

**31 October 2007**

**GETECH Group Plc**

**PRELIMINARY RESULTS**

For the year ended 31 July 2007

**Highlights**

- Turnover for the year £3,561,159 (2006: £3,228,573).
- Profit before tax £805,399 (2006: £972,013).
- Proposed final dividend of 0.8p per share, a total of 1.2p for the year.
- £1 million sale of newly obtained Russian Arctic magnetic data.
- Significant sales of and pre-commitments for PSEG studies.
- Purchase of and relocation to larger premises at Elmete Hall.

**FOR FURTHER INFORMATION, PLEASE CONTACT**

Derek Fairhead, Managing Director (Executive Chairman from 5 November 2007), GETECH Group plc 0113 322 2200

Raymond Wolfson, Non-Executive Director (Chief Executive Officer from 5 November 2007), GETECH Group plc 0113 322 2200

Thilo Hoffmann/Sebastian Jones, Landsbanki Securities (UK) Limited 0207 426 9000

[www.getech.com](http://www.getech.com)

## **Chairman's statement**

I am pleased to report the second full year results since its Admission to AIM of GETECH Group plc ("the Company" or "GETECH") for the period to 31 July 2007. GETECH is in the oil services sector, specialising in the licensing and interpretation of gravity and magnetic data, undertaking proprietary geophysical service work and the evaluation of petroleum systems.

### **RESULTS**

The Company, including its US subsidiary, reported a profit before tax of £805,399 (2006: £1,010,013; restated: £972,013) after interest receivable of £158,946 (2006: £140,124) on a turnover of £3,561,159 (2006: £3,228,573). The post-tax profit was £562,431 (2006: £733,560; restated £695,560) giving earnings per share of 2.03p (2006: £2.65p; restated 2.62p).

### **DIVIDENDS**

The Company is pleased to announce a final dividend of 0.8p to make 1.2p for the year, subject to shareholder approval at the Annual General Meeting on 29 November 2007. This will be paid to shareholders on the register on 9 November 2007. It will cost £221,538 in total and be payable on 7 December 2007. This dividend payment is in line with GETECH's commitment to a progressive dividend policy.

### **BUSINESS REVIEW**

The year resulted in good progress in all areas of operation.

In particular, after prolonged negotiation, the Company acquired the rights to market a large and valuable aeromagnetic data set over the Arctic region. This was licensed once in the year under review to an oil major and discussions regarding further licences are underway. Sales of archive gravity and magnetic data have continued to provide substantial revenue.

Dr Paul Markwick assumed responsibility for the Petroleum Systems Evaluation Group ("PSEG") in September 2006. Under his leadership PSEG is growing rapidly and has begun to realise its potential. Dr Markwick and his team have now completed three non-exclusive studies and a further four are scheduled to be completed in the first half of 2008. The completed studies have been well received, especially the East Vietnam study, which has already been sold to eight customers. These studies are providing valuable information to companies undertaking bids for oil exploration blocks.

### **MANAGEMENT**

As previously announced Raymond Wolfson takes up his appointment as Chief Executive Officer on 5 November moving from his current position as Non-executive Director. Mr Wolfson has been involved with the Company since its inception and the Board is extremely pleased that he has agreed to take on this key role.

Dr Derek Fairhead will become Executive Chairman and will concentrate on his role of acquiring new data and clients, and building and maintaining links within the oil industry, which he has done so successfully to date. I remain as Non-executive Chairman.

Following the year end it was announced that Dr Chris Green had resigned from the Board in order to undertake a period of study at the University of Leeds to gain additional skills. We are pleased that Dr Green will remain in a part-time position with the Company.

The Board would like to thank Dr Green for his very significant contribution to GETECH since its inception and for agreeing to work with the Company through his period of study.

We are also delighted to welcome Dr Paul Markwick's appointment to the Board as Geological Director. Since taking on the management of PSEG, Dr Markwick has demonstrated a strong all-round ability in addition to his technical skills, and this has been exemplified by the successful development of the PSEG under his management. We are confident that this appointment will add value to the Board and assist the Company in developing and implementing its strategies for growth.

