For immediate release 10 December 2007

A meeting for analysts will be held at 10am on the morning of the results, 10 December 2007, at the offices of Buchanan Communications, 45 Moorfields, London EC2Y 9AE. The investor presentation, which will be used at the analyst meeting, will be made available on Aurum's website, www.aurummining.net.

AVRVM MINING PLC

AURUM MINING PLC

("Aurum" or "the Company")

Interim Results for the year ended 30 September 2007

Aurum Mining plc (AIM: AUR), the gold-mining company focussed on the Former Soviet Union (FSU) and whose principal asset is the Andash Project in the Kyrgyz Republic, is pleased to announce its interim results for the six months ended 30 September 2007.

This is the first set of accounts that the Company has released adopting International Financial Reporting Standards (IFRS) and therefore the format of these results is different to recent reports. The adoption of IFRS represents an accounting policy change only, the details of which are included in the notes to these accounts.

Highlights

- Substantial progress in the period ensuring that the Andash Zone I mine remains on time and within budget for initial production of gold and copper in H2 2008
- Appointment of Professor Muratbek Imanaliev, the President of the Institute of Public Policy in the Kyrgyz Republic, as chairman of the local advisory board to the Andash Mining Company, Aurum's Kyrgyz subsidiary
- Commitment to the Talas Valley underlined by plans for a $1 million social fund to be launched after production commences at Zone 1
- Exploration work on-going with initial assay results from the Tokhtonysay opportunity expected imminently along with the final report from geophysical work at Nakhodka
- Strong balance sheet with net cash of £25.5 million (H1 2006: £1 million). Pre-tax loss for the half year of £325,000 (H1 2006: loss of £834,000)

Sean Finlay, Aurum's Chairman, commented: "We have entered the second half of our financial year in a strong position and we look forward to calendar year 2008 with confidence and excitement. The Andash project is becoming increasingly de-risked, which, together with our significant exploration opportunities and the continuing strength of metal prices, underlines the increasing and on-going attractiveness of our business."

For further information:

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Notes to editors

Aurum Mining, which joined the AIM market of the London Stock Exchange in May 2004, is a mining company focussed on gold opportunities in the Former Soviet Union. Its principal asset is an exploration licence over the Andash gold and copper project in the Kyrgyz Republic. A mining licence for Andash Zone 1 was awarded by the Kyrgyz authorities in 2006. The feasibility study compiled by Wardell Armstrong International, also in 2006, confirmed a measured and indicated resource base of 19.2 million tonnes at 1.1 grams per tonne of gold and 0.4% copper, which equates to 1.1 million ozs of gold and gold equivalent. Initial production at Andash Zone 1 is expected in the second half of 2008. The Andash project also includes Zone 2 and Zone 3 along with Tokhtonysay, Nakhodka and three other additional exploration areas.

Aurum Mining plc

Chairman's and Chief Executive's statement

The six month period to 30 September 2007 has been another period of sustained progress at Aurum. This progress has increased in momentum since the period end and we are entering the 2008 calendar year with a business confidently positioned to deliver our strategic objective of becoming a copper and gold producer during the second half of next year.

From the outset of the Andash project we were committed to taking a responsible approach to mining in the region and we are delighted to be able to announce plans for a $1 million social fund to benefit the local population within the Talas Valley. This fund, which will be managed by local trustees and be dedicated to social, educational and cultural development projects in the Andash area, will be initiated after production commences at the Zone 1 mine. We believe the success of the Andash project can be achieved only through ensuring a commonality of interests between ourselves and local, regional and national groups. Our proposed social fund underlines our objective of making a very positive on-going contribution to the Kyrgyz Republic.

To ensure that local people are fully informed about all aspects of the project, we have opened an information centre in Kupero Bazaar, the nearest village to the mine. This centre will be a focal point for information sharing between Aurum's wholly owned subsidiary the Andash Mining Company (AMC) and the local community. AMC is itself becoming an increasingly important employer in the region, with current staff numbers totalling around 115.

