26 May 2017

Andes Energia plc
(“Andes” or “the Company” or “Group”)

Final results for the year ended 31 December 2016

The Board of Andes Energia is pleased to report final results for the year ended 31 December 2016.

Year ended 31 December	**2016**	**2015**
	US$m	**US$m**
Revenue	67.8	66.8
Operating (loss)/profit	(7.5)	2.8
EBITDA	14.6	16.8
Net cash generated from operating activities	25.1	18.1

2016 highlights:

- Average production rate of 3,449* boepd in 2016 (2015: 3,211* boepd) with the increase primarily arising from the Chachahuen conventional field
- A total of 98 wells (gross) were drilled in 2016: 70 producing wells; 16 injector wells; 12 exploratory wells including 1 stratigraphic well (heavy oil belt) (2015: 57 wells). 21 wells were converted to injection wells in the Chachahuen block, with an average production of 1,493 bpd net to Andes in 2016; an increase of 58% compared with the average of 945 pbd in 2015. At the end of March 2017, Chachahuen was producing 1,768 bpd net to Andes.
- Termination of activities in Paraguay without further obligations.
- 2016 average selling prices of US$ 59 and US$ 37 per barrel in Argentina and Colombia respectively (2015: US$71 and US$47 respectively).
- An oil discovery was made in the exploration well “Cerro Redondo x-1” encountering 6 metres of net oil pay in the sandstone of the Rayoso formation (cycle1).
- A second oil discovery was made in the exploration well “Cerro Morado Este x-1” encountering 7 metres of net oil pay in the sandstone of the Centenario formation.
- Oil prices in Argentina converging towards international prices.

Post year end highlights:

- Two new credit facilities with Mercuria Energy Trading SA. The first, a US$ 20,000,000 facility to finance the drilling activities in Chachahuen and other working capital requirements. The second, a US$ 40,000,000 facility to finance other drilling activities of the Company, including activity in the Vaca Muerta, where the Company has 250,000 net acres
- At the end of March 2017, current daily production: Argentina 2,518 bpd; Colombia 984* boepd; total 3,502* boepd.
- Current selling prices of approximately US$ 52 and US$ 50 per barrel in Argentina and Colombia respectively.
- Appointment of Anuj Sharma as Chief Executive Officer.
- Restructure of interest in Interoil and proposed changes to Interoil board and management as a result of which Andes will no longer be deemed to control Interoil and will no longer fully consolidate Interoil.

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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 £341m. The Company has its main operations in Argentina and Colombia.

The Company has approximately 21* MMbbls of conventional 2P reserves, and it also has certified prospective resources of 484 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 1,000 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.

**Includes 100% of Interoil's net reserves and production in which Andes has a 26.02% interest*

Annual Report
The Company will shortly be posting to shareholders a copy of the audited annual report for the year ended 31 December 2016 together with the notice for the Annual General Meeting, to be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF at 10.00a.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 and Colombia. Our audited financial results incorporating the results of Andes together with its subsidiaries and joint operations for the year ended 31 December 2016 are set out below.

Year ended 31 December	**2016**	**2015**
	US$m	**US$m**
Revenue	67.8	66.8
Operating (loss)/profit	(7.5)	2.8
EBITDA	14.6	16.8
Net cash generated from operating activities	25.1	18.1

The Group recorded EBITDA of US$ 14.6 million for the year 2016 (2015: US$ 16.8 million) and a net loss of US$ 26.3 million (2015: US$ 18.4 million loss).

BUSINESS REVIEW

Andes's portfolio includes:

- 43 licences
- Over 6.1 million net acres of licence area
- 21 million bbls of 2P net reserves in Argentina and Colombia
- 484 million boe of net contingent and prospective resource
- 2016 average production of approximately 3,449* boepd
- 250,000 net acres in Vaca Muerta

The Group has interests in producing, development and exploration assets. The Group has 21 million bbls of net conventional 2P reserves in Argentina and Colombia and net contingent and prospective resources of 484 million boe. The Group's licences cover over 6.1 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. During March 2017, the Group currently produced ~3,502* boepd from 6 conventional fields in Argentina and 4 conventional fields in Colombia.

OPERATIONAL REVIEW

2016 highlights:

- Average production rate of 3,449* boepd in 2016 (2015: 3,211* boepd) with the increase primarily arising from the Chachahuen conventional field
- A total of 98 wells (gross) were drilled in 2016: 70 producing wells; 16 injector wells; 12 exploratory wells including 1 stratigraphic well (heavy oil belt) (2015: 57 wells). 21 wells were converted to injection wells in the Chachahuen block, with an average production of 1,493 bpd net to Andes in 2016; an increase of 58% compared with the average of 945 pbd in 2015. At the end of March 2017, Chachahuen was producing 1,768 bpd net to Andes.
- Termination of activities in Paraguay without further obligations.
- 2016 average selling prices of US$ 59 and US$ 37 per barrel in Argentina and Colombia respectively (2015: US$71 and US$47 respectively).
- An oil discovery was made in the exploration well "Cerro Redondo x-1" encountering 6 metres of net oil pay in the sandstone of the Rayoso formation (cycle1).
- A second oil discovery was made in the exploration well "Cerro Morado Este x-1" encountering 7 metres of net oil pay in the sandstone of the Centenario formation.
- Oil prices in Argentina converging towards international prices.

Post year end highlights:

- Two new credit facilities with Mercuria Energy Trading SA. The first, a US$ 20,000,000 facility to finance the drilling activities in Chachahuen and other working capital requirements. The second, a US$ 40,000,000 facility to finance other drilling activities of the Company, including activity in the Vaca Muerta, where the Company has 250,000 net acres
- As of March 2017, current daily production: Argentina 2,518 bpd; Colombia 984* boepd; total 3,502* boepd.
- Current selling prices of approximately US$ 52 and US$ 50 per barrel in Argentina and Colombia respectively.

