

23 April 2010

Sirius Exploration

Year End	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
03/08	0.0	(0.3)	(0.44)	0.0	N/A	N/A
03/09	0.0	(0.3)	(0.35)	0.0	N/A	N/A
03/10e	0.0	(1.2)	(0.31)	0.0	N/A	N/A
03/11e	0.0	(1.4)	(0.21)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding goodwill amortisation and exceptional items.

Investment summary: Gathering energy

Sirius has mineral properties in both Australia and the US. They are all over known major salt deposits with strong indications that potash is also present. The company is pursuing three simultaneous strategies to exploit these properties. First, it aims to mine the salt and the potash using solution mining, which is environmentally friendly and creates salt caverns below the surface once the mining is done. Second, Sirius is looking to use these caverns for CAES (Compressed Air Energy Storage). Third, the company intends to use both the caverns and the salt beds for CO₂ sequestration, initially through storage in the caverns and longer term through direct sequestration into the salt. This note focuses on the energy storage aspect of Sirius. Potash and CO₂ sequestration will be covered in more detail in future notes.

Stage 1: Mining of salt and potash

All three properties lend themselves well to solution mining, which is environmentally friendly and creates salt caverns below the surface once the mining is done. Sirius has recently announced the appointment of Boyd PetroSearch and North Rim and has indicated that an announcement concerning drilling in North Dakota should be made shortly.

Assets accumulated

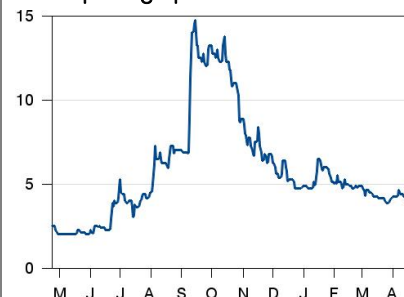
Having acquired £48m of assets in the past 15 months, Phase I of the new strategy could be considered to be complete. The task is now for management to demonstrate that it can add value to these assets through the development of projects that unlock commercial potential. Boyd PetroSearch and North Rim will assess and quantify its property in North Dakota. In addition, Sirius already has a favourable CAES report from Schlumberger and has an ongoing funded CO₂ sequestration research project with the University of Queensland.

Valuation: Development to close NAV discount

Sirius is currently trading 41% below its estimated NAV of 7.4p and the share price is well off its highs of six months ago. The first objective is to close this gap via demonstrated development progress. Our sense is that North Dakota offers the greatest likelihood of a breakthrough announcement for Sirius. This would be welcome and would begin to transform the company's earnings profile.

Price 4.38p
Market Cap £29m

Share price graph



Share details

Code SXX
Listing AIM
Sector Mining
Shares in issue 663.3m

Price

52 week High 14.75p Low 2.00p

Balance Sheet as at 31 March 2010*

Debt/Equity (%) N/A
NAV per share (p) 7.4
Net cash (£m) 1.7

*estimated

Business

Sirius Exploration owns mineral interests in Australia and the US. It is proposing to develop these assets and generate a secondary revenue stream by using the void spaces created to provide new storage solutions to the power generation industry.

Valuation

	2009	2010e	2011e
P/E relative	N/A	N/A	N/A
P/CF	N/A	N/A	N/A
EV/Sales	N/A	N/A	N/A
ROE	N/A	N/A	N/A

Revenues by geography

UK	Europe	US	Other
0%	0%	0%	0%

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Investment summary: Gathering energy

Company description: Mineral assets for power solutions

During the course of 2009, Sirius established a position in the energy storage and carbon capture & storage (CCS) space by acquiring salt and potash interests in both Australia and the US and R&D interests in these two countries. It is developing these assets to deliver solutions for the power generation industry.

Valuation

Sirius is an early stage, pre-revenue business. The most secure valuation metric at this stage is the company's NAV, which we estimate to be at least 7.4p, compared to yesterday's 4.38p closing price. We believe this to be a valid starting point as it reflects the aggregation of a number of recent acquisitions for which the vendors took Sirius paper for their entire consideration. The financial interests of the vendors and the current shareholders are in close alignment.