## **Chairman's statement continued**

### **PREMISES**

In January 2007 the Company moved into Kitson House and Nicholson House, Elmete Hall in Leeds which has provided a secure, comfortable working environment with ample room for expansion.

### **ACQUISITIONS**

We recognise the importance of growing the Company, both organically and by acquisition. A number of possible acquisition targets have been examined by your Board but, as yet, no suitable fit has been found.

### **OUTLOOK**

Your Board is very pleased with the progress in all of GETECH's areas of activity and looks forward to the future with confidence.

GETECH is extremely fortunate to have a dedicated team of employees whom I would like to thank for their commitment and hard work.

### **PETER STEPHENS**

Non-Executive Chairman

## **Operating review**

I am pleased to report that, in its second year as a publicly quoted company, GETECH Group plc ("the Company" or "GETECH"), returned a pre-tax profit of £805,399 (2006: £1,010,013; restated £972,013) for the year ended 31 July 2007.

### **BUSINESS SETTING**

Hydrocarbon exploration is continuing to experience significant investment due to strong global demand for oil and gas, high commodity prices and the need for companies to replace their depleting reserves. These factors have resulted in exploration companies searching more widely for new resources and, consequently, many companies are entering countries for the first time. Our global products and services provide these companies with the grounding they require in a cost effective manner and in a way that will help them reduce their exploration risk.

GETECH's products and interpretational services have been developed over 20 years, in which time the Company has compiled one of the world's most extensive global gravity and magnetic databases. These data enable remote and non-invasive imaging of subsurface geological structures, which can be detected by their spatial changes in rock density (gravity) and rock magnetisation (magnetic). Qualitative and quantitative analysis of these data enable the three-dimensional mapping of tectonic structures, and the determination of the shape and evolution of sedimentary basins. The Petroleum Systems Evaluation Group ("PSEG") uses this geophysical expertise, together with geological data, and innovative methods, to assess the hydrocarbon potential of basins. Oil and mining companies license our data and reports when they are evaluating new exploration areas and/or when they wish to expand their current exploration activities into neighbouring regions.

### **COMPANY HISTORY**

GETECH has its origins as a research group at the University of Leeds, Department of Earth Sciences, which in 1986 initiated the compilation of gravity data for the continent of Africa supported by a group of international oil and mining company sponsors. In 1996, the Company opened an office in Houston, Texas. In 2000, GETECH spun-out from the University of Leeds as a private company (Geophysical Exploration Technology Limited), and subsequent business success resulted in the flotation of the Company on AIM in September 2005 with a name change to GETECH Group plc. GETECH was the first spin-out company from the University of Leeds to float on AIM.

### **BUSINESS ACTIVITY**

GETECH's business can be described as:

- Licensing global gravity and magnetic data to oil and mineral companies;
- Undertaking proprietary geophysical service work; and
- Evaluating the structure and petroleum systems of hydrocarbon basins.

The first two elements have traditionally contributed and continue to contribute, the majority of the Company's revenue. During the year we made a sale of our global gravity database, to Malaysia's state oil company Petronas. We commenced exclusive marketing of aeromagnetic data over the Russian Arctic Shelf and Deep Arctic regions. The Company achieved one full sale, of over £1 million, of the data to a major international oil company. We are confident that the current year will bring further sales of these data sets. Smaller sales of our archive continental-scale compilations were steady throughout the year, which again we expect to maintain during the coming twelve months.

## **Operating review continued**

Proprietary service work during the year included the re-processing of over 100 marine and airborne gravity and magnetic surveys along the coast of West Africa, and the securing of a major contract to process circa 150,000km of marine gravity and magnetic data in Southeast Asia, which will continue until early 2008.

Our Curie Point Research and Development study commissioned by Shell continues into its second year, and we hope that 2008 will see the first revenue from our Chinese geological and geochemical database marketing agreement.

