MONTAUK HOLDINGS LIMITED
Incorporated in the Republic of South Africa
Registration number: 2010/017811/06
Share code: MNK
ISIN: ZAE000197455
("Montauk" or "the Company" or "the Group")

REVIEWED CONDENSED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2015

REVIEWED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed 31 March 2015 $'000	Audited 31 March 2014 $'000
ASSETS		
Non-current assets	81 360	75 403
Property, plant and equipment	45 332	44 654
Intangibles	32 427	29 063
Long-term receivables	3 601	1 686
Current assets	20 044	13 728
Other	4 153	4 987
Bank balances and deposits	15 891	8 741
Non-current assets held for sale	-	123 080
Total assets	101 404	212 211
EQUITY AND LIABILITIES		
Equity	77 101	145 522
Equity attributable to equity holders of the parent	77 101	120 070
Non-controlling interest	-	25 452
Non-current liabilities	17 235	6 150
Long-term borrowings	10 603	-
Other	6 632	6 150
Current liabilities	7 068	39 154
Non-current liabilities held for sale	-	21 385
Total equity and liabilities	101 404	212 211
Net asset carrying value per share (cents)	57	89

REVIEWED CONSOLIDATED INCOME STATEMENT

	% change	Reviewed 31 March 2015 $'000	Audited 31 March 2014 $'000
Revenue	-7.9%	29 428	31 956
Expenses		(26 966)	(25 515)
EBITDA	-61.8%	2 462	6 441
Depreciation and amortisation		(11 268)	(10 882)
Operating loss		(8 806)	(4 441)
Investment income		41	4
Finance costs		(301)	(916)
Loss before taxation	-69.4%	(9 066)	(5 353)
Taxation		(251)	-
Loss for the year from continuing operations		(9 317)	(5 353)
Discontinued operations		(11 618)	(10 829)
Loss for the year		(20 935)	(16 182)
Attributable to:			
Equity holders of the parent		(20 432)	(12 933)
Non-controlling interest		(503)	(3 249)
		(20 935)	(16 182)

REVIEWED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Reviewed 31 March 2015 $'000	Audited 31 March 2014 $'000
Loss for the year	(20 935)	(16 182)
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences	(1 044)	(2 050)
Total comprehensive loss	(21 979)	(18 232)
Attributable to:		
Equity holders of the parent	(21 382)	(18 572)
Non-controlling interest	(597)	340
	(21 979)	(18 232)

REVIEWED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Reviewed 31 March 2015 $'000	Audited 31 March 2014 $'000
Balance at beginning of year	145 522	166 312
Current operations		
Total comprehensive loss	(21 979)	(18 232)
Acquisition of subsidiary	-	864
Disposal of subsidiaries	(16 556)	-

Effects of changes in holding	(25)	(3 242)
Dividends	(29 861)	(180)
Balance at end of year	77 101	145 522

RECONCILIATION OF HEADLINE EARNINGS

	% change	Reviewed 31 March 2015 $'000 Gross	Net	Audited 31 March 2014 $'000 Gross	Net
Loss attributable to equity holders of the parent	-58.0%		(20 432)		(12 933)
IAS 16 losses on disposal of plant and equipment		-	-	3	3
IAS 36 impairment of assets		-	-	2 520	2 016
IAS 27 loss from disposal/part disposal of subsidiary		10 847	10 847	-	-
Remeasurements included in equity-accounted earnings of associates and joint ventures		-	-	4 911	3 325
Headline loss	-26.3%		(9 585)		(7 589)
Basic earnings per share (cents)					
Loss	-58.0%		(15.11)		(9.56)
Continuing operations			(6.52)		(3.96)
Discontinued operations			(8.59)		(5.60)
Headline loss	-26.1%		(7.09)		(5.62)
Continuing operations			(6.52)		(3.96)
Discontinued operations			(0.57)		(1.66)
Weighted average number of shares in issue ('000)			135 256		135 256
Actual number of share in issue at end of year (net of treasury shares) ('000)			135 256		135 256