Sensitivities

The development horizons of the minerals and energy solutions businesses differ. Notwithstanding the process that Sirius needs to go through to get to the mining production phase, underlying global demand for its minerals has a long-term growth profile. Market price fluctuations will affect headline valuation calculations, but the pricing environment going forward is likely to be calmer than in the recent past.

Ultimately, government legislation coupled with industry buy-in will dictate the rate of penetration of potential new emissions and energy storage solutions. While the political initiative is strong, progress could well be constrained by natural conservatism.

Financials

The last update from the company was its interim results to September (announced in December). Significant acquisitions took place in October so the financial statements at the time only incorporated part of the activity seen in the year.

Group operating costs naturally ticked up in H1 and an operating cash outflow of c £1m was met from a £2.8m equity funding (133.9m new shares at 2p) and an acquired business also brought in £1.2m. Consequently, cash balances were £2.9m at the period end, with no borrowings.

Our current projections indicate an expected year-end cash balance of around £1.7m, which reduces to below £0.5m by the end of FY11. This is unlikely to prevail as newsflow during the coming 12 months should bring greater clarity to the direction of the business and its funding requirements.

Company description: Mineral assets for power generation solutions

Sirius has international mineral assets that are to be developed to extract salt and potash using solution mining, creating caverns that can subsequently be used to provide energy storage and, potentially, CO₂ sequestration solutions to the power generation industry. These solutions can be applied to both conventional and renewable energy installations.

Activities

Sirius owns exploration, mining and storage rights to minerals properties in Australia and the US. The intention is to mine these salt/potash deposits, then generate secondary revenue streams from the void spaces created as a solutions provider to the power generation industry. Having rapidly put together its portfolio of assets in this space – both physical and R&D based – since the beginning of 2009, Sirius management is formulating the roadmap by which it will metamorphose from a small mining exploration company into a service-based solution provider to both conventional and renewable energy providers. Sirius also has a small metals mining interest (chiefly copper) in Macedonia and a small investment in a pre-IPO Chinese iron ore producer. These assets pre-date the current strategy and should be considered non-core.

Group strategy

Deputy Chairman Richard Poulden devised the refocused business strategy and has driven the transactions that have significantly scaled up group operations and business potential. Sirius is moving into innovative energy solutions facilitated by its ownership of mineral assets. Hence, management's aspiration to enter the former area in the medium to long term is being facilitated by its existing expertise in mining and minerals.

At this stage, the direction and rate of the development of the minerals and technology is under appraisal and we would expect these elements to be synchronised in the medium to long term. In the early stages, a more pragmatic approach may be needed, for example, cost effective salt/potash mining (ie larger void spaces) could be initiated to generate revenues. Alternatively, Sirius could tie up with partners to demonstrate geological and technical performance to third parties. We would expect greater clarity around these issues over the next 12 months. Over time, we should expect to see the revenue model migrate from mineral production and sale to a service-driven income stream.

Management

New Chairman Christopher Catlow (15.07% shareholding) sold his Derby Salts' interests to Sirius and has a strong track record in funding and developing mining assets (notably at Fortescue Metals Group). Deputy Chairman Richard Poulden (1.54%) has a legal background with subsequent experience developing natural resources and healthcare companies and technologies. Jonathan Harrison (1.29%), Finance Director, has previous quoted AIM experience with Top Notch Health Clubs as well as other private company experience in the leisure sector. To date, the directors have been employed as consultants to the company.

Gathering energy assets

Having chosen to refocus the group just over a year ago, the management team has rapidly built a portfolio of overseas assets to address the energy and carbon storage sub-sectors. At the end of March, Sirius Exploration had accumulated a spread of mineral salts assets – similar deposits with post mining storage potential – together with complementary IP.