The third element relates to the PSEG which was formed in 2004 and provides oil companies with detailed insights into the key source, reservoir and seal issues relating to hydrocarbon basins. During the year the PSEG team has almost doubled in size and experienced significant sales success towards the end of our financial year with multiple sales of its East Vietnam and Gulf of Thailand studies. The PSEG's success has been its ability to integrate and analyse geological and geophysical data using Geographic Information System ("GIS") technology to generate non-exclusive frontier exploration studies that can be re-sold many times.

In November 2006 GETECH was delighted to be short-listed, and subsequently awarded with The Yorkshire Post Annual Excellence In Business Award for 'University Spin-Out Company of the Year'.

### **THE FUTURE**

The move into our freehold premises of Kitson House and Nicholson House, that form the major part of Elmete Hall, to the north-east of Leeds city centre, provides us with the ability to expand within a single site for the foreseeable future under enhanced working conditions for our growing team.

With a sustained high oil price, our prognosis for the current year is for continued growth of the PSEG due to further and wider acceptance of its petroleum systems studies within the industry. Data sales to both oil and mining companies should remain strong on the back of strong commodity prices. Discussions are well advanced with organisations in many countries to allow us to increase our data holdings, especially over key exploration areas where clients have expressed strong interest in obtaining data.

Following the sales success of our Southeast Asian PSEG studies, we have secured significant pre-commitment of our new South Vietnam study. We believe this underwriting, together with a third sponsor of our Circum Arctic study, confirmed in the current year, will ensure a good future for the PSEG Group through 2008.

### **BOARD CHANGES**

Since the year end, GETECH announced that Chris Green had relinquished his position on the Board to undertake a period of study at the University of Leeds. I have worked with Chris for many years and his contribution to the Company has been invaluable. Therefore I am delighted that he has agreed to work with the Company on a part-time basis throughout his period of study so that we can continue to benefit from his expertise.

I am also delighted to welcome Paul Markwick to the Board as Geological Director. Paul has done an excellent job leading PSEG and I am confident he will prove a valuable addition to the Board.

## **Operating review continued**

Finally, I look forward to working more closely with Raymond Wolfson, whom I have known for over 15 years. In his new position as Chief Executive Officer, his wealth of commercial experience will be a great asset to the Company as it moves forward to an exciting future. The changes to the Board will allow me, in my new role of Executive Chairman, to concentrate on the acquiring of new data and clients as well as continuing to build and maintain links within the oil industry.

**PROFESSOR J DEREK FAIRHEAD**  
MANAGING DIRECTOR

## Consolidated profit and loss account

For the year ended 31 July 2007

	2007	2006
		(restated)
	£	£
<b>Turnover</b> – continuing activities	<b>3,561,159</b>	3,228,573
Cost of sales	<b>(970,532)</b>	(783,875)
<b>Gross profit</b>	<b>2,590,627</b>	2,444,698
Distribution costs	—	(870)
Administrative expenses	<b>(1,944,174)</b>	(1,611,910)
<b>Operating profit</b> – continuing activities	<b>646,453</b>	831,918
Interest receivable	<b>158,946</b>	140,124
Interest payable	—	(29)
<b>Profit on ordinary activities before taxation</b>	<b>805,399</b>	972,013
Tax on profit on ordinary activities	<b>(242,968)</b>	(276,453)
<b>Profit on ordinary activities after taxation</b>	<b>562,431</b>	695,560
Basic earnings per share	<b>2.03p</b>	2.62p
Diluted earnings per share	<b>2.03p</b>	2.62p

**Statement of total recognised gains and losses**  
for the year ended 31 July 2007

	2007	2006
		(restated)
	£	£
<b>Profit for the year and total recognised gains and losses relating to the year</b>	<b>562,431</b>	695,560
Exchange rate adjustment	<b>(21,771)</b>	—
<b>Total gains and losses recognised since last annual report</b>	<b>540,660</b>	695,560

The statement of total recognised gains and losses for the year ended 31 July 2006 was restated in 2007 for the adoption of FRS 20.

All the Group's activities are classed as continuing for the period.