- Appointment of Anuj Sharma as Chief Executive Officer.
- Restructure of interest in Interoil and proposed changes to Interoil board and management as a result of which Andes will no longer be deemed to control Interoil and will no longer fully consolidate Interoil.

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)
Conventional/unconventional exploration/development/production	Mendoza	7	16.1	214.8	2,518
Conventional exploration	Mendoza	4	N/A	0.0	-
Unconventional exploration/development	Neuquén	2	N/A	170.9	-
Conventional/unconventional exploration	Río Negro	1	N/A	32.0	-
Conventional/unconventional exploration	Chubut	7	N/A	16.7	-
Conventional exploration	Salta	3	N/A	50.0	-
Conventional exploration	Mendoza	6	N/A	0.0	-
Total		**30**	**16.1**	**484.4**	**2,518**

The following areas are in the process of being relinquished. In the Mendoza Province; Zampal Norte, Coiron I and II, Pampa del Sebo, San Rafael and Ñacuñan. In Chubut the Province: Rio Senguerr, Sierra Cuadrada, Buen Pasto, Pampa Salamanca Norte, Ñirihuau and 50% of Confluencia and San Bernardo.

Conventional production

Chachahuen Sur (Development block)

Development and Delineation Drilling

A total of 98 wells were drilled in 2016: 70 producing wells; 16 injector wells; 12 exploratory wells including 1 stratigraphic well (heavy oil belt). 21 producing wells were converted into injector wells.

A total of 86 wells are planned to be drilled in 2017: 55 producing wells, 26 injector wells and 5 appraisal wells. 19 producing wells are planned to be converted into injector wells.

Oil Production

As of December 2016, the field had 155 producing wells on stream producing approximately 7,629 bpd (1,526 bpd net to Andes).

In the majority of wells (89%) Progressing Cavity Pump ("PCP") artificial lift system was installed which is best suited to the conditions of the wells and has proved efficient in neighbouring oil fields.

As part of our ongoing development activities, the construction of new facilities commenced on schedule. These include the construction of: an oil treatment plant (60% complete); an oil pipeline connecting Desfiladero Bayo to the sales point at Puesto Hernandez and the installation of a Lease Automatic Custody Transfer used for measuring the volume and quality of the oil (90% complete).

The first stage of gathering associated gas to supply electricity generators was also commissioned, which will reduce operational costs.

Enhanced Oil Recovery - Water Flood Project

Under the ongoing water flood project during the year, 16 injector wells were drilled and 21 producing wells were converted into injector wells.

As of December 2016 the project reached an average rate of injection of approximately 10,000 bpd through a total of 47 water injection wells.

Exploratory Activities

A total of 12 exploratory wells were drilled during 2016 of which 1 was a stratigraphic well. Of the other wells drilled; 2 are still being drilled; 3 are awaiting completion; 2 are under evaluation; 2 discovered oil and 2 were abandoned.

Chachahuen Sur (Exploration block)

This exploration block covers an area of 478 km².

Cerro Redondo x-1

The well is situated approximately 4.3 km northeast of the discovery well "Chus x-2" on the "Chachahuen Sur" evaluation block with the primary target to analyse the sandstone of cycle 1 of the Rayoso formation into the combined structural/stratigraphic traps where the updip seal is the claystones of the Neuquén Group above an unconformity.

The well was drilled to a total depth of 1,810 metres. A complete stratigraphic column showed oil in the drilling process, and the shallow horizon encountered good quality reservoir sandstone with a net oil pay of 6 metres. The well was cased at a depth of 845 metres to test the Rayoso formation. After fracture stimulation the well produced, by natural flow, 135 bpd with a water cut of approximately 15%. A buildup test was performed to further evaluate the potential reservoir properties of cycle 1 of the Rayoso formation.

The well came on stream on 27 June 2016 and after an initial clean up period produced at a gross rate of 81 bopd. A sucker rod artificial lift system was installed and the well is currently producing 58 bopd.

Cerro Morado Este x-1

The well is located approximately 37 km southeast of the discovery well "Chus x-2", on the "Chachahuen Centro" block and was drilled to investigate a combined stratigraphic /structural trap with the primary target the lower Centenario formation.

The well was drilled to a total depth of 596 metres. Oil shows were seen in the upper Centenario formation. The shallow horizon encountered good quality reservoir sandstone with a net oil pay of 7 metres.

After a swabbing test, it was then completed with an artificial lift system using a PCP.

During production testing the well produced at an average gross rate of 33 bpd, with an API of 18.6 and water cut of approximately 2.5%.

Chachahuen Norte (Exploration block)

A stratigraphic well “Chu.es-3” was drilled successfully to a total depth of 300 metres with the main objective to collect core samples from the Neuquén formation.

As the reservoir in this part of the basin is coarse grained unconsolidated sandstone, special procedures were adopted during coring, handling, shipping and storage of the samples.

As a result, 130 metres of core was successfully recovered and shipped to the laboratory for testing.

The core analysis showed a reservoir porosity of 25%; average permeability of 400 md; and a maximum net pay of 1.5 metres with a cut-off oil saturation of 50%.

The operator plans to complete Chu.es-3 by installing an electrical heater in the bottom of the hole to enable oil samples to be taken.

Puesto Pozo Cercado and Chañares Herrados blocks – Mendoza

Oil production decreased 8% from 777 bopd in 2015 to 713 bopd in 2016 (net to Andes).