To further strengthen our position in the region, we are also establishing a local advisory board for AMC and, in respect of this, we are delighted to announce the appointment of Professor Muratbek Imanaliev as the Chairman of this board. Professor Imanaliev is currently the President of the Institute for Public Policy in the Kyrgyz Republic, and he is also a Professor at the American University of Central Asia. Professor Imanaliev is a former Ambassador of the Kyrgyz Republic to the People's Republic of China, and he has twice held the position of the Minister for Foreign Affairs. He also holds the diplomatic rank of Ambassador Extraordinaire and Plenipotentiary of both the former USSR and the Kyrgyz Republic. We are both delighted and very proud that he has decided to join AMC, and we are convinced that he will assist us in our objective of developing the AMC into a world class sociably responsible and economical gold and copper producer. We will update the market further when the structure of AMC advisory board has been finalised and all relevant appointments made.

As the Andash mine development progresses we are able to determine our capital expenditure (capex) requirements for the Zone 1 mine in much greater detail, and we remain on track to complete the Zone 1 mine within both our forecast timeline and in-line with our forecast capex budget. In addition, we are in negotiations to secure leasing arrangements over our mining fleet and drilling equipment with the overall objective of optimising and preserving the Group's cash position ahead of cash generation from the Zone 1 mine.

As announced in our AGM statement in November 2007 we have been granted an extension to the time period for the completion of the technical design work for the Andash mine. This extension, from the end of November 2007 to the end of May 2008, further demonstrates the quality of our working relationship with the Kyrgyz authorities and has given us additional flexibility in finalising some key design features of the mine, including the tailings dam and the open pit, while allowing us to initiate the primary construction phase.

Concurrently with the finalisation of the design details, we have sourced and identified a substantial amount of the mining and processing plant for the Zone 1 mine. The first phase of construction has now started, with the primary access road contract now underway. Ball mills have been ordered with delivery next year in line with our requirements, and the mining fleet is already en route from Australia and the US. We do not foresee any problems in procuring the remaining plant required to meet our timeline commitments.

A further milestone for the Group will be the signing of an Investment Agreement between ourselves and the Kyrgyz Government. As it currently stands, the Agreement sets out the framework of our investment in the Kyrgyz Republic and the signing of the Agreement will show our ability to work efficiently and effectively in the Kyrgyz Republic. In order to get the Investment Agreement ratified by Government it is necessary to first get approval from 16 different ministries. AMC's Investment Agreement has now been approved by all 16 of these ministries and the agreement has now been passed back to Government for final approval. This whole process highlights the significant support we have developed within the Government.

Exploration update

The local geophysical exploration work at Nakhodka has been completed, and we await the final report which we hope to announce before the end of the year. Our initial drilling programme at Tokhtonysay has struck mineralisation and the core has been prepared and sent in for independent assay. We will update the market imminently on the results of this work.

Financials

The Board of Aurum is pleased to announce the Group's results for the half year to 30 September 2007. This is the first set of accounts that the Group has released adopting International Financial Reporting Standards (IFRS) and therefore the format of these results is different to recent reports and there are some changes to the accounting policies, details of which are in the notes.

On a Group basis, loss before tax for the half year was £325,000 (H1 2006: loss of £834,000) with loss per share of 0.71p (H1 2006: loss per share of 7.12p). The balance sheet remains strong following the fundraising in March this year with net cash at the balance sheet date of £25.5 million (30 September 2006: £1 million).

Outlook

We have entered the second half of our financial year in a strong position and we look forward to calendar year 2008 with confidence and excitement. The Andash project is becoming increasingly de-risked, which, together with our significant exploration opportunities and the continuing strength of metal prices, underlines the increasing and on-going attractiveness of our business.

