to another licence. Interoil will continue its dialogue with the ANH and a conciliation hearing is scheduled for 25 May 2016 at which the board believes a solution that is satisfactory to both parties can be found. The board believes that the likelihood of the ANH enforcing a claim is reasonably remote.

Brazil

During the year the Group terminated its joint venture agreement in Brazil without further obligations.

Paraguay

Itapua block: A geology field trip was performed and data was gathered. As part of our licence commitments in November 2015 a total of 250 soil gas samples were collected. Notwithstanding, the board is focused on the development of its Colombia and Argentina operations and is considering its options with regards to the development of its interests in Paraguay.

TRADING PERFORMANCE

Revenue from operations increased from US$ 48.2 million in 2014 to US$ 66.8 million in 2015. Average production has increased from 1,700 bpd in 2014 to 3,211* boepd in 2015. Exploration and development activities continue and the Group expects to see the benefit of these programs in future years.

FINANCIAL PERFORMANCE

Revenue has significantly increased to US$ 66.8 million compared with US$ 48.2 million in 2014, an increase of 39% primarily from increased production in Chachahuen and the acquisition of Interoil. Interoil´s results are fully consolidated from 20 January 2015. The loss before tax amounted to US$ 12.4 million compared with US$ 7.9 million in 2014.

EBITDA before exceptional items increased to US$ 16.8 million from US$ 8.8 million in 2014, an increase of 91%.

The Group's total assets of US$ 265.3 million at the end of the year are consistent with 2014. The increase in total assets resulting from the impact of the acquisition of the interest in Interoil, was offset by the impact of the devaluation of the Argentine Peso in December 2015. The devaluation of the Argentine Peso resulted in US$ 56.9 million of translation differences being recognised in the comprehensive loss for the year (2014: US$ 48.8 million) primarily relating to intangible assets and PP&E, which are carried in the functional currency of AR$ and does not reflect an impairment in the carrying value of these assets.

Borrowings increased from US$ 57.7 million in 2014 to US$ 99.0 million at the end of the year primarily as a result of the consolidation and recognition of borrowings of US$ 43.9 million from the acquisition of the interest in Interoil. Net current liabilities of approximately US$ 0.8 million at the year end were 57% down from last year.

At year end, the Group had cash and restricted cash resources of US$ 27.3 million compared to US$ 10.6 million at the end of 2014. Andes management believes the current cash position together with the free cash flow generated from existing activities will be sufficient to meet its ongoing working capital requirements and investment commitments. The directors will not be recommending the payment of a dividend.

EARNINGS PER SHARE

Basic and diluted loss per share was 2.11 cents in 2014 compared to 2.68 cents in 2015. During the year the number of shares in issue increased by 54 million to 606 million.

KEY PERFORMANCE INDICATORS

The directors use a range of performance indicators to monitor progress in the delivery of the Group's strategic objectives, to assess actual performance against targets and to aid management of the business and consider the following to be relevant in assessing performance.

Sales:
Sales provide a measure of the Group activity that is influenced by production levels and oil prices. Revenue increased by US$ 18.6 million to US$ 66.8 million in 2015.

Price:
The average price of oil sales in Argentina in 2015 was US$ 71 per barrel compared to US$ 73 per barrel in 2014.

The average price of oil sales in Colombia in 2015 was US$ 47 per barrel.

Domestic oil prices in Argentina are not directly linked with international price movements and have not been affected by recent drops in WTI and Brent levels. National and Provincial States, together with oil producers, refiners and retail vendors formally agreed to establish a price of US$ 67.5 per barrel for "Medanito" quality crude oil valid through 2016. Argentina used to be a net oil exporter until 2008 with extensive infrastructure available to transport oil from inland fields to the Atlantic Ocean coast. In 2015 the country was a net exporter of crude oil but a net importer of gas. The new government is looking to balance the supply/demand situation in the short term. All big refiners, except one, are crude producers also, and all of them sell the refined products domestically. Part of the refining capacity is located inland near oil fields, at more than 1,000 km from the Atlantic coastline, which implies a substantial transport cost to process imported crude oil. There is, therefore, an incentive for the government to promote the consumption of local crude oil instead of authorising oil imports, even at a higher price than import parity, to avoid a loss of foreign currency reserves and to incentivise domestic production, investments, jobs and other activities.