Production was impacted by the failure of the electric submersible pump system in wells CH 1006 and CH 1023. The operator plans to carry out well interventions and change the artificial lift system.

Vega Grande block – Mendoza

During the year oil production remained stable at a rate of 53 bpd. Andes holds a 100% interest in the block.

Oil production was maintained at the same level by minimising oil production losses and the oilfield was kept operational during the winter season, despite the adverse weather conditions.

An overhaul of the existing facilities is being carried out including: the installation of a storage tank in the battery; an upgrade of the electrical system; and the repair of the heat treater. In addition, wells AMx-1 and TEx-1 have been abandoned.

La Brea (Puesto Muñoz) – Mendoza

Oil production showed a minor decrease of 5 bpd, falling from 58 bpd in 2015 to 53 bpd in 2016. Production was maintained at the same level through the application of acid stimulations in PMu.a-7 well. Andes holds a 100% working interest in the block.

El Manzano West (Agrio formation) - Mendoza

Oil production decreased 30%, falling from 40 bopd in 2015 to 28 bopd in 2016. Andes holds a 100% working interest in production from the Agrio Formation.

El Manzano West (Other formations) - Mendoza

In a joint venture with YPF, the licence's block operator, production decreased 32%, falling from 28 bopd in 2015 to 19 bpd in 2016 (net to Andes). Andes holds a 40% working interest in production from formations other than the Agrio formation, including Vaca Muerta.

Conventional production/unconventional exploration

Zampal Norte - Mendoza

The Zampal Norte exploration concession is located in the north of the Cuyana Basin and in the north of the Mendoza Province.

As part of the general strategy to de-risk our exploratory portfolio, we have agreed with YPF to move the commitments on this licence (carried by YPF) to the Chachahuen block and relinquish this licence. Approval is still pending.

Pampa del Sebo, Coiron I and Coiron II – Mendoza

Due to environmental constraints, the operator was not able to obtain the requisite permits required. The operator is now seeking to revert the licences.

Ñacuñan and San Rafael - Mendoza

An assessment performed by the operator considered these blocks to have a very low prospectivity and as part of our strategy to de-risk the exploration portfolio these licences are in the process of being relinquished.

Ñirihuau block – Chubut

Having completed the first exploratory period and fulfilled the work commitments, management has decided to relinquish this area.

Colombia

Andes has interests in 9 exploration licences and through its 26% indirect interest in Interoil Exploration & Production ASA (“Interoil”), 2 further exploration licences and 2 producing licences (Altair and Puli C). During the year two of Andes’s exploration licences were relinquished due to low prospectivity (YDND 2 and YDND 8).

At 31 December 2016 Andes held a 26% indirect controlling interest in Interoil, which operates exploration and producing oil and gas licences in the Middle Magdalena Valley and Llanos basins and has more than 30 years operating experience in Colombia. Interoil has net 2P reserves of 4.6 million boe.

In 2016 the average net production before royalties from Puli C and Altair was 1,091 boepd compared to 1,333 boepd in 2015. The average production decreased during 2016 as a result of system pressure restrictions and the low level of new investment due to the deferral of new projects under current market conditions.

Puli field

The structure in Puli C is complex and the technical team has been working on a new static model that will be the base for a dynamic model. The dynamic model will better explain the behaviour of the main producing reservoirs in the structure.

Simultaneously, an enhanced maintenance program, including new pumps and paraffin cutting, in order to diminish the deferred production due to the malfunction in the subsurface and surface equipment, has been implemented and the results obtained, were very positive.

Workovers campaign

A new workover program is planned once the new static and dynamic modelling work is completed.

Exploration licences

Andes is currently conducting geological studies, petrophysical interpretation and reprocessing of existing seismic data on its exploration licences in Colombia. In the YDND-5, YDND-8 and YDLLA-2 blocks, soil gas samples were collected during the dry season as part of our licence commitments.

In the blocks LLA-2, LLA-28 and LLA-79 the Agencia Nacional de Hidrocarburos ("ANH"), approved the change of our commitments from seismic acquisition to geochemical sampling. This activity will be performed during the dry season in 2017.

Andes has also presented to the ANH a proposal to replace the existing seismic activities commitments in LLA-12 and LLA-49 with geochemical survey works. A decision from the ANH is still pending.

At Interoil, an agreement to transfer the US$ 22 million assigned exploration commitments on COR-6 to Altair and LLA-47 was agreed with the ANH and confirmed by the Attorney General's office, subject to Court approval. The obligations include high density geochemical sampling of 10,000 surface points to be taken on Altair and 20,000 on LLA-47, both to be completed by March 2017, in addition to drilling 1 stratigraphic well on the Altair licence and 2 exploratory wells on the Altair licence; all wells to be completed by April 2018. However, the Court did not ratify the agreement and the Company filed a motion for reconsideration, which was rejected by the Court.

In December 2016, Interoil secured an agreement with SLS Energy ("SLS"), pursuant to which SLS will assume responsibility for 90% of the capex for the Turaco well in Altair and 60% of the capex for 3 wells in LLA-47. The consideration will be respectively 85% of the net operating income after taxes from the Altair well and 36% once the cost of the investment has been recovered, and 43% of the net operating income after taxes from the wells in LLA-47, and 22% once the cost of the investment has been recovered.

Paraguay

Based on an analysis of the data collected and as part of our strategy to prioritise low risk projects at a time of low international oil prices, Andes management has decided to relinquish the area, after having completed phase 1 of its exploratory commitments.

