

Evocutis plc

("Evocutis", or "the Company")

Interim Results for the six months ended 31 January 2016**Chairman's Statement**

The Board presents the interim results for the six months ended 31 January 2016.

Review of Investments**Investment in Brazil Tungsten Holdings Limited ("BTHL"):**

The Company maintains its 10% equity interest in BTHL acquired in February 2015.

BTHL has advised that despite a difficult tungsten price environment, it has continued to focus on the development of its flagship Bodó mine in the Currais Novos region of Rio Grande do Norte state, Brazil, and continues with its required capital programme for mine development and mill construction with the aim of significantly increasing tungsten production during 2016.

It is expected that BTHL will now be on track to reach its Phase I target of 150 tonnes per day of ROM ore from underground by June 2016. This will place BTHL in a cash positive position even with the current difficult market for tungsten prices and allow it to benefit fully if tungsten prices recover. There have already been signs of improvement in the concentrate market with the price received by the BTHL rising by over US\$20/Mtu (17%) since the beginning of the year. The strong fall in the Brazilian real versus the USD has helped significantly as almost all costs are in reals and receipts are in USD.

Since October last year, mining of ore from underground has been suspended and the focus has been entirely on development of the main shafts. A total of 92m of underground development was completed along with the associated infrastructure and BTHL is now preparing to begin first production from the Central decline. Development has been slow as the rock strength in some areas is poor and needs additional support. These areas coincide with the highest grade ore and assays taken have returned over 1.5% WO₃ content. The typical grade for an underground tungsten mine is in the order of 0.5% and this grade is the reason that the Bodó mine can be cash positive even at the current low tungsten prices.

The treatment plant has been working on reduced hours and exclusively treating reject material stockpiled on site. Since October 2015 the plant has processed up to early March 2016, 9,742 tonnes of material producing a total of 13.2 tonnes of concentrate. This has been sold to buyers in Europe. Once Phase I is completed in June 2016, production is expected to rise to 12-14 tonnes per month as the underground ore is processed. BTHL has sufficient cash resources to last until Phase I is completed.

Investment in Horse Hill Developments Limited ("HHDL"):

The Company currently owns a 2% interest in a special purpose company, Horse Hill Developments Ltd, which is the operator and 65% interest holder in two Petroleum Exploration and Development Licences ("PEDL") 137 and 246, in the northern Weald Basin north of Gatwick Airport.

In August 2015, Schlumberger independently verified Nutech's previous Horse Hill OIP estimates contained in PEDL137 and PEDL246. Schlumberger estimated a Mean OIP of 10,993 mmbbl, with Kimmeridge OIP of 8,262 mmbbl. Schlumberger's Mean OIP estimates are therefore 19% higher in total than Nutech's P50 OIP estimate over the two Horse Hill licences and 58% higher in the Kimmeridge.

In November 2015 and December 2015, respectively, the Environment Agency and the Oil and Gas Authority granted permits for the flow testing of the Horse Hill-1 discovery well.

Flow testing operations commenced in February 2016 and were completed in March 2016. Flow testing far exceeded expectations with an aggregate stable oil rate of 1,688 bbl per day achieved, from the Lower Kimmeridge, Upper Kimmeridge and Upper Portland reservoirs. The produced oil contained no water and no clear indication of any reservoir pressure depletion was observed.

Based on analysis of published reports from all significant UK onshore discovery wells, the 1,688 bbl per day flow rate is likely the highest aggregate stable rate from any onshore UK discovery well.

The way forward on Horse Hill will now involve seeking regulatory permissions to conduct extended production tests from all 3 zones at the site, followed by a horizontal sidetrack in the Kimmeridge and a possible new Portland development well.

All of the reviews and reports mentioned above state that the OIP volumes estimated should not be construed as recoverable resources or reserves.

Finance Review

The Company's net loss after taxation for the period was £85,000 (2015 - £62,000 loss).

Current assets including cash at 31 January 2016 amounted to £374,000 (31 January 2015: £503,000).

On 23 February 2016, the Company announced it had raised £350,000 through the issue of 500 million new shares at a placing price of 0.07 pence per share. The funds are to be used for general working capital purposes and to assist in seeking further investment opportunities.

Outlook

The past year has seen exceptionally challenging circumstances for natural resource companies, with commodity prices under severe pressure and a regulatory environment that has seen the introduction of new rules for investing companies on AIM. Despite these headwinds the board is pleased with the progress it has made with its two major investments.

As reported in the press, the flow test at Horse Hill has produced the highest flow rates of any onshore wildcat well in the UK, making this a particularly shrewd investment for the Company. The results have exceeded the Company's expectations and we look forward to additional news flow over the coming months. The board also has a further indirect interest in Horse Hill via its stake in Alba Mineral Resources.