Production:
Production is measured in barrels of oil per day and average production increased from 1,700 bpd in 2014 to 3,211* boepd in 2015, which has primarily resulted from increased production in Chachahuen and the acquisition of the interest in Interoil.

Resources and Reserves
At the end of 2015 the Group had 25 million boe of net 2P reserves and certified resources of 640 million boe. The Group's licences cover 7.5 million net acres.

Work programs:
During the year 57 wells were drilled and 11 workovers completed.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

OUTLOOK

Operationally, 2016 has started well, with Group production at 2,300 bpd in Argentina and 1,240 boepd in Colombia including Interoil's production, taking production levels to 3,540* boepd. Reference selling prices in Argentina have been set at US$ 67.5/bbl with Andes receiving a slight discount to this based on oil specification.

Andes, with its partner YPF, the state Argentine oil company, has 42 new wells planned in 2016 to complete the original program, of which 30 wells have been drilled since the year end. The wells will be funded primarily by field production cash flow. Andes is currently in discussions with YPF to finalise the plans for the next drilling phase to include a further 90 new wells.

The new government, elected in November 2015, has already implemented changes that are expected to benefit the Argentine oil and gas industry and attract foreign capital into the country. The Argentine domestic oil price is currently fixed at US$67.5 per barrel; foreign currency controls have been lifted; and settlement has been reached with a group of bond "holdout" creditors, which will enable Argentina to once again access international capital markets.

Alejandro Jotayan
Chief Executive Officer

**Includes 100% of Interoil's net reserves and production in which Andes holds a 26% interest*

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	31-Dec-15 US$'000	31-Dec-14 US$'000
Revenue	66,815	48,229
Production cost	(45,705)	(30,630)
Gross profit	21,110	17,599
Other operating income	4,010	996
Impairment charge	-	(3,796)
Distribution costs	(4,657)	(3,115)
Administrative expenses	(17,626)	(9,977)
Operating profit	2,837	1,707
Finance income	9,343	3,783
Finance costs	(24,627)	(13,397)
Loss before taxation	(12,447)	(7,907)
Taxation	(5,938)	(3,012)
Loss for the year	(18,385)	(10,919)
Loss attributable to:		
Equity holders of the parent	(15,226)	(10,919)
Non-controlling interests	(3,159)	-
	(18,385)	(10,919)
Loss per ordinary share	**Cents**	**Cents**
Basic and diluted loss per share	(2.68)	(2.11)

The finance costs are accrued and no material interest has been paid during the year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	31-Dec-15	31-Dec-14
	US$'000	US$'000
Loss for the year	(18,385)	(10,919)
Translation differences	(56,869)	(48,760)
Total comprehensive loss for the year	(75,254)	(59,679)
Total comprehensive loss attributable to:		
Equity holders of the parent	(72,095)	(59,679)
Non-controlling interests	(3,159)	-
	(75,254)	(59,679)

The above items will not be subsequently reclassified to profit and loss.

Andes Energia plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2015

	31-Dec-15	31-Dec-14
	US$'000	US$'000
Non-current assets		
Intangible assets	109,258	165,104
Property, plant and equipment	94,145	61,185
Available for sale financial assets	5,599	1,646
Trade and other receivables	10,039	10,592
Deferred income tax assets	1,547	464
Total non-current assets	220,588	238,991
Current assets		
Inventories	1,954	618
Available for sale financial assets	1,414	2,644
Trade and other receivables	14,088	12,339
Restricted cash	9,593	5,944
Cash and cash equivalents	17,702	4,700
Total current assets	44,751	26,245
Current liabilities		
Trade and other payables	22,644	20,348
Financial liabilities	22,259	7,870
Provisions	691	-
Total current liabilities	45,594	28,218
Non-current liabilities		
Trade and other payables	18,169	9,326
Financial liabilities	76,767	49,793
Deferred income tax liabilities	38,005	47,614
Provisions	3,596	1,727
Total non-current liabilities	136,537	108,460
Net assets	83,208	128,558
Capital and reserves		
Called up share capital	98,414	90,164
Share premium account	86,865	73,248
Other reserves	(126,423)	(69,554)
Retained earnings	21,685	34,700
Equity attributable to equity holders of the parent	80,541	128,558
Non-controlling interests	2,667	-
Total equity	83,208	128,558