TRADING PERFORMANCE

Revenue from operations increased from US$ 66.8 million in 2015 to US$ 67.8 million in 2016. Average production has increased from 3,211* boepd in 2015 to 3,449* boepd in 2016. Exploration and development activities continue and the Group expects to see the benefit of these programs in future years.

FINANCIAL PERFORMANCE

Revenue has increased to US$ 67.8 million compared with US$ 66.8 million in 2015. The loss before tax amounted to US$ 28.4 million compared with a loss before tax of US$ 12.4 million in 2015. Gross profit margin fell from 32% to 25% primarily due to increased depreciation charges and increased transportation costs.

EBITDA has decreased to US$ 14.6 million (2015: US$ 16.8 million).

The Group's total assets fell from US$ 265.3 million at the end of 2015 to US$ 236.8 million at the end of 2016, in part due to the impact of the devaluation of the Argentine Peso in 2016. The devaluation of the Argentine Peso and Pounds Sterling resulted in US$ 12.6 million of translation differences being recognised in the comprehensive loss for the year (2015: US$ 56.9 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.

Net current liabilities were US$ 23.5 million at the year end compared to U$S 0.8 million at the end of 2015.

At year end, the Group had cash and restricted cash resources of US$ 21.7 million compared to US$ 27.3 million at the end of 2015. Andes management believes the current cash position together with the free cash flow generated from existing activities and credit facilities available to it, 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 3.76 cents in 2016 compared to 2.68 cents in 2015.

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´s activity that is influenced by production levels and oil prices. Revenue increased by US$ 1 million to US$ 67.8 million in 2016.

Price:
The average price of oil sales in Argentina in 2016 was US$ 59 per barrel compared to US$ 71 per barrel in 2015.

The average price of oil sales in Colombia in 2016 was US$ 37 per barrel compared to US$ 47 per barrel in 2015.

Domestic oil prices in Argentina are converging towards international price levels.

Production:
Production is measured in barrels of oil per day and average production increased from 3,211* boepd in 2015 to 3,449* boepd in 2016, which has primarily resulted from increased production in Chachahuen.

Resources and Reserves
The Group has 21 million bbls of net 2P reserves in Argentina (16.1 million bbls) and Colombia (4.6 million boe) and net contingent and prospective resources of 485 million boe.

Work programs:
A total of 98 wells were drilled in 2016: 70 producing wells; 16 injector wells; 12 exploratory wells including 1 stratigraphic well (heavy oil belt). 21 producing wells were converted into injector wells.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 29 March 2017, the Company entered into two new credit facilities with Mercuria Energy Trading S.A. The first, a US$ 20,000,000 facility to finance the drilling activities in Chachahuen (the Company´s producing field in partnership with YPF) and other working capital requirements. The second, a US$ 40,000,000 facility to finance other drilling activities of the Company, including activity in Vaca Muerta, where the Company has 250,000 net acres.

In respect of Interoil's licences, Interoil elected to combine the phase 1 and 2 commitments under the LLA-47 licence agreement, which was approved by the ANH. Interoil now has a commitment to drill 10 wells before 10 February 2020 and expects to have completed the drilling of the first three wells in May 2017. Interoil also elected to combine the phase 1 and 2 commitments under the Altair licence agreement, which was also approved by the ANH. On Altair, Interoil now has a commitment to drill 2 wells before January 2019.

In March 2017, the ANH sent a letter inviting Interoil to pay US$ 22 million pursuant to the ANH's claim for damages for breach of the COR-6 licence contract. This is not a mandatory payment order and the company has responded to the ANH reiterating its position and its continuing willingness to formalise the agreement reached with the ANH to transfer the COR-6 licence commitments to the Altair and LLA-47 licences. The company is still optimistic that a mutually agreeable solution can be reached with the ANH and will continue to pursue all legal alternatives.

In March 2017, Interoil announced that drilling operations had begun in Altair. The well was drilled to a total depth of 6,800 feet and tested for oil in the upper section of C7 formation. The testing will continue to determine the size of the oil accumulation for its commercial evaluation for production and further development. The rig was then moved to LLA-47 for the drilling program planned in this licence.

At the end of March, the Company announced that Alejandro Jotayan had stepped down from the board and his position as Chief Executive Officer with Anuj Sharma appointed as non board level Chief Executive Officer and with Nicolas Mallo Huergo assuming the role of Executive Chairman on an interim basis.

In May, the Company announced a restructure of its holding in Andes Interoil Limited ("AIL"), which holds a 51% interest in Interoil. The Company has a 51% interest in AIL and Canacol Energy Ltd the remaining 49%. Further to an agreement with Canacol, Canacol transferred all its shares in AIL to the Company in exchange for the Company transferring to Canacol 16,172,052 shares in Interoil currently held through AIL. Following these transactions, the Company's economic interest in Interoil will remain unchanged at 26% of the total share capital and votes of Interoil held through its wholly owned subsidiary AIL. Furthermore, following proposed changes to the composition of the board and senior management of Interoil, it has been determined that, subject to these changes being implemented, the Company will no longer be deemed to control Interoil. Therefore Interoil will no longer be fully consolidated and going forward Andes's 26% share of the results and net assets of Interoil will be equity accounted, in the consolidated results of the Group.

There were no other significant events after the balance sheet date.

OUTLOOK

Operationally, 2017 has started well, with Group production in March 2017 currently at 2,518 bpd in Argentina and 984* boepd in Colombia; a total of 3,502 boepd.

Andes, with its partner YPF, the state Argentine oil company, has 86 new wells planned in 2017, 5 appraisal wells, 55 production wells and 26 injector wells. Additionally, 19 reconversions are expected to be performed. Out of the 86 planned wells, 30 wells have been drilled since the beginning of 2017. The wells will be funded primarily by field production cash flow and available credit facilities.