We summarise acquisition activity in the last 15 months using information published in reported figures (for H1 to September), together with subsequent acquisition announcements in the following table.

Exhibit 1: Acquisitions since January 2009

Note: * The acquired technologies were acquired for an option in the vendors favour with an exercise price of 17p – total value £0.45m exercisable by 13 October 2012. As the current SXX share price is below this level, the ascribed book value at the end of March 2010 will be a nominal £1.

Company	Cost £m	Activity
Dakota Salts	1.7	<i>Initial 51% in January 2009 and 49% in August 2009</i> Exploration and extraction of salt and potash and the creation of caverns for the storage of natural gas and other hydrocarbons for the storage of compressed air for electricity generation. North Dakota Williston Basin - Prairie Evaporate Formation: 20.23 sq km (c 5,000 acres).
AusPotash Corporation	14.8	<i>Initial 63.5% September 2009. Last minorities acquired March 2010.</i> Mineral exploration permits allowing for the exploration and extraction of salt and potash and the creation of caverns for the storage of natural gas or (potentially) CO ₂ Queensland, Australia: (Adavale Basin – Boree Salt Member): c 240 sq km
Adavale Holdings	19.5	<i>Initial 90.1% in October 2009 and 9.9% in December 2009.</i> Mineral exploration permits allowing for the exploration and extraction of salt and potash and the creation of caverns for the storage of natural gas or (potentially) CO ₂ . Queensland, Australia (Adavale Basin – Boree Salt Member): c 400 sq km.
Derby Salt	13.0	<i>October 2009</i> Mineral leases covering the exploration and extraction of salt and potash and the creation of caverns for the storage of natural gas or (potentially) CO ₂ . Kimberley, Western Australia: 1,250 sq km.
Technology companies*		<i>October 2009</i>
CO ₂ Energy Storage Pty		Queensland: R&D into storage of CO ₂ in salt caverns.
CO ₂ Energy Storage Ltd		Colorado: R&D into storage of CO ₂ in salt caverns.
Bicarb Sequestration Pty Ltd		Queensland: Focus on creating and implementing functionable sequestration of CO ₂ into inert bicarbonate.

Source: Edison Investment Research, Company RNS

Note that none of the minerals companies acquired were trading at the point of acquisition. In each case, Sirius has committed to review historical geological data and commissioned reviews into the mineral potential of the deposits and the scope for storage caverns. The outcomes of these reviews do not extend to full industry-compliant reserve estimates and are not in the public domain, to the best of our knowledge. It is important to note that the vendors of the businesses shown

above have all taken new Sirius shares as 100% of the consideration received, becoming significant shareholders in the business.

Energy storage

Sirius is positioning itself as a solution provider to power generators. Its multi-faceted proposition ranges from CO₂ emissions management to the active re-use of void space as a store of energy to balance power supply and demand. These capabilities have potential applications in both hydrocarbon-based and renewable power generation.

Coal-fired power stations are the primary source of electricity generation in both developed and developing economies globally. They are also the primary source of CO₂ emissions, exacerbated by other basic industries. The conflicting need to increase power-generating capacity and reduce emissions is well understood as is the finite nature of fossil fuel reserves. Renewable energy (such as wind, wave and solar power) is not yet able to fully accommodate the demand for power and is yet to be fully accepted as a reliable source of supply. For the foreseeable future, significant investment is likely to be focused on more efficient coal-fired generation (lowering energy costs and the rate of resource depletion) and emissions solutions.

During its salts interests acquisition phase last year, Sirius acquired a portfolio of three research and development companies and the IP therein in October 2009. These businesses (CO₂ Energy Storage Ltd, CO₂ Energy Storage Pty and Bicarb Sequestration) were founded by Walter Doyle, who has undertaken preliminary investigative work on the scope for CO₂ to be stored (either permanently or used as an energy store) or sequestered. The acquired patent relating to CO₂ energy storage has been applied for on a global basis.