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Equity	Called up Share capital US$'000	Share premium account US$'000	Retained earnings US$'000	Other Reserves US$'000	Attributable to equity holders of the parent US$'000	Non controlling interests US$'000	Total equity US$'000
At 1 January 2014	84,216	58,281	45,172	(17,753)	169,916	-	169,916
Loss for the year	-	-	(10,919)	-	(10,919)	-	(10,919)
Translation differences	-	-	-	(48,760)	(48,760)	-	(48,760)
Total comprehensive loss for the year	-	-	(10,919)	(48,760)	(59,679)	-	(59,679)
Issue of ordinary shares	5,948	14,967	-	-	20,915	-	20,915
Deferred contingent consideration shares	-	-	-	(3,041)	(3,041)	-	(3,041)
Fair value of share based payments	-	-	447	-	447	-	447
At 31 December 2014	90,164	73,248	34,700	(69,554)	128,558	-	128,558
Loss for the year	-	-	(15,226)	-	(15,226)	(3,159)	(18,385)
Translation differences	-	-	-	(56,869)	(56,869)	-	(56,869)
Total comprehensive loss for the year	-	-	(15,226)	(56,869)	(72,095)	(3,159)	(75,254)
Issue of ordinary shares	8,250	13,617	-	-	21,867	-	21,867
Fair value of share based payments	-	-	332	-	332	-	332
Acquisition of subsidiary						4,653	4,653
Reduction of interest in subsidiary	-	-	1,879	-	1,879	1,173	3,052
At 31 December 2015	98,414	86,865	21,685	(126,423)	80,541	2,667	83,208

Reserves	Merger reserve US$'000	Warrant reserve US$'000	Reverse acquisition reserve US$'000	Translation reserve US$'000	Deferred consideration reserve US$'000	Total other reserves US$'000
At 1 January 2014	55,487	2,105	-	(84,496)	9,151	(17,753)
Translation differences	-	-	-	(48,760)	-	(48,760)
Total comprehensive loss for the year	-	-	-	(48,760)	-	(48,760)
Deferred contingent consideration shares	-	-	-	84	(3,125)	(3,041)
At 31 December 2014	55,487	2,105	-	(133,172)	6,026	(69,554)
Translation differences	-	-	-	(56,869)	-	(56,869)
Total comprehensive loss for the year	-	-	-	(56,869)	-	(56,869)
At 31 December 2015	55,487	2,105	-	(190,041)	6,026	(126,423)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	31-Dec-15 US$'000	31-Dec-14 US$'000
Cash generated from operations	18,751	14,640
Tax paid	(643)	-
Cash flows generated from operating activities	18,108	14,640
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,418)	(18,234)
Proceeds from sale of financial assets	17	-
Proceeds from sale of interest in subsidiary	814	-
Purchase of intangible assets	(2,233)	(1,785)
Purchase of financial assets	(6,402)	(84)
Acquisition of subsidiary, net of cash acquired	12,018	-
Proceeds from sale of investments in group companies	3,128	-
Net cash used in investing activities	(17,076)	(20,103)
Cash flows from financing activities		
Repayments of borrowings	(1,794)	-
Proceeds from borrowings	6,107	8,601
Interest paid	(837)	-
Interest received	392	-
Proceeds from issue of shares	12,315	33
Net cash generated from financing activities	16,183	8,634
Net increase in cash and cash equivalents	17,215	3,171
Cash and cash equivalents at the beginning of the year	10,644	8,178
Exchange losses on cash and cash equivalents	(564)	(705)
Cash and cash equivalents at the end of the year	27,295	10,644

1. GENERAL INFORMATION

The financial information set out in this announcement does not comprise the Group's statutory accounts for the years ended 31 December 2015 or 31 December 2014.

The financial information has been extracted from the statutory accounts of the Company for the years ended 31 December 2015 and 31 December 2014. The auditors reported on those accounts; their reports were unqualified and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

The Company has produced its statutory accounts for the year ended 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the European Union and in accordance with the Group's accounting policies that are unchanged from those set out in the 2014 statutory accounts.