Sean Finlay
Chairman

Mark Jones
Chief Executive Officer

Aurum Mining plc

Consolidated interim income statement for the six months ended 30 September 2007

	Note	6 months ended 30 September 2007 Unaudited £'000	6 months ended 30 September 2006 Unaudited £'000	Year ended 31 March 2007 Unaudited* £'000
Operating expenses		(1,069)	(777)	(1,938)
Operating loss		(1,069)	(777)	(1,938)
Finance income		774	24	154
Finance expenses		(30)	(81)	(175)
Net loss for the financial period		(325)	(834)	(1,959)
Attributable to:				
Equity shareholders of the parent		(325)	(834)	(1,959)
Loss per share				
Basic and diluted	2	(0.71p)	(7.12p)	(13.38p)

All amounts relate to continuing activities.

* As stated in note 1, the comparative figures for the financial year ended 31 March 2007 have been abridged from the Group's statutory accounts for that financial year, translated from UK Generally Accepted Accounting Principles (UK GAAP) to IFRS. The UK GAAP version of those accounts have been reported on by the Group's auditors and delivered to the Registrar of Companies.

Aurum Mining plc

Consolidated interim balance sheet at 30 September 2007

	At 30 September 2007 Unaudited £'000	At 30 September 2006 Unaudited £'000	At 31 March 2007 Unaudited £'000
ASSETS			
Non-current assets			
Property, plant and equipment	7,304	257	5,123
Exploration and evaluation assets	-	1,946	-
Total non-current assets	7,304	2,203	5,123
Current assets			
Inventories	200	56	184
Trade and other receivables	540	271	94
Cash and cash equivalents	25,472	1,034	28,356
Total current assets	26,212	1,361	28,634
Total assets	33,516	3,564	33,757
EQUITY AND LIABILITIES			
Non-Current liabilities			
Convertible loan notes	-	643	-
Total non-current liabilities	-	643	-
Current liabilities			
Trade and other payables	312	288	351
Total current liabilities	312	288	351
Total liabilities	312	931	351
Net assets	33,204	2,633	33,406
Equity			
Called up share capital	480	124	455
Other reserve	250	304	250
Share premium account	35,473	4,062	32,941
Merger Reserve	498	498	498
Shares to be issued	-	-	2,548
Foreign currency translation reserve	(26)	(58)	(79)
Retained earnings	(3,471)	(2,297)	(3,207)
Equity attributable to shareholders of the parent	33,204	2,633	33,406
Total equity and liabilities	33,516	3,564	33,757

Aurum Mining plc

Consolidated interim cash flow statement for the six months ended 30 September 2007

	6 months ended 30 September 2007 Unaudited £'000	6 months ended 30 September 2006 Unaudited £'000	Year ended 30 March 2007 Unaudited £'000
Cash flows from operating activities			
Net loss for the financial period	(325)	(834)	(1,959)
Adjustments for:			
Depreciation of property, plant and equipment	61	29	77
Loss on disposal of property, plant and equipment	8	-	5
Share based payments	61	132	347
Finance income net	(744)	57	21
Foreign exchange differences	114	(72)	7
Cash flow from operating activities before changes in working capital	(825)	(688)	(1,502)
Increase in trade and other receivables	(446)	(187)	(9)
Increase in inventories	(16)	(45)	(173)
(decrease)/increase in trade and other payables	(39)	(50)	12
Cash used by operations	(1,326)	(970)	(1,672)
Interest paid	(30)	(81)	(175)
Income tax paid	-	-	-
Net cash used in operating activities	(1,356)	(1,051)	(1,847)
Investing activities			
Purchase of property, plant and equipment	(2,315)	(23)	(111)
Proceeds from sale of property, plant and equipment	4	-	2
Purchases of intangible assets	-	(640)	(1,080)
Interest income	774	24	154
Cash flow from investing activities	(1,537)	(639)	(1,035)
Financing activities			
Issue of ordinary shares (Net of issue cost)	9	2,403	30,917
Cash flows from financing activities	9	2,403	30,917
(Decrease)/increase in cash	(2,884)	713	28,035
Cash and cash equivalents at beginning of period	28,356	321	321
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents at end of period	25,472	1,034	28,356

Aurum Mining plc

Consolidated interim statement of recognised income and expense for the six months ended 30 September 2007