For Andes's licences in Colombia, an aggresive exploration campaign of geochemical surveys are being conducted as part of the committed investment activities with the ANH. In Interoil, a drilling campaign of 1 exploration well on the Altair licence and between 2 and 4 exploration wells on the LLA-47 licence is currently ongoing.

Nicolas Mallo Huergo
Executive Chairman

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

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER

	2016	2015
	US$'000	**US$'000**
Revenue	67,768	66,815
Production cost	(50,945)	(45,705)
Gross profit	**16,823**	**21,110**
Exploration costs	(2,317)	(577)
Other operating income	1,491	4,010
Impairment charge	(7,065)	-
Distribution costs	(3,471)	(4,657)
Administrative expenses	(12,961)	(17,049)
Operating (loss) / profit	**(7,500)**	**2,837**
Finance income	6,887	9,343
Finance costs	(27,803)	(24,627)
Loss before taxation	**(28,416)**	**(12,447)**
Taxation	2,140	(5,938)
Loss for the year	**(26,276)**	**(18,385)**
Loss attributable to:		
Equity holders of the parent	(22,766)	(15,226)
Non-controlling interests	(3,510)	(3,159)
	(26,276)	**(18,385)**
Loss per ordinary share	**Cents**	**Cents**
Basic and diluted loss per share	(3.76)	(2.68)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

	2016	2015
	US$'000	**US$'000**
Loss for the year	(26,276)	(18,385)
Translation differences	(12,567)	(56,869)
Total comprehensive loss for the year	**(38,843)**	**(75,254)**
Total comprehensive loss attributable to:		
Equity holders of the parent	(35,333)	(72,095)
Non-controlling interests	(3,510)	(3,159)
	(38,843)	**(75,254)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER

	2016 US$'000	2015 US$'000
Non-current assets		
Intangible assets	94,829	109,258
Property, plant and equipment	82,474	94,145
Available for sale financial assets	5,655	5,599
Trade and other receivables	8,945	10,039
Deferred income tax assets	3,072	1,547
Total non-current assets	**194,975**	**220,588**
Current assets		
Inventories	945	1,954
Available for sale financial assets	2,316	1,414
Trade and other receivables	16,837	14,088
Restricted cash	9,070	9,593
Cash at bank and in hand	12,630	17,702
Total current assets	**41,798**	**44,751**
Current liabilities		
Trade and other payables	37,757	22,644
Financial liabilities	27,157	22,259
Provisions	409	691
Total current liabilities	**65,323**	**45,594**
Non-current liabilities		
Trade and other payables	16,092	18,169
Financial liabilities	78,840	76,767
Deferred income tax liabilities	27,782	38,005
Provisions	4,076	3,596
Total non-current liabilities	**126,790**	**136,537**
Net assets	**44,660**	**83,208**
Capital and reserves		
Called up share capital	98,414	98,414
Share premium account	86,865	86,865
Other reserves	(138,990)	(126,423)
Retained earnings	(786)	21,685
Equity attributable to equity holders of the parent	**45,503**	**80,541**
Non-controlling interests	(843)	2,667
Total equity	**44,660**	**83,208**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER

	Called up capital	Share premium	Retained earnings	Other reserves	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2015	**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**
Loss for the year	-	-	(22,766)	-	(22,766)	(3,510)	(26,276)
Translation differences	-	-	-	(12,567)	(12,567)	-	(12,567)
Total comprehensive loss for the year	-	-	(22.766)	(12,567)	(35,333)	(3,510)	(38,843)
Fair value of share based payments	-	-	295	-	295	-	295
At 31 December 2016	**98,414**	**86,865**	**(786)**	**(138,990)**	**45,503**	**(843)**	**44,660**

Other reserves	Merger reserve	Warrant reserve	Translation reserve	Deferred consideration reserve	Total other reserves
	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2015	**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)**
Translation differences	-	-	(12,567)	-	(12,567)
Total comprehensive loss for the year	-	-	(12,567)	-	(12,567)
At 31 December 2016	**55,487**	**2,105**	**(202,608)**	**6,026**	**(138,990)**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER

	2016 US$'000	2015 US$'000
Cash generated from operations	25,761	18,751
Tax paid	(705)	(643)
Net cash flows generated from operating activities	**25,056**	**18,108**
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,374)	(24,418)
Proceeds from sale of property, plant and equipment	-	17
Proceeds from sale of interest in subsidiary	-	814
Purchase of exploration assets	(7,739)	(2,233)
Purchase of financial assets	(1,178)	(6,402)
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	**(29,291)**	**(17,076)**
Cash flows from financing activities		
Repayments of borrowings	(18,967)	(1,794)
Funds from borrowings	21,013	6,107
Interest paid	(1,673)	(837)
Interest received	204	392
Proceeds from issue of shares	-	12,315
Net cash generated from financing activities	**577**	**16,183**
Exchange losses on cash and cash equivalents	(1,937)	(564)
Net (decrease)/increase in cash and cash equivalents	(5,595)	16,651
Cash and cash equivalents at the beginning of the year	27,295	10,644
Cash and cash equivalents at the end of the year	**21,700**	**27,295**

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 2016 or 31 December 2015.