The statutory accounts for the year ended 31 December 2014 have been delivered to the Registrar of Companies, whereas those for the year ended 31 December 2015 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

2. SEGMENT REPORTING

IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker, which in the case of the Group is considered to be the board of the Company. An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses and whose results are regularly reviewed by the board. The board considers and reviews operating segments by reference to geographic location. In prior years the board considered the operations to comprise one class of business, oil and gas exploration, development and production and the sale of hydrocarbons and related activities in one geographic segment, Argentina. During the year under review, following the acquisition of Interoil, the Group's reportable geographic segments were Colombia and Argentina. The board monitors performance of the business by analysing the revenue and EBITDA of each segment.

The following is an analysis of the Group's revenue, results and EBITDA by operating segment:

2015 **Analysis of revenue and profit:**	**Argentina**	**Colombia**	**Unallocated Corporate**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Revenue	49,052	17,763	-	66,815
Operating profit/(loss)	3,528	3,120	(3,811)	2,837
Finance income	629	1,629	7,085	9,343
Finance costs	(8,247)	(2,238)	(14,142)	(24,627)
(Loss)/profit before tax	(4,090)	2,511	(10,868)	(12,447)
Taxation	(1,662)	(4,276)	-	(5,938)
Loss for the year	(5,752)	(1,765)	(10,868)	(18,385)
Add: Depreciation and amortisation	9,018	4,891	-	13,909
Less: Finance income	(629)	(1,629)	(7,085)	(9,343)
Add: Finance costs	8,247	2,238	14,142	24,627
Add: Tax	1,662	4,276	-	5,938
EBITDA	12,546	8,011	(3,811)	16,746

3. TAXATION

	31-Dec-15	**31-Dec-14**
	US$'000	**US$'000**
Current tax	(4,105)	(3,635)
Deferred tax	(1,833)	623
Tax charge	(5,938)	(3,012)
Loss before income tax	(12,447)	(7,907)
Tax credit on loss at notional rate of 35%	4,356	2,768

Effects of:

Expenses not deductible for tax purposes	(2,006)	(132)
Effect of non-taxable items	1,194	375
Temporary differences due to the effect of exchange rate movements	(2,186)	(210)
Recovery of deferred tax on impairment	-	1,316
Tax losses for which no deferred tax asset is recognised	(7,296)	(7,129)
Tax charge	(5,938)	(3,012)

The Group is subject to a number of different tax regimes in the countries in which it operates. At the end of 2015, the countries in which the Group had the most activities are Argentina and Colombia. As the majority of the Group's operations are based in Argentina the tax rate of this country has been used as the notional tax rate to perform the reconciliation above.

Under Argentine tax law group relief, allowing taxable profits to be offset against taxable losses of companies with the same group, are not available.

The tax rate used for the 2015 and 2014 reconciliations above is a notional corporate tax rate of 35% based on the rate payable by corporate entities in Argentina on taxable profits under tax law in that jurisdiction, which the board believes is the most appropriate basis to use given the fact our main operations are based in Argentina. There is no tax arising on any items within the consolidated statement of comprehensive income.

The Group is liable to pay a minimum notional income tax at the applicable tax rate (1%) for Argentina´s subsidiaries, calculated on the amount of computable assets at the closing of the financial year. This tax is supplementary to income tax and the Group's tax liability in each fiscal year will be the higher of the minimum notional income tax and the income tax for the year. If the minimum notional income tax for a given financial year exceeds the amount of income tax, such excess may be carried forward as a partial payment of income tax for any of the ten following fiscal years.

The Colombian statutory tax rate for the year ending 31 December 2015 was 39% (2014: 34%), which included the 25% (2014: 25%) general income tax rate and the fairness tax ("CREE") at 14% (2014: 9%).

In accordance with IAS 12, where an entity's tax return is prepared in a currency other than its functional currency, changes in the exchange rate between the two currencies generate temporary differences with the respect to the valuation of non-monetary assets and liabilities, which are recognised in the income statement.

4. LOSS PER ORDINARY SHARE FROM CONTINUING OPERATIONS

Basic loss per share is calculated by dividing the net loss for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. The basic and diluted loss per share are the same as there are no instruments that have a dilutive effect on earnings.