Salt/potash assets can be mined to create defined storage voids. Geologically, salt caverns are considered to offer structural strength, without being prone to either permeability or degradation. Consequently, they are suitable for the storage of pressurised gases and liquids. Natural gas is already extensively stored in the US. Other applications under investigation include:

- **Compressed air energy storage** – compressed air as a supplementary power source.
- **Carbon dioxide energy storage** – compressed CO₂ as a supplementary power source.
- **CO₂ sequestration** – rendering CO₂ inert by chemical change.
- **CO₂ storage** – pumping captured CO₂ into salt caverns for permanent storage.

What are the issues?

- 1) Balancing supply and demand.
- 2) CO₂ emissions.

What are the capacity solutions?

Storage breaks the link between power generation and usage. For conventional power stations, drawing power during low demand periods and releasing it during heavy demand smoothes operational performance (known as 'peak-levelling'). CAES and CDES propose to use off-peak power to compress gases that are later released to drive turbines at peak times, providing a form of energy arbitrage between peak and trough pricing. For less predictable renewable energy sources (eg wind power) an effective storage system can retain generated power – avoiding

‘spillage’ if not immediately consumed – to feed the grid when conditions are less conducive to generation.

Natural storage locations – such as depleted hydrocarbon reserves and aquifers – can offer huge void volumes at significant depth, potentially suited to permanent storage. In comparison, salt caverns benefit from being bespoke (ie capable of being formed to a required size by solution mining) and offer other performance benefits (essentially recoverability driven by achievable pressure). These are highly desirable attributes in energy storage (either hydrocarbon or other compressed gases) as they provide supplementary power to be effectively ‘on tap’ with rapid ramp up and down phases, as required. Capital costs (per kW) are considered to be relatively attractive (especially versus pumped hydro) and there may be other financial benefits for power generators using these facilities.

Compressed air energy storage

CAES trials are well established, with operating facilities located in:

- McIntosh, Alabama (established 1991; JV between PSEG and Energy Storage & Power LLC); 110MW peak power, 26 hours of air storage. Second generation development well advanced.
- Huntorf, Germany (established 1978; owned by EN Kraftwerke). 290MW peak power.

These facilities have demonstrated that CAES is technically possible. The challenge is to refine the above-ground equipment and systems (including external power requirements) and to present below-ground data that supports geotechnical reliability requirements.

The Iowa Stored Energy Park is a new, well advanced CAES development. Currently believed to be at the design stage, the project – a CAES facility integrated with a 75-150MW wind farm – is expecting to be able to supply electricity to utilities during 2011.

For its part, Sirius announced an agreement in November 2009, between Dakota Salts and the Electric Power Research Institute (EPRI) in the US. This agreement covers a cost/benefit analysis of locating a bulk energy storage facility with a 134MW power generation plant in North Dakota. The EPRI is a recognised industry leader in this field with over 20 years’ experience and states that it is active with a number of utilities on a range of projects.

Carbon dioxide energy storage

CDES is less well advanced in the sense that it does not have an operating performance history from a full scale plant. Additionally, although the benefit of containing emissions from the power generating industry is considered to be highly desirable, the sensitivity to geological security is probably heightened compared to CAES. We are aware that the US Department of the Environment commissioned 19 projects relating to many aspects of geologic CO₂ storage towards the end of 2009, raising interest levels. This appears to be targeting the potential environmental impacts of CO₂ storage rather than applications and benefits thereof.

Uniquet (the commercial research arm of the University of Queensland) has already undertaken a feasibility study into the use of compressed CO₂ for energy storage using salt caverns, on behalf of Sirius. Its initial report focused on operating conditions (eg cavern dimensions, depth, temperatures) with desk-based modelling and simulation of system performance. Most recently, in an extensive study commissioned by Sirius, Schlumberger Carbon Services has reported that it

considers that the CDES concept is feasible and has recommended further steps including trial site selection and testing and an evaluation of regulatory frameworks.

What are the emissions solutions?