The financial information has been extracted from the statutory accounts of the Company for the years ended 31 December 2016 and 31 December 2015. 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 2016 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 2015 have been delivered to the Registrar of Companies, whereas those for the year ended 31 December 2016 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. 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:

	2016				2015			
Analysis of revenue and profit:	**Argentina**	**Colombia**	**Unallocated Corporate**	**Total**	**Argentina**	**Colombia**	**Unallocated Corporate**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Revenue	52,685	15,083	-	67,768	49,052	17,763	-	66,815
Operating profit/(loss)	(3,737)	(1,541)	(2,222)	(7,500)	3,528	3,120	(3,811)	2,837
Finance income	3,176	1,417	2,294	6,887	629	1,629	7,085	9,343
Finance costs	(8,257)	(3,814)	(15,732)	(27,803)	(8,247)	(2,238)	(14,142)	(24,627)
Loss before tax	(8,818)	(3,938)	(15,660)	(28,416)	(4,090)	2,511	(10,868)	(12,447)
Taxation	1,353	787	-	2,140	(1,662)	(4,276)	-	(5,938)
Loss for the year	(7,465)	(3,151)	(15,660)	(26,276)	(5,752)	(1,765)	(10,868)	(18,385)
Add: Depreciation and amortisation	8,464	6,538	-	15,002	9,018	4,891	-	13,909
Add: Impairment charges	7,065	-	-	7,065	-	-	-	-
Less: Finance income	(3,176)	(1,417)	(2,294)	(6,887)	(629)	(1,629)	(7,085)	(9,343)
Add: Finance costs	8,257	3,814	15,732	27,803	8,247	2,238	14,142	24,627
Add: Tax	(1,353)	(787)	-	(2,140)	1,662	4,276	-	5,938
EBITDA	11,792	4,997	(2,222)	14,567	12,546	8,011	(3,811)	16,746

3. FINANCE INCOME

	2016	**2015**
	US$'000	**US$'000**
Exchange gain	5,032	8,234
Interest receivable and similar income	1,855	1,109
	6,887	9,343

4. FINANCE COSTS

	2016	**2015**
	US$'000	**US$'000**
Exchange losses	11,031	6,355
Interest costs	16,772	18,272
	27,803	24,627

5. TAXATION

	2016 US$'000	2015 US$'000
Current tax	(4,548)	(4,105)
Deferred taxation	6,688	(1,833)
Tax charge/(credit)	2,140	(5,938)
Loss on ordinary activities before tax	(28,416)	(12,447)
Tax credit on loss at standard rate of 35% (2015: 35%)	9,946	4,356
Effects of:		
Expenses not deductible for tax purposes	(4,934)	(2,006)
Effect of items not taxable	28	1,194
Differences due to the effect of exchange rate movements	3,031	(2,186)
Tax losses for which no deferred tax asset is recognised	(5,931)	(7,296)
Total tax charge/(credit)	2,140	(5,938)

The Group is subject to a number of different tax regimes in the countries in which it operates. At the end of 2016, 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, is not available.

The tax rate used for the 2016 and 2015 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 2016 was 39% (2015: 39%), which included the 25% (2015: 25%) general income tax rate and the fairness tax ("CREE") at 14% (2015: 14%).

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 respect to the valuation of non-monetary assets and liabilities, which are recognised in the income statement.

6. 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.

	2016 Cents	2015 Cents
Basic and diluted loss per share	(3.76)	(2.68)
Adjusted basic and diluted loss per share	(3.76)	(2.68)
	US$'000	**US$'000**
Loss for the year attributable to equity holders	(22,766)	(15,226)
Adjusted loss for the year attributable to equity holders	(22,766)	(15,226)
	No.'000	**No.'000**
Weighted average number of shares	605,505	569,064
Effect of dilutive warrants	-	-

Diluted weighted average number of shares	605,505	569,064
	No.'000	**No.'000**
Potential number of dilutive warrants	59,240	59,240

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

7. FINANCIAL LIABILITIES

	The Group		The Company	
	31-Dec-16	**31-Dec-15**	**31-Dec-16**	**31-Dec-15**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Current				
Bank borrowings	5,264	7,235	-	-
Other borrowings	20,315	13,513	9,158	11,562
Financial leasing	-	25	-	-
Accrued financial interest	1,578	1,486	906	1,219
	27,157	22,259	10,064	12,781

	The Group		The Company	
	31-Dec-16	**31-Dec-15**	**31-Dec-16**	**31-Dec-15**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Non-current				
Bonds	34,719	33,522	-	-
Bank borrowings	-	3,150	-	-
Other borrowings	33,345	35,094	31,697	31,696
Accrued financial interest	10,776	5,001	9,007	4,406
	78,840	76,767	40,704	36,102
Total financial liabilities	105,997	99,026	50,768	48,883

In 2016 financial liabilities include a US$ 14.7 million unsecured convertible loan that carries interest at a rate of 11% repayable in May 2018; a US$ 26.0 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 13% with repayment terms to be agreed; a US$ 7.0 million secured loan that carries interest at 9.5% + LIBOR repayable in August 2017; a US$ 36.0 million bond that carries interest at a rate of 6% per annum repayable in January 2020; a US$ 3.2 million loan that carries interest at a rate of 5.5% + LIBOR repayable in installments by April 2017; a US$ 2.1 million secured loan that carries interest at a rate of 3.5% + DTF repayable in installments by July 2017; a US$ 5.5 million unsecured loan that carries interest at 9.5% + LIBOR with repayment terms to be agreed; a US$ 2.8 million unsecured loan that carries interest at 14% repayable in July 2017; US$ 0.4 unsecured loan that carries interest between 0% and 4% repayable in June 2017 and US$ 6.4 million AR$ denominated loans that carry interest at rates between 18% to 36% repayable within 3 years some portion of which are classified as current.

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 installments by April 2017; a US$ 1.7 million loan that carries interest at a rate of 3.5% + DTF repayable in installments 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.

8. CAPITAL COMMITMENTS

Over the next 2 to 6 years, the Group has licence commitments to fulfill 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 2 workovers and 3 exploratory wells between 2017 and 2019.