## Consolidated balance sheet

As at 31 July 2007

	2007		2006 (restated)	
	£	£	£	£
<b>Fixed assets</b>				
Intangible assets		<b>1,054</b>		1,415
Tangible assets		<b>2,800,587</b>		37,907
		<b>2,801,641</b>		39,322
<b>Current assets</b>				
Stocks	<b>192,592</b>		166,504	
Debtors	<b>2,038,124</b>		807,905	
Investments	<b>21,941</b>		23,880	
Cash at bank and in hand	<b>920,681</b>		4,317,913	
	<b>3,173,338</b>		5,316,202	
<b>Creditors</b> – amounts falling due within one year	<b>1,671,853</b>		1,357,135	
<b>Net current assets</b>		<b>1,501,485</b>		3,959,067
<b>Total assets less current liabilities</b>		<b>4,303,126</b>		3,998,389
Representing:				
<b>Capital and reserves</b>				
Called up share capital		<b>69,231</b>		69,231
Share premium account		<b>2,460,927</b>		2,460,927
Capital redemption reserve		<b>6</b>		6
Share option reserve		<b>79,000</b>		38,000
Profit and loss account		<b>1,693,962</b>		1,430,225
<b>Shareholders' funds</b>		<b>4,303,126</b>		3,998,389

## Consolidated cash flow statement

For the year ended 31 July 2007

	2007		2006	
	£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(214,209)</b>		653,496
<b>Returns on investments and servicing of finance</b>				
Interest received	<b>158,946</b>		140,124	
Interest paid	—		(29)	
		<b>158,946</b>		140,095
<b>Taxation – corporation tax paid</b>		<b>(267,968)</b>		(222,453)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets	<b>(2,797,078)</b>		(46,317)	
		<b>(2,797,078)</b>		(46,317)
<b>Equity dividends paid</b>		<b>(276,923)</b>		(110,769)
<b>Net cash (outflow)/inflow before use of liquid resources and financing</b>		<b>(3,397,232)</b>		414,052
<b>Financing</b>				
Issue of share capital	—		3,000,000	
Costs of share issue	—		(519,842)	
		—		2,480,158
<b>(Decrease)/increase in cash in the year</b>		<b>(3,397,232)</b>		2,894,210

The above financial information does not constitute statutory accounts for the year ended 31 July 2007 or 2006. Statutory accounts for the year ended 31 July 2006 have been delivered to the Registrar of Companies.

The auditors have reported on the year ended 31 July 2007 financial statements and their report was unqualified and did not contain a statement under Section 237 (2) or (3). The statutory accounts for the year ended 31 July 2007 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

## EARNINGS PER SHARE

Basic earnings per share is calculated on the basis of the profit for the year after tax, divided by the weighted average number of the ordinary shares in issue in the year.

Diluted earnings per share is calculated on the basis of the profit for the year after tax, divided by the weighted average number of shares which would be issued if all options granted were exercised.

All options were anti-dilutive at 31 July 2007.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below:

	2007			2006		
	Weighted average number of shares		Per share amount	Weighted average number of shares	Per share amount	
Earnings	shares	amount	(restated)	shares	(restated)	
£			£			
Profit attributable to shareholders	562,431		695,560			
Basic earnings per share						
Earnings attributable to ordinary shareholders	562,431	27,692,307	2.03p	695,560	26,575,666	2.62p

## DIVIDENDS

	2007	2006
	£	£
<b>Paid during the year:</b>		
Final dividend in respect of the year ended 31 July 2006 at 0.6p per share (2006: Nil)	166,154	—
Interim dividend at 0.4p per share (2006: 0.4p)	110,769	110,769
	<b>276,923</b>	110,769
<b>Proposed after the year end (not recognised as a liability):</b>		
Final dividend in respect of the year ended 31 July 2007 at 0.8p per share (2006: 0.6p)	221,538	166,154

## INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Group will be required to report under IFRS for the year ending 31 July 2008 and continues to plan for adoption and implementation.

This report will be available at the Company's registered office: Convention House, St Mary's Street, Leeds, LS9 7DP. This report will also be made available on the Company's website [www.getech.com](http://www.getech.com).