The primary issue facing permanent CO₂ storage is the same as that for CDES, ie is underground storage secure? Given the likelihood of greater volumes and more extended timelines, the required level of geotechnical competence is probably magnified. Other issues, such as liability in the event of failure, tie in with this. These concerns apply to carbon emissions that are stored effectively in the same chemical form as generated and captured at source. Sirius is also pursuing a solution that chemically changes the CO₂ stream. It has commissioned Uniquet to establish proof of concept for the sequestration of CO₂ directly into salt beds through conversion into carbonates/bicarbonates and stored underground as solids. In principle, this completely removes the risk of discharge into the atmosphere. This report is expected to be received in the early part of FY11 and to then form the basis for further groundwork leading up to the design of a pilot plant for commercial evaluation.

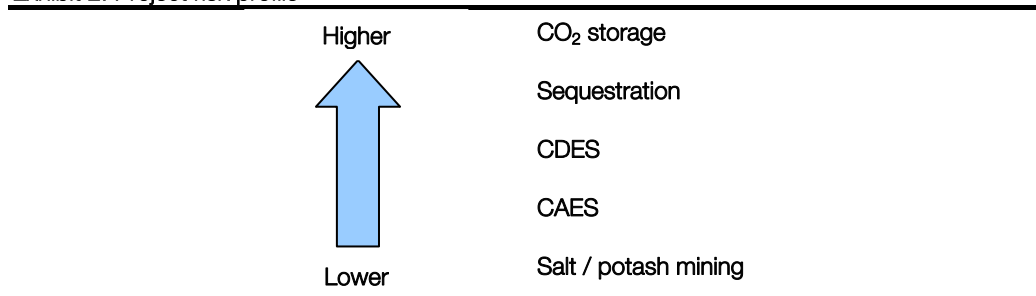
The University of North Dakota is leading a collaboration of 80 organisations (collectively the Plains CO₂ Reduction, or PCOR, Partnership) in two CO₂ sequestration projects, one of which is in the Williston Basin. While they will not be using Dakota Salts property, this indicates that Sirius is well positioned both geographically and in respect to regional initiatives. Separately, the Obama government has earmarked some US\$2.4bn to advance carbon capture and storage applications at the source of the emissions as part of its federal economic stimulus plan. Similarly, the Australian government has a A\$2bn Carbon Capture and Storage Flagships programme to develop industrial scale CCS projects. The political momentum seeking carbon sequestration solutions for these significant coal producing and consuming nations is accelerating.

Sensitivities

Overview

The development horizons of the minerals and energy solutions businesses are not the same and are subject to differing drivers to deliver them. Our perception of the relative risks in the opportunities identified by Sirius – as defined by proximity to revenue generation, other precedents and scale of potential threats – is shown diagrammatically.

Exhibit 2: Project risk profile



Source: Edison Investment Research

Salts/potash

The underlying demand drivers for these minerals are well established on a global scale. Population growth trends suggest that potash demand in particular should demonstrate a secular uptrend.

Sirius has assets that are in stable geopolitical territories and, in the case of Dakota Salts, part of a recognised producing deposit. Significant historic geological data exists on the Sirius properties. Consequently, the usual mining risks apply; identifying and accessing deposits economically, together with up-front permitting and mobilising hurdles. Product pricing has been unusually volatile in the last two or three years, partly reflecting demand, although the longer-term picture exhibits greater stability.

Technology

There is a clear need for the type of solutions that Sirius is proposing. The shortcomings of renewable energy, coupled with the dominance of hydrocarbons in power generation, mean that initiatives to limit hydrocarbon emissions are a central part of the climate change movement. However, this in itself does not guarantee the acceptance of storage solutions.

On the positive side, the CAES/CDES concepts appear to have demonstrated that they are mechanically feasible, notwithstanding likely improvements to systems and equipment. Studies also endorse the geological security of salt caverns, but broader acceptance and assurances are required for projects and installations to be approved more widely. The timescale for this is indeterminate. Sequestration and chemical change may be seen as a more secure long-term solution, subject to commercial viability.