The commitment for the 2 workovers was fulfilled in 2016. Future development activities in the northern part of Chachahuen are under discussion with the regulator.

In Colombia in respect of the licences held by Andes, on 5 licences there are commitments to complete geoquimic and 5 exploratory wells by the end of 2018 and 2019. On 3 licences Phase I has been delayed due to security and environmental issues.

Interoil has combined phases 1 and 2 under the Altair licence agreement, and is obligated to drill two wells in the Altair licence by January 2019. The first of these two wells was drilled in March/April 2017. Interoil has completed its obligation to acquire 350 km2 of 3D seismic on LLA-47 and has combined phases 1 and 2 in the licence agreement and is obligated to drill ten exploration wells before 10 February 2020. LLA-47 is located in the prolific Llanos basin and covers an area of 447 km2.

Cor-6 is located in the Upper Magdalena Valley. The Branch is committed to acquire 150 km² of 3D seismic and to drill two exploration wells during the initial exploration phase of 36 months. Assigned value is US$ 10 million and US$ 12 million respectively. Additionally, the Colombian branch is obligated to have in place a US$ 16.6 million bank guarantee for the investment commitments. The company currently has a US$ 600,000 bank guarantee in place for these commitments. According to the licence contract, the seismic and wells should have been finalised by November 2014. However, due to environmental and in particular community issues, it has not been possible for the Group 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 offered to transfer its commitments to another licence, and ANH and the Attorney General's office agreed. The obligations include high density geochemical sampling of 10,000 surface points to be taken on Altair and 20,000 on LLA-47 in addition to drilling 1 stratigraphic well on the Altair licence and 2 exploratory wells on the Altair licence; all wells to be completed by April 2018. The company will be required to have in place standby letters of credit for an amount equal to 20% of the remaining commitments. The company was, however, advised that the Court did not ratify the agreement and the Company filed a motion for reconsideration. The Court subsequently rejected the reconsideration motion in February 2017, and in March 2017, ANH sent a letter inviting the company to pay US$ 22 million pursuant to a claim for damages for breach of contract. This is not a mandatory payment order and the company has responded to the ANH reiterating its position and its continuing willingness to formalise the agreement reached with the ANH to transfer the COR-6 licence commitments to the Altair and LLA-47 licences. The company is still optimistic that a mutually agreeable solution can be reached with the ANH and will continue to pursue all legal alternatives. Any penalties are without recourse to the Company.

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

9. CASH GENERATED FROM/(USED IN) OPERATIONS

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Loss for the year before taxation	(28,416)	(12,447)	(13,609)	(6.741)
Adjustments from operating activities				
Depreciation and amortisation	15,002	13,909	-	-
Exchange movements	78	(3,555)	1,336	(295)
Revaluation of investments	-	56	-	56
Decrease/(increase) in inventories	920	(1,032)	-	-
Increase in trade and other receivables	(6,121)	(6,196)	(622)	(283)
Increase/(decrease) in creditors and other payables	15,702	15,513	394	(60)
Finance costs	27,803	24,627	19,711	10.220
Finance income	(6,887)	(9,343)	(7,499)	(4.852)
Impairment charges	7,065	-	-	-
Movement in provisions	(1,398)	(2,735)	-	-
Exploration costs written off	1,718	(378)	-	(378)
Share based payments	295	332	295	332
Net cash generated from/(used in) operation	25,761	18,751	6	(2,001)

10. EBITDA

EBITDA is calculated as follows:

	31-Dec-16	**31-Dec-15**

	US$'000	US$'000
Loss for the year from continuing operations	(26,276)	(18,385)
Add: Depreciation and amortisation	15,002	13,909
Add: Impairment charge	7,065	-
Less: Finance income	(6,887)	(9,343)
Add: Finance costs	27,803	24,627
Add: Tax	(2,140)	5,938
EBITDA	14,567	16,746

11. ANDES AND INTEROIL

	Andes 31-Dec-16 US$'000	Interoil 31-Dec-16 US$'000	Group 31-Dec-16 US$'000	Andes 31-Dec-15 US$'000	Interoil 31-Dec-15 US$'000	Group 31-Dec-15 US$'000
Revenue	52,685	15,083	67,768	49,052	17,763	66,815
Production cost	(40,443)	(10,502)	(50,945)	(36,825)	(8,880)	(45,705)
Gross profit	12,242	4,581	16,823	12,227	8,883	21,110
Exploration costs	(1,717)	(600)	(2,317)	(577)	-	(577)
Other operating income/(expense)	1,516	(25)	1,491	3,005	1,005	4,010
Impairment charge	(7,065)	-	(7,065)	-	-	-
Distribution costs	(2,012)	(1,459)	(3,471)	(2,592)	(2,065)	(4,657)
Administrative expenses	(8,099)	(4,862)	(12,961)	(9,909)	(7,140)	(17,049)
Operating (loss)/profit	(5,135)	(2,365)	(7,500)	2,154	683	2,837
Finance income	4,981	1,906	6,887	5,481	3,862	9,343
Finance costs	(22,733)	(5,070)	(27,803)	(18,466)	(6,161)	(24,627)
Loss before taxation	(22,887)	(5,529)	(28,416)	(10,831)	(1,616)	(12,447)
Taxation	1,353	787	2,140	(1,661)	(4,277)	(5,937)
Loss for the year from continuing operations	(21,534)	(4,742)	(26,276)	(12,492)	(5,893)	(18,385)