REVIEWED CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed 31 March 2015 $'000	Audited 31 March 2014 $'000
Cash flows from operating activities	950	10 717
Cash flows from investing activities	(47 314)	334
Cash flows from financing activities	14 918	7 290
(Decrease)/increase in cash and cash equivalents	(31 446)	18 341
Cash and cash equivalents		
At beginning of year	48 845	32 996
Foreign exchange differences	(1 507)	(2 492)
At end of year	15 892	48 845
Cash in disposal groups held for sale	-	40 104
Bank balances and deposits	15 892	8 741
Bank overdrafts	-	-
Cash and cash equivalents	15 892	48 845

SEGMENTAL ANALYSIS

	Reviewed 31 March 2015 $'000	Audited 31 March 2014 $'000
Revenue		
Natural gas	29 428	31 956
Total	29 428	31 956
EBITDA		
Natural gas	2 462	6 441
Total	2 462	6 441
Loss before tax		
Natural gas	(9 066)	(5 353)
Total	(9 066)	(5 353)
Headline loss		
Media and broadcasting	(187)	(653)
Natural gas	(8 964)	(5 350)
Other	(434)	(1 586)
Total	(9 585)	(7 589)

NOTES

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the year ended 31 March 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the disclosure requirements of IAS 34, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the South African Companies Act, 2008, and the Listings Requirements of the JSE Limited. The accounting policies applied by the Company in the preparation of these condensed consolidated financial statements are consistent with those applied by the Company in its consolidated financial statements as at and for the year ended 31 March 2014. As required by the JSE Limited Listings Requirements, the Company reports headline earnings in accordance with Circular 2/2013: Headline Earnings as issued by the South African Institute of Chartered Accountants.

These financial statements were prepared under the supervision of the chief financial officer, Mr SF McClain (CPA).

DISCONTINUED OPERATIONS AND DISPOSAL GROUPS HELD FOR SALE
During the year under review the Company disposed of its 80% interest in Longkloof Limited, which consisted of various offshore media investments, to Sabido Investments Proprietary Limited. The Company also disposed of its 100% interest in Deepkloof Limited to its parent company, Hosken Consolidated Investments Limited ("HCI"), prior to being unbundled to shareholders by that company. Deepkloof contained the Company's diversified investments in Australia and its 19.9% interest in Impact Oil and Gas. The results of these operations have been included in discontinued operations in the income statement and its assets and liabilities included in disposal groups held for sale in the statement of financial position in the prior year.

The details of assets and liabilities disposed of are as follows:

	$'000
Non-current assets	104 454
Current assets	51 958
Non-current liabilities	(3 746)
Current liabilities	(14 134)
Net assets disposed of	138 532
Non-controlling interest	(24 855)
Loss on disposal	(10 847)
Proceeds	102 830
Cash balances disposed of	(29 069)
Net cash received	73 761

RESULTS

CONSOLIDATED INCOME STATEMENT
Revenue from the Company's renewable natural gas facilities decreased approximately 8% for the year ended 31 March 2015 from the prior year despite an 8% increase in volume produced. The decrease is a result of a 3% decrease in the average natural gas price as well as the deferral of the sale of the majority of cellulosic RINs generated in fiscal 2015 from the Company's renewable natural gas facilities participating in the US EPA's RFS II programme. The Company has deferred the sale of the RINs awaiting the EPA's finalisation of the volume obligations for both 2014 and 2015. At 31 March 2015 the Company had approximately 10.0 million RINs generated and unsold.

Revenue from the Company's electric generation facilities decreased 2% for the year ended 31 March 2015 from the prior year despite a 4% increase in electric production. The decrease is a result of a 14.8% decrease in the average price realised on the Company's electric production, primarily due to the expiration of an above market fixed price contract for one of the Company's electric generation facilities in the first quarter of fiscal 2015 as well as a $0.5 million reduction in revenues incurred as a result of the inability to meet required minimum production levels under the expired contract.