Ultimately, government legislation coupled with industry buy-in (supported by financial incentives or penalties) in the context of capital cycles for new investment will determine the rate of acceptance of new energy solutions country by country. While companies are able to demonstrate the features of their solutions, their political acceptance is not under the company's control.

Valuation

Sirius is an early stage, pre-revenue business with mineral reserves that are in the process of being formally quantified, and nascent technology applications that are under development.

Consequently, until more information emerges in these areas, deriving a credible valuation point is difficult and could be significantly misleading in isolation. The most secure valuation metric at this stage is the company's NAV, which we estimate to be 7.4p (possibly enhanced to c 8p taking into account exchange rate movements). This represents a premium of at least 69% to yesterday's closing price.

Basis for the valuation

In the last 15 months, Sirius has issued a significant proportion of its current share capital as consideration for new mineral assets. We have incorporated the information published with these acquisitions into our year-end balance sheet projection and NAV estimate. We believe this to be a valid starting point; the vendors of the acquired businesses took Sirius paper for their entire consideration and the transactions were all recent. Note that only a nominal value has been ascribed to the acquired technology businesses, which are effectively 'in for nothing' in our NAV calculation.

The financial interests of the vendors and the current shareholders are in close alignment. Vendors are clearly in a strong knowledge position but, unlike cash transactions, are also indicating – at least while the consideration shares are held – that they expect greater value to accrue. This

requires Sirius to attract and apply resources – which may not have been accessible or achievable in private hands – to generate this uplift in value. The quantum, cost and probability of doing so are the next issues for the investor to address. In the next section, we provide some guidance on likely input variables to appraise the ‘value’ in subsequent announcements by the company.

Valuation toolkit

Sirius holds the following mineral assets with exploration, mining and storage licences:

North Dakota, US: Williston Basin – Prairie Evaporate Formation: c 20.25 sq km.

Queensland, Australia: Adavale Basin – Boree Salt Member: c 640 sq km.

Western Australia: Canning Basin – Mallowa Salt unit of the Carribuddy Group: 1,250 sq km.

Our observation at this stage is that Sirius has paid the highest amount per square kilometre in the smallest licence area (ie £84,000 in North Dakota) and vice versa (ie £10,400 in Western Australia). The Queensland licences were acquired at £53,400 per square kilometre.

The prospective quantity and grades of ore are, of course, the most obvious drivers here. For example, the Williston Basin has well established salt/potash producing fields, but Australia has no indigenous potash producers. It will also reflect a number of other factors, such as existing infrastructure, (eg roads, influencing capital and shipment costs) and the proximity to power generation plants (affecting secondary storage activity) and/or transmission networks. Again, North Dakota scores very highly on both counts.

We have identified two other relevant quoted potash exploration companies. On the TSX, Western Potash Corp is valued at around C\$38m (3,500sq km/c £7,100 sq km) and on the ASX, Reward Minerals is valued at A\$30m (12,890sq km/c £1,300 sq km). More bullishly, there have been two relatively recent transactions in the sector, both in Saskatchewan. In 2008, BHP paid C\$282m for Anglo Potash (its 25% partner in a JV covering 7,200 sq km/c £100,000 sq km) and, in Q1 this year, C\$341m for Athabasca Potash (6,900sq km/c £30,000 sq km). This provides some valuation benchmarks for Sirius.

To sensibly attribute value to these resources, investors require:

- Quantified reserves to internationally recognised classification standards (eg JORC).
- Illustrative operating costs.
- Illustrative capital costs.

From a commercial perspective, the time value of mine development and operating costs would need to be modelled to assess potential return on investment for each project over its expected life.

This basic outline needs to be modified to pursue secondary storage alternatives.

- 1) **Define the cavern space to determine storage capacity.** This reduces the pure mineral value as a greater proportion of the reserve is left in the ground.
- 2) **Define the usage and identify potential revenue streams** (and operating costs). This is a very complex area as revenues could come from a number of sources such as leasing/rental, energy arbitrage, carbon credits or even sequestration by-products.