	Andes 31-Dec-16 US$'000	Interoil 31-Dec-16 US$'000	Group 31-Dec-16 US$'000	Andes 31-Dec-15 US$'000	Interoil 31-Dec-15 US$'000	Group 31-Dec-15 US$'000
Non-current assets						
Intangible assets	94,829	-	94,829	109,258	-	109,258
Property, plant and equipment	48,215	34,259	82,474	54,601	39,544	94,145
Available for sale financial assets	5,655	-	5,655	5,599	-	5,599
Trade and other receivables	6,154	2,791	8,945	10,039	-	10,039
Deferred income tax assets	2,085	987	3,072	796	751	1,547
Total non-current assets	156,939	38,037	194,975	180,293	40,295	220,588
Current assets						
Inventories	399	546	945	519	1,435	1,954
Available for sale financial assets	2,316	-	2,316	1,414	-	1,414
Trade and other receivables	16,837	-	16,837	10,497	3,591	14,088
Restricted cash	4,415	4,655	9,070	5,459	4,134	9,593
Cash and cash equivalents	5,817	6,813	12,630	6,278	11,424	17,702
Total current assets	29,784	12,014	41,798	24,167	20,584	44,751
Current liabilities						
Trade and other payables	34,577	3,180	37,757	18,865	3,779	22,644
Financial liabilities	21,896	5,261	27,157	15,039	7,220	22,259
Provisions	-	409	409	-	691	691
Total current liabilities	56,473	8,850	65,323	33,904	11,690	45,594
Non-current liabilities						
Trade and other payables	15,386	706	16,092	17,525	644	18,169
Financial liabilities	42,825	36,015	78,840	40,095	36,672	76,767
Deferred income tax liabilities	23,503	4,279	27,782	31,431	6,574	38,005
Provisions	2,425	1,651	4,076	2,053	1,543	3,596
Total non-current liabilities	84,139	42,651	126,790	91,104	45,433	136,537
Net assets	46,110	(1,450)	44,660	79,452	3,756	83,208

	Andes 31-Dec-16 US$'000	Interoil 31-Dec-16 US$'000	Group 31-Dec-16 US$'000	Andes 31-Dec-15 US$'000	Interoil 31-Dec-15 US$'000	Group 31-Dec-15 US$'000
Loss for the period from continuing operations	(21,534)	(4,742)	(26,276)	(12,492)	(5,893)	(18,385)
Add: Depreciation and amortisation	8,464	6,538	15,002	9,018	4,891	13,909
Add: Impairment charge	7,065	-	7,065	-	-	-
Less: Finance income	(4,981)	(1,906)	(6,887)	(5,481)	(3,862)	(9,343)
Add: Finance costs	22,733	5,070	27,803	18,466	6,161	24,627
Add: Tax	(1,353)	(787)	(2,140)	1,661	4,277	5,937
***EBITDA**	10,394	4,173	14,567	11,172	5,574	16,746

12. EVENTS AFTER THE BALANCE SHEET

On 29 March 2017, the Company entered into two new credit facilities with Mercuria Energy Trading SA. The first, a US$ 20,000,000 facility to finance the drilling activities in Chachahuen (the Company´s producing field in partnership with YPF) and other working capital requirements. The second, a US$ 40,000,000 facility to finance other drilling activities of the Company, including activity in the Vaca Muerta, where the Company has 250,000 net acres.

In respect of Interoil's licences, the company elected to combine the phase 1 and 2 commitments under the LLA-47 licence agreement, which was approved by the ANH. Interoil now has a commitment to drill 10 wells before 10 February 2020 and expects to have completed the drilling of the first three wells in May 2017. Interoil also elected to combine the phase 1 and 2 commitments under the Altair licence agreement, which was also approved by the ANH. On Altair, Interoil now has a commitment to drill 2 wells before January 2019.

In March 2017, the ANH sent a letter inviting Interoil to pay US$ 22 million pursuant to the ANH's claim for damages for breach of the COR-6 licence contract. This is not a mandatory payment order and the company has responded to the ANH reiterating its position and its continuing willingness to formalise the agreement reached with the ANH to transfer the COR-6 licence commitments to the Altair and LLA-47 licences. The company is still optimistic that a mutually agreeable solution can be reached with the ANH and will continue to pursue all legal alternatives.

In March 2017, Interoil announced that drilling operations has begun in Altair. The well was drilled to a total depth of 6,800 feet and tested for oil in the upper section of C7 formation. The testing will continue to determine the size of the oil accumulation for its commercial evaluation for production and further development. The rig was then moved to LLA-47 for the drilling program planned in this licence.

At the end of March, the Company announced that Alejandro Jotayan had stepped down from the board and is position as Chief Executive Officer with Anuj Sharma appointed as non board level Chief Executive Officer and with Nicolas Mallo Huergo assuming the role of Executive Chairman on an interim basis.

In May, the Company announced a restructure of its holding in Andes Interoil Limited ("AIL"), which holds a 51% interest in Interoil. The Company has a 51% interest in AIL and Canacol Energy Ltd "Canacol") the remaining 49%. Further to an agreement with Canacol, Canacol transferred all its shares in AIL to the Company in exchange for the Company transferring to Canacol 16,172,052 shares in Interoil currently held through AIL. Following these transactions, the Company's economic interest in Interoil will remain unchanged at 26% of the total share capital and votes of Interoil held through its wholly owned subsidiary AIL. Furthermore, following proposed changes to the composition of the board and senior management of Interoil, it has been determined that, subject to these changes being implemented, the Company will no longer be deemed to control Interoil. Therefore Interoil will no longer be fully consolidated and going forward Andes's 26% share of the results and net assets of Interoil will be equity accounted, in the consolidated results of the Group.

There were no other significant events after the balance sheet date.