	31-Dec-15 Cents	31-Dec-14 Cents
Basic and diluted loss per share	(2.68)	(2.11)
	US$'000	**US$'000**
Loss for the year attributable to equity holders	(15,226)	(10,919)
	No.'000	**No.'000**
Weighted average number of shares	569,064	516,786
Effect of dilutive warrants	-	-
Diluted weighted average number of shares	569,064	516,786
	No.'000	**No.'000**
Potential number of dilutive warrants	59,240	30,693

The warrants are deemed to be non-dilutive for the purposes of this calculation.

5. FINANCIAL LIABILITIES

	The Group	
	31-Dec-15	**31-Dec-14**
	US$'000	**US$'000**
Current		

Bank borrowings	7,235	-
Other borrowings	13,513	7,870
Financial leasing	25	-
Accrued financial interest	1,486	-
	22,259	7,870

	The Group	
	31-Dec-15 US$'000	**31-Dec-14 US$'000**
Non-current		
Bonds	33,522	-
Bank borrowings	3,150	-
Other borrowings	35,094	49,659
Accrued financial interest	5,001	134
	76,767	49,793
Total financial liabilities	99,026	57,663

In 2015 financial liabilities include a US$ 13.2 million unsecured convertible loan that carries interest at a rate of 11% repayable in June 2018; a US$ 22.9 million unsecured convertible loan that carries interest at a rate of 11% repayable in March 2023; a US$ 0.2 million unsecured loan that carries interest at a rate of 10% repayable within 5 years from the date of drawdown; a US$ 1.6 million unsecured loan that carries interest at 10% repaid in January 2016; a US$ 5.5 million unsecured loan that carries interest at 9.5% + LIBOR repaid in February 2016; a US$ 33.5 million bond that carries interest at a rate of 6% per annum repayable in January 2020; a US$ 8.7 million loan that carries interest at a rate of 5.5% + LIBOR repayable in instalments by April 2017; a US$ 1.7 million loan that carries interest at a rate of 3.5% + DTF repayable in instalments by July 2016; a US$ 5.5 million unsecured loan that carries interest at 9.5% + LIBOR repaid in February 2016; and US$ 6.2 million AR$ denominated loans that carry interest at rates between 18% to 27% repayable within 3 years some portion of which are classified as current.

In 2014 financial liabilities include a US$ 11.8 million unsecured convertible loan that carries interest at a rate of 11% repayable in June 2018; a US$ 30.5 million unsecured convertible loan that carries interest at a rate of 11% repayable in March 2023; a US$ 0.2 million unsecured loan that carries interest at a rate of 10% repayable within 5 years from the date of drawdown; a US$ 1.4million unsecured loan that carries interest at 10% repayable in April 2015; a US$ 5 million unsecured loan that carries interest at 9.75% + LIBOR repayable in December 2015; and a US$ 8.7 million AR$ denominated loan that carries interest at a rate between 18% to 27% repayable within 3 years some portion of which is classified as current.

The maturity profile of financial liabilities based on gross undiscounted cash flows including interest to maturity is summarised below:

	The Group	
	31-Dec-15 US$'000	**31-Dec-14 US$'000**
Maturity profile		
Within 1 year	22,259	8,126
Between 1 and 5 years	58,126	24,147
After 5 years	48,561	74,743
	128,946	107,016
Interest payments	(29,920)	(49,353)
	99,026	57,663

6. CAPITAL COMMITMENTS

Over the next 3 to 6 years, the Group has licence commitments to fulfil seismic acquisition programs and the drilling of exploration wells. The Group has farm-in agreements with third parties to fund these commitments on a number of its licences and will look to secure further farm-in agreements or fund directly the commitments under the other licences primarily from its operational cash flow.

In Argentina the Group has a carried interest in the exploration phase of the majority of its licences. Where the Group does not have a carried interest there are commitments to complete 2D and 3D seismic and 6 exploratory wells between 2017 and 2018.

In Colombia in respect of the licences held by Andes, on 6 licences there are commitments to complete 2D seismic and 6 exploratory wells by the end of 2017. On 3 licences there are commitments to complete the reprocessing of seismic and petro physical data during 2017. On 2 licences Phase I has been delayed due to security and environmental issues.