We are also pleased that BTHL has so far been able to complete work on the underground development on time and within budget and wait expectantly for the rewards as the mine moves to a cash positive situation which management have indicated to us is expected to be during the 2nd half of this year.

The company also has a stake in Noricum which has multiple (gold and copper) near term production targets identified at its Bolnisi project in Georgia. We look forward to the drilling results there over the coming months.

In summary, during these tough times the board will vigorously pursue opportunistic acquisitions as funding becomes more challenging for many small companies. With cash at bank and no debt we are strongly placed to pick over the assets of those that fall by the wayside.

The Board would like to take this opportunity to thank our shareholders for their continued support and I look forward to reporting further progress over the next period and beyond.

Hamish Harris
Chairman

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The interim results will be available electronically on the Group's website: www.evocutis.com.

Glossary

discovery	a discovery is a petroleum accumulation for which one or several exploratory wells have established through testing, sampling and/or logging the existence of a significant quantity of potentially moveable hydrocarbons
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electric logs	tools used within the wellbore to measure the rock and fluid properties of surrounding rock formations
flow test	a flow test or well test involves testing a well by flowing hydrocarbons to surface, typically through a test separator. Key measured parameters are oil and gas flow rates, downhole pressure and surface pressure. The overall objective is to identify the well's capacity to produce hydrocarbons at a commercial flow rate
limestone	a sedimentary rock predominantly composed of calcite (a crystalline mineral form of calcium carbonate) of organic, chemical or detrital origin. Minor amounts of dolomite, chert and clay are common in limestones. Chalk is a form of fine-grained limestone
mean	or expected value, is the probability-weighted average of all possible values and is a measure of the central tendency either of a probability distribution or of the random variable characterised by that distribution
P50	a 50% probability that a stated volume will be equalled or exceeded
reservoir pressure depletion	a reduction in reservoir pressure as indicated by downhole pressure gauges positioned in the well close to the zone being tested
sandstone	a clastic sedimentary rock whose grains are predominantly sand-sized. The term is commonly used to imply consolidated sand or a rock made of predominantly quartz sand
ROM	run of mine ore refers to ore in its natural, unprocessed state just as it is when blasted.
WO ₃	Tungsten oxide, also known as tungsten trioxide or tungstic anhydride
Mtu	metric tonne units
OIP	oil in place - the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production

Evocutis plc

Interim statement of comprehensive income - unaudited

For the six months ended 31 January 2016

	Unaudited Six months ended 31 January 2016 £'000	Unaudited Six months ended 31 January 2015 £'000	Audited Year ended 31 July 2015 £'000
Continuing operations			
Administrative costs	(35)	(57)	(373)
Reversal of/(Impairment) of available-for-sale asset	-	-	72
Loss on disposal of available for sale asset	-	-	(66)
Finance income	-	-	-
Loss before tax	(35)	(57)	(367)
Taxation	-	-	-
Loss for the period from continuing operations	(35)	(57)	(367)
Discontinued operations			
Loss for the period from discontinued operations	-	(5)	(9)
Loss for the period and total comprehensive loss attributable to equity shareholders	(35)	(62)	(376)
Other comprehensive income			
Increase in value of available for sale asset	(50)	-	21
Other comprehensive income/(expenditure) for the period net of tax	(50)	-	21
Total comprehensive income/(expenditure) for the period	(85)	(62)	(355)
Loss per ordinary share			
Basic and diluted – continuing operations	(0.004p)	(0.01p)	(0.07p)
Basic and diluted – discontinued operations	(0.004p)	(0.00p)	(0.07p)

Evocutis plc**Interim statement of financial position - unaudited**

As at 31 January 2016

	Unaudited At 31 January 2016 £'000	Unaudited At 31 January 2015 £'000	Audited At 31 July 2015 £'000
ASSETS			
Non-current assets			
Intangible assets	-	164	-
Available for sale investments	1,169	138	1,219
	1,169	302	1,219
Current assets			
Trade and other receivables	216	308	51
Cash and cash equivalents	158	1,277	452
	374	1,585	503
Total assets	1,543	1,887	1,722
LIABILITIES			
Current liabilities			
Trade and other payables	(74)	(73)	(154)
	(74)	(73)	(154)
Total liabilities	(74)	(73)	(154)
Net assets	1,469	1,814	1,568
EQUITY			
Equity attributable to equity holders of the company			
Ordinary share capital	73	1,802	73
Deferred share capital	1,729	-	1,729
Share premium reserve	9,172	9,199	9,186
Share-based payments reserve	174	114	174
Available for sale asset reserve	(29)	-	21
Retained earnings	(9,650)	(9,301)	(9,615)
Total equity	1,469	1,814	1,568