Clearly, the reduction in one-time achievable revenue from lower salt revenues (in 1) is designed to be more than offset by the creation of longer-term revenue streams (in 2). To the best of our

knowledge, none of the companies highlighted above has indicated that they are also looking at energy storage. This is a differentiator for Sirius presently.

We should also point out that the project structure (eg design/build/operate, JV or partnership) and the manner in which it is funded affects what proportion of the generated net income stream flows back to Sirius. This may vary by project and territory but also the degree to which either government or state/regional funding is available.

Non-core assets

Lastly, recall that Sirius has two non-salts assets (with a combined book value of £1.2m) that pre-date the current strategy. Neither of these is large in the context of the group valuation although, if realised, they could be helpful contributors to net cash balances.

Financials

In the final quarter of FY09, Sirius began to gather assets consistent with its new strategy. These acquisitions have been financed by the issue of equity to the respective vendors.

Earnings

- None of the recently acquired businesses have traded to date.
- FY10 and FY11 projections include plc costs and those associated with commissioning reports on the geology of acquired mineral assets and the viability of technologies.
- We do not expect to see the company's maiden revenues in the next 12 months.

Cash flow

- FY10 year-end cash of c £1.7m, following a cash outflow of c £2.4m, including:
 - Business operating costs of £1.2m, rising with group scale.
 - Working capital outflow of c £0.4m, largely seen in H1.
 - Capitalised exploration costs of c £0.63m (mainly external report costs).
 - Funded by acquired cash (of £1.2m) and a £2.7m equity fundraising.
- FY11 cash outflow will depend on the operational and strategic decisions taken on reports. For now, we project an increase in business operating costs in excess of 10% in FY11. Capitalised intangible costs appear to step down as we are currently only aware of the second Uniquet commissioned report (covering carbon sequestration), which concludes during H1 FY11. All in all, we currently project that Sirius will end FY11 with less than £0.5m cash on hand.

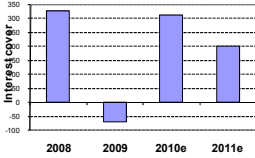
Balance sheet

- The asset base is substantially comprised of intangibles (approximately £50m, the majority of which is capitalised exploration costs), chiefly arising on acquisitions.
- Almost 95% of the c £53m share capital and premium has been issued in the closing financial year. The majority of this was issued to the vendors of acquired businesses.
- At the end of FY10, Sirius had 663.3m shares in issue, giving an NAV of 7.3p per share. This could be up to 1p higher after favourable exchange movements during H2.