In Colombia, in respect of licences held by Interoil, on 1 licence an extension to February 2017 to drill 1 well has been requested and on 1 licence an extension to May 2018 to drill 8 wells will be requested. On COR-6, a block located in the Upper Magdalena Valley basin, Interoil had investment obligations of US$ 22 million on the licence to be completed by November 2014. However, due to environmental and in particular community issues, it has not been possible for Interoil to commence work on the licence. In April 2016 the ANH issued a new resolution pursuant to which it reiterates the decision taken under the 2014 resolution that Interoil is in breach of the licence contract, claiming it is entitled to recover from Interoil, in the form of damages, the amount committed by Interoil under the contract. Interoil continues to believe it has a strong argument to defend the reasons why it has been unable to fulfil its obligations on COR-6 and in view of such limitations beyond its control, has offered to transfer its commitments to another licence. Interoil will continue its dialogue with the ANH and a conciliation hearing is scheduled for 25 May 2016 at which the board believes a solution that is satisfactory to both parties can be found. The board believes that the likelihood of the ANH enforcing a claim is sufficiently remote.

As at the date of these financial statements the commitments in monetary terms is unknown.

7. CASH GENERATED FROM OPERATIONS

	Group	
	31-Dec-15 US$'000	**31-Dec-14 US$'000**
Loss for the period before taxation	(12,447)	(7,907)
Adjustments from operating activities		
Depreciation and amortisation	13,909	3,252
Exchange movements	(3,555)	434
Revaluation of investments	56	(64)
Increase in inventories	(1,032)	(218)
Increase in trade and other receivables	(6,196)	(4,022)
Increase/(decrease) in creditors and other payables	15,513	7,916
Decrease in intergroup loans	-	-
Finance costs	24,627	13,397
Finance income	(9,343)	(3,783)
Impairment write downs	-	3,796
Movement in provisions	(2,735)	1,392
Profit on sale of investments	(378)	-
Share based payments	332	447
Net cash generated from/(used in) operating activities	18,751	14,640

8. EBITDA

EBITDA is calculated as follows:

	31-Dec-15 US$'000	**31-Dec-14 US$'000**
Loss for the year from continuing operations	(18,385)	(10,919)
Add: Depreciation and amortisation	13,909	3,252
Add: Impairment write downs	-	3,796
Less: Finance income	(9,343)	(3,783)
Add: Finance costs	24,627	13,397
Add: Tax	5,938	3,012
EBITDA	16,746	8,755

9. ACQUISITIONS

On 20 January 2015, the Company acquired a 51% interest in Interoil Exploration and Production ASA, through its subsidiary Andes Interoil Ltd. Interoil has interests in 2 exploration licences and 2 producing licences in Colombia. The interest was acquired through a private placement of 330,000,000 shares in Interoil for a cash consideration fo US$ 4.9 million. The acquisition of the interest in Interoil increases both reserves and production in Colombia. The costs of acquisition were approximately US$ 1.6 million.

A loss of US$ 5.9 million in relation to the acquired activities has been recognised in the income statement for the year. Revenue for the Group for the year includes US$ 17.8 million of revenue from the Interoil operations. Had Interoil been acquired on 1 January 2015 a loss of US$ 6 million would have been recognised in the income statement.

Interoil Exploration & Production Inc.	**Book Value**	**Fair value**
	US$'000	**US$'000**
Net assets acquired		
Tangible assets	43,545	43,545
Inventories	567	567
Cash and cash equivalents	16,863	16,863
Trade and other receivables	4,343	4,343
Trade and other payables	(4,746)	(4,746)
Borrowings	(43,684)	(43,684)
Provisions	(3,753)	(3,753)
Deferred tax	(3,637)	(3,637)
Non-controlling interest	(4,653)	(4,653)
	4,845	4,845
Excess of interest in the net fair value of identifiable assets and liabilities over cost		-
Total purchase consideration		4,845
Net cash inflow on acquisition		
Total purchase consideration		(4,845)
Add: Cash and cash equivalents		16,863
		12,018

The assets and liabilities acquired have been measured at fair value at the date of acquisition. The board expects the trade receivables acquired of US$ 4.3 million to be collectable.

Subsequent to the acquisition, on 16 November 2015 Canacol Energy Ltd agreed to acquire 49% of the share capital of Andes Interoil Ltd, which holds the Group's 51% interest in Interoil for $3.1 million. The Company retains control of Interoil with a 26% indirect interest.

10. EVENTS AFTER THE BALANCE SHEET

There were no significant events after the balance sheet date.