Evocutis plc

Interim statement of changes in equity - unaudited

For the six months ended 31 January 2016

	Ordinary Share Capital	Deferred share capital	Share Premium	Available for sale asset reserve	Share Based Payment Reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unaudited							
At 1 August 2014	1,747	-	7,634		114	(9,239)	256
Loss for the six month period ended 31 January 2015	-	-	-		-	(62)	(62)
Total comprehensive loss	-	-	-		-	(62)	(62)
Share issue	55	-	1,655		-	-	1,710
Cost of share issue	-	-	(90)		-	-	(90)
At 31 January 2015	1,802	-	9,199		114	(9,301)	1,814
Audited							
At 1 August 2014	1,747	-	7,634	-	114	(9,239)	256
Increase in value of available for sale assets	-	-	-	21	-	-	21
Loss for the year	-	-	-	-	-	(376)	(376)
Total comprehensive loss	-	-	-	-	-	(376)	(355)
<i>Transactions with owners:</i>							
Reorganisation of share capital	(1,729)	1,729	-	-	-	-	-
Issue of share capital	55	-	1,655	-	-	-	1,710
Share issue costs	-	-	(103)	-	-	-	(103)
Share-based payment charge	-	-	-	-	60	-	60
At 31 July 2015	73	1,729	9,186	21	174	(9,615)	1,568
Unaudited							
At 1 August 2015							
Decrease in value of available for sale assets	-	-	-	(50)	-	-	(50)
Loss for the six month period ended 31 January 2016	-	-	-	-	-	(35)	(11)
Total comprehensive loss	-	-	-	(50)	-	(35)	(61)
Cost of share issue	-	-	(14)	-	-	-	(14)
At 31 January 2016	73	1,729	9,172	(29)	174	(9,650)	1,493

Evocutis plc
Interim statement of cash flows - unaudited

For the six months ended 31 January 2016

	Unaudited Six months ended 31 January 2016 £'000	Unaudited Six months ended 31 January 2015 £'000	Audited Year ended 31 July 2015 £'000
Cash flows from operating activities			
Loss after tax	(35)	(62)	(376)
Impairment of available-for-sale asset	-	-	(72)
Loss on sale of AFS Asset	-	-	66
Revaluation of AFS Impairment losses	-	-	-
Share-based payment charges	-	-	60
Operating cash outflow before changes in working capital	(35)	(62)	(322)
Movement in trade and other receivables	(165)	(293)	(36)
Movement in trade and other payables	(80)	52	133
Cash flow from operations	(280)	(303)	(225)
Tax received	-	-	-
Net cash flows used in operating activities	(280)	(303)	(225)
Cash flow from investing activities			
Payments for investments in AFS assets	-	-	(1,198)
Disposal proceeds from sale of AFS Asset	-	-	144
Payments to acquire intangible assets	-	(164)	-
Finance income	-	-	-
Net cash outflow from investing activities	-	(164)	(1,054)
Cash flows from financing activities			
Proceeds on issuing of ordinary shares	-	1,710	1,710
Cost of issue of ordinary shares	(14)	(90)	(103)
Net cash inflow from financing activities	(14)	1,620	1,607
Net decrease in cash and cash equivalents	(294)	1,153	328
Cash and cash equivalents at start of period	452	124	124
Cash and cash equivalents at end of period	158	1,277	452

Notes to the interim report

For the six months ended 31 January 2016

1 Basis of preparation

As permitted IAS 34, 'Interim Financial Reporting' has not been applied to these half-yearly results. The financial information of the Company for the six months ended 31 January 2016 have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRS") and are in accordance with IFRS as issued by the IASB. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Company's statutory financial statements for the year ending 31 July 2015.

The financial information shown in this publication is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The comparative figures for the financial year ended 31 July 2015 have been derived from the statutory accounts for 2015. The statutory accounts have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified and did not contain statements under the section 498(2) or 498(3) of the Companies Act 2006.

2 Loss per share

The calculation of the loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Unaudited Six months ended 31 January 2016 £'000	Unaudited Six months ended 31 January 2015 £'000	Audited Year ended 31 July 2015 £'000
Loss on continuing activities	(35)	(57)	(367)
Loss on discontinuing activities	-	(5)	(9)
Loss on ordinary activities after tax	(35)	(62)	(376)
Weighted average number of shares for calculating basic loss per share	724,675,828	415,980,348	569,059,389
Basic and diluted – continuing activities	(0.004)	(0.01)	(0.069)
Basic and diluted – discontinued activities	(0.000)	(0.00)	(0.001)
Basic and diluted loss per share (pence)	(0.004)	(0.01)	(0.070)

However, due to losses incurred in the year there is no dilutive effect from the potential exercise of the share options in existence.

3 Post balance sheet events

On 23 February 2016, the Company announced it had raised £350,000 through the issue of 500 million new shares at a placing price of 0.07 pence per share.

The Company also announced on 23 February 2016 that it had appointed Peterhouse Corporate Finance as the Company's joint broker with immediate effect.