	6 months ended 30 September 2007 Unaudited £'000	6 months ended 30 September 2006 Unaudited £'000	Year ended 31 March 2007 Unaudited £'000
Exchange translation differences on consolidation of Group entities	53	(72)	(93)
Net profit recognised directly in equity	53	(72)	(93)
Loss for the financial period	(325)	(834)	(1,959)
Total recognised income and expense for the financial period	(272)	(906)	(2,052)
Attributable to:			
Equity shareholders of the parent	(272)	(906)	(2,052)

1 Accounting policies

Accounting policies adopted under IFRS

These interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The basis of preparation and accounting policies used in preparing the interim accounts for the six months ended 30 September 2007 are set out below. The basis of preparation describes how IFRS has been applied under IFRS 1, the assumptions made by the Group about the Standards and Interpretations expected to be effective, and the policies expected to be adopted, when the Group issues its first complete set of IFRS financial statements for the year ending 31 March 2008.

Basis of preparation
The financial information for the six months ended 30 September 2007, six months ended 30 September 2006 and the year ended 31 March 2007 is unaudited and within the meaning of section 240 of the Companies Act 1985, such accounts do not constitute full statutory accounts of the Group.

The accounting policies which follow set out those policies which are expected to apply in preparing the financial statements for the year ended 31 March 2008. These policies have been followed in producing these interim statements

The Group financial statements are presented in sterling and all values are rounded to the nearest thousand Pounds (£'000) except when otherwise indicated.

The financial statements have been prepared under the historical cost convention, except for financial assets, which are carried at fair value.

The comparative figures for the financial year ended 31 March 2007 have been abridged from the Group's statutory accounts for that financial year, translated from United Kingdom Generally Accepted Accounting Principles (UK GAAP) to IFRS. The UK GAAP version of those accounts have been reported on by the Group's auditors and delivered to the Registrar of Companies. The auditors' report on those UK GAAP accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain any statement under section 237(2) or (3) of the Companies Act 1985.

Significant accounting judgements and estimates
The preparation of these financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These judgements and estimates are based on managements' best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimates is contained in the accounting policies and accompanying notes to the financial statements.

Basis of consolidation
The consolidated financial statements incorporate the results of Aurum Mining Plc and its subsidiaries as at 30 September 2007.

The subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated.

Foreign currency transactions
Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement, except for differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at the fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

The income statements results of individual Group companies with functional currencies other than sterling are translated into sterling at the average rates of exchange during the period and the balance sheet translated at the rate of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of such subsidiary undertakings are taken to reserves. On disposal of such entities, the deferred cumulative amount recognised in equity relating to that particular operation is recognised in the income statement.

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

Business combinations
Business combinations are accounted for under IFRS 3 using the purchase method. Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the balance sheet as goodwill and is regularly reviewed for impairment. To the extent that the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised immediately in the income statement.

Mining properties
Once a decision is made to proceed with the development of a mining project, exploration and evaluation expenditure other than that on buildings, machinery and equipment is capitalised under tangible fixed assets as mining properties, together with any amount transferred from exploration and evaluation assets. Mining properties are amortised over the estimated life of the reserves on a 'unit of production' basis.

Exploration and evaluation assets
All costs associated with mining development and investment are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. When a decision is made to proceed to development, the related expenditures will be transferred to mining properties. Where a licence is relinquished, a project is

abandoned, or is considered to be of no further commercial value to the company, the related costs will be written off.

The recoverability of deferred mining costs and mining interests is dependent upon the discovery of economically recoverable reserves, the ability of the company to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition of recoverable reserves.

Costs on productive areas are amortised over the life of the area of interest to which such costs relate on a unit of production output basis.

Property, plant and equipment
Property, plant and equipment, is stated at cost less depreciation and impairment losses. Cost includes the purchase price plus any directly attributable costs to bring the asset into working condition and location for its intended use.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost of each asset over its useful life:

Office and computer equipment	20% to 33% per annum
Plant and Equipment:	20% to 33% per annum
Vehicles	33% per annum

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged to the income statement on a straight line basis over the term of the lease.

Inventories
Inventory is valued at lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to disposal.