Exhibit 3: Financials

Year end 31 March	£'000s	2008 IFRS	2009 IFRS	2010e IFRS	2011e IFRS
PROFIT & LOSS					
Revenue		0	0	0	0
Cost of Sales		0	0	0	0
Gross Profit		0	0	0	0
EBITDA		(302)	(338)	(1,200)	(1,400)
Operating Profit (before GW and except.)		(303)	(339)	(1,200)	(1,400)
Intangible Amortisation		0	0	0	0
Exceptionals		(375)	(196)	(192)	0
Other		0	0	(1)	0
Operating Profit		(677)	(534)	(1,393)	(1,400)
Net Interest		1	(5)	4	7
Profit Before Tax (norm)		(302)	(343)	(1,196)	(1,393)
Profit Before Tax (FRS 3)		(676)	(539)	(1,389)	(1,393)
Tax		0	0	0	0
Profit After Tax (norm)		(302)	(343)	(1,197)	(1,393)
Profit After Tax (FRS 3)		(676)	(539)	(1,389)	(1,393)
Average Number of Shares Outstanding (m)		68.3	98.7	381.6	663.3
EPS - normalised (p)		(0.4)	(0.4)	(0.3)	(0.2)
EPS - FRS 3 (p)		(1.0)	(0.6)	(0.4)	(0.2)
Dividend per share (p)		0.0	0.0	0.0	0.0
Gross Margin (%)		N/A	N/A	N/A	N/A
EBITDA Margin (%)		N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)		N/A	N/A	N/A	N/A
BALANCE SHEET					
Fixed Assets		569	1,224	49,628	49,672
Intangible Assets		568	1,221	49,625	49,670
Tangible Assets		1	3	3	3
Investments		0	0	0	0
Current Assets		14	117	2,638	1,200
Stocks		0	0	0	0
Debtors		0	0	0	0
Cash		4	9	1,700	262
Current Liabilities		(695)	(610)	(224)	(224)
Creditors		(695)	(543)	(224)	(224)
Short term borrowings		0	(68)	0	0
Long Term Liabilities		0	0	(2,746)	(2,746)
Long term borrowings		0	0	0	0
Other long term liabilities		0	0	(2,746)	(2,746)
Net Assets		(112)	731	49,296	47,902
CASH FLOW					
Operating Cash Flow		(199)	(525)	(1,801)	(1,400)
Net Interest		1	(5)	4	7
Tax		0	0	0	0
Capex		(105)	(86)	(630)	(45)
Acquisitions/disposals		0	(363)	(47,462)	0
Financing		245	983	51,581	0
Dividends		0	0	0	0
Net Cash Flow		(58)	5	1,691	(1,438)
Opening net debt/(cash)		(62)	(4)	59	(1,700)
HP finance leases initiated		0	0	0	0
Other		0	(68)	68	0
Closing net debt/(cash)		(4)	59	(1,700)	(262)

Source: Sirius Exploration accounts/Edison Investment Research

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
N/A	N/A		Litigation/regulatory	●
			Pensions	○
			Currency	◐
			Stock overhang	○
			Interest rates	○
			Oil/commodity prices	◐

Growth metrics	%	Profitability metrics	%	Balance sheet metrics		Company details	
EPS CAGR 07-11e	N/A	ROCE 10e	N/A	Gearing 10e	N/A	Address:	
EPS CAGR 09-11e	N/A	Avg ROCE 07-11e	N/A	Interest cover 10e	N/A	4th Floor, Haines House, 21 John Street, London WC1N 2BP	
EBITDA CAGR 07-11e	N/A	ROE 10e	N/A	CA/CL 10e	11.8		
EBITDA CAGR 09-11e	N/A	Gross margin 10e	N/A	Stock turn 10e	N/A		
Sales CAGR 07-11e	N/A	Operating margin 10e	N/A	Debtor days 10e	N/A	Phone	020 7831 3313
Sales CAGR 09-11e	N/A	Gr mgn / Op mgn 10e	N/A	Creditor days 10e	N/A	www.siriusexploration.com	

Principal shareholders (exc. Directors)		%	Management team
Pershing Nominees		16.6%	Chairman: Christopher Catlow (15.07% shareholding) Previously a senior executive of the ASX-listed Fortescue Metals Group, which successfully raised finance for the development of an iron ore mine and its associated infrastructure. Other mining sector experience and a background in engineering and finance.
JIM Nominees		10.6%	
Walter Doyle		9.1%	
Lynchwood Nominees		8.4%	
HSDL Nominees		8.2%	
Goldman Sach (Securities)		6.4%	Deputy Chairman: Richard Poulden (1.54%)
Vidacos Nominees		5.1%	A qualified barrister with subsequent experience in the development of companies in the natural resources and healthcare sectors. This includes corporate strategy, corporate governance, acquisitions, fund raising and shareholder and professional adviser relationships. FD: Jonathan Harrison (1.29%) A chartered accountant with experience in the quoted and unquoted company arenas, chiefly in the leisure sector. This includes Intercontinental Hotels Corp, Village Leisure Hotels (part of Boddington Group) and Top Notch Health Clubs.
Forthcoming announcements/catalysts	Date *		
Final results	July		
<i>Note: * = estimated</i>			

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