Impairment of assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the profit and loss account in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit and loss account. After such a reversal the depreciation or amortisation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Bank borrowings
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Convertible loan notes
Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the group, is included in equity.

Issue costs are apportioned between the liability and equity components of the convertible loan notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible loan note.

Trade payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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

Provisions
Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Finance income and expense
Finance income comprises interest income on funds invested and foreign exchange gains. Interest income is recognised as it accrues, calculated in accordance with the effective interest rate method.
Finance costs comprise interest expense on borrowings, the accumulation of interest on provisions and foreign exchange losses. All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs.

Income taxes
Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affect neither accounting nor taxable profit or loss;

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charge to equity. Otherwise income tax is recognised in the income statement.

Rehabilitation obligations
Rehabilitation obligations include future estimated costs of closure and restoration in returning disturbed areas to their original state. Estimated rehabilitation obligations are provided for in the accounting period when the obligation arising from the related disturbance occurs and is based on the net present value of estimated future costs. The unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalised, where it gives rise to a future benefit, and is depreciated over the future production from the mine to which it relates.

The provision is reviewed on an annual basis for changes to obligations and discount rates that effect cost estimates or life of operations. The cost of the related asset is adjusted for such changes in the provision and the adjusted cost of the asset is depreciated prospectively.

National Insurance on share options
To the extent that the share price as at balance sheet date is greater than the exercise price of outstanding options, provision for any National Insurance contributions has been made based on the prevailing rate. The provision is accrued over the performance period attaching to the award.

Share-based payments
The cost of equity-settled transactions with suppliers of goods and services is measured by reference to the fair value of the good or service received, unless that fair value cannot

be estimated reliably. The fair value of the good or service received is recognised as an expense as the Group receives the good or service. The cost of equity-settled transactions with employees, and transactions with suppliers where fair value cannot be estimated reliably, is measured by reference to the fair value of the equity instrument. The fair value of equity-settled transactions with employees is recognised as an expense over the vesting period. The fair value of the equity instrument is determined at the date of grant, taking into account market based vesting conditions. The fair value is determined using an option pricing model.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest, or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

2 Loss per share

The basic loss per share is calculated on the loss attributable to equity shareholders of the parent and on ordinary shares being the weighted average number of ordinary shares on issue during the period.

The diluted loss per share is calculated on the loss attributable to equity shareholders and on the weighted average diluted number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

In 2007 and 2006 the potential ordinary shares are anti-dilutive and therefore diluted loss per share has not been calculated.

	30 September 2007 Unaudited	**30 September 2006 Unaudited**	**31 March 2007 Unaudited**
(Loss) per share-basic and diluted	(0.71p)	(7.12p)	(13.38p)
	£'000	**£'000**	**£'000**
(Loss) attributable to equity shareholders of the parent	(325)	(834)	(1,959)
	Number	**Number**	**Number**
Weighted average number of ordinary shares –basic and diluted	45,467,005	11,714,991	14,645,392

3 Transition to IFRS

The consolidated financial information for the six months ended 30 September 2007 and the year ended 31 March 2007 and the opening balance sheet at 1 April 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS) for the first time.

The Group's transition date to IFRS is 1 April 2006. The rules for the first-time adopting of IFRS are set out in IFRS1 "First time adoption of international reporting standards". In preparing the IFRS financial information, these transition rules have been applied to the amounts reported previously under generally accepted accounting principles in the United Kingdom (UK GAAP). IFRS1 generally requires full retrospective application of the Standards and Interpretations in force at the first reporting date. However IFRS1 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

The only exemption applied by the Group on first time adoption of IFRS relates to cumulative translation differences (under IAS 21 "The effects of changes in foreign exchange rates"). This exemption allows cumulative foreign exchange differences for all foreign operations to be set at zero on the date of transition.

The transition from UK GAAP to IFRS has no effect on the Group's financial results, net assets or reported cash flows. The IFRS Income statement, balance sheet and cash flow statements are presented in a different format from that required under UK GAAP.

The presentation of the primary statements has been amended to comply with IAS 1.