Expenses increased 5.6% for the year ended 31 March 2015 as compared to the prior year primarily as a result of the timing of scheduled major maintenance events for electric facilities. Included in expenses for the year ended 31 March 2015 are $0.3 million in transaction costs related to the potential acquisition of three renewable natural gas facilities. Gains recognised from the Company's hedging programmes increased by $0.6 million for the year ended 31 March 2015 as compared to the prior year due to the timing of changes experienced in natural gas pricing in the US.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH FLOW
Intangible assets for the year ended 31 March 2015 include $6.6 million of interconnection costs related to the construction of the 20 MW electric generation facility in southern California.

Included in long-term receivables for the year ended 31 March 2015 are $1.6 million in security collateralisation required for the construction and operation of the 20 MW electric generation facility in southern California.

The Company's long-term borrowings at 31 March 2015 were approximately $11.8 million from a commercial bank facility entered into on 31 October 2014. As of 31 March 2015 the Company has not drawn on the $41 million facility available for the construction of the 20 MW electric generation facility in southern California.

Cash flow from operating activities contains changes in working capital of $2 million in Longkloof. Included in cash flow from investing activities is $36.7 million received on the sale of Longkloof, cash of $34.1 million invested in associate entities of which $33.3 million was invested in Impact Oil and Gas. $9.2 million was invested in property, plant and equipment. Net borrowings of $16.5 million were raised.

SUBSEQUENT EVENT
In May 2015 the Company sold and received $9.9 million (net of commission) for the sale of Emission Reduction Credits ("ERCs"). The ERCs were generated as a result of the Company constructing and operating specialised pollution control equipment that created permanent emission reductions that exceed the amount of reductions required by governing regulations to operate the facility.

COMMENTARY

GENERAL
The losses incurred and the unbundling of the Company from HCI in fiscal 2015 has not changed the Company's philosophy to position itself to be able to capitalise on the opportunities that develop in the ever-changing renewable energy markets. The evolving regulatory environment

mandating the use of renewable fuels can lead to opportunities that can allow existing projects to capture available premiums over the base energy commodity prices, which in the current environment of depressed base energy commodity pricing is a key factor in the long-term value of the Company. The absence of attractive base energy pricing in the current markets requires the Company to remain flexible in its offtake contract strategy, which may negatively impact short-term results, to potentially capture longer-term value.

In this environment the Company continues to optimise its current facilities' operations and looks to selectively develop and/or acquire renewable energy projects that fit the overall strategy. Given the relatively higher production cost of renewable energy facilities over conventional energy producers on a per unit basis the Company's goal is to drive volumes through an aggressive preventative maintenance programme that maximises each facility's availability and allows for greater predictability in maintenance costs and to be actively involved in assisting the Company's landfill partners in operating and managing the landfill's collection systems to maximise, to the extent possible, the quality and quantity of available landfill gas to be used as either feedstock for renewable natural gas production or fuel for electricity production.

Through economies of scale and the depth of experience within the organisation the Company manages its portfolio of projects to run as efficiently as possible and maintain its relationships with the landfill owners that allow the Company to make it through lean times and keep the flexibility to capture value as it arises.

ENERGY COMMODITY PRICING
Since the onset of the shale gas boom in the US the last several years has seen natural gas pricing remain relatively depressed while maintaining a high degree of volatility based on short-term market factors. Given the ever-increasing use of natural gas as fuel for electricity generation as a result of the increased volumes of shale gas, futures pricing for electricity in liquid markets in which the Company's facilities are located trade as an index based on the current natural gas pricing. In this environment, unless the location of the facility and/or available premium given for a bundled (energy plus renewable attribute) product dictates otherwise, the Company, in executing its strategy, generally has elected to not lock in longer-term pricing, but instead utilises short-term hedging to capture any perceived value in the current futures pricing with varying degrees of success.

ENVIRONMENTAL ATTRIBUTES - RENEWABLE FUELS STANDARD (RFS II)
The Company participates in available state and federal renewable energy programmes for its electric and renewable natural gas facilities. Each programme's value per unit of renewable energy varies based on location and nature of the programme. In fiscal 2015, as a result of an EPA ruling that allowed renewable natural gas that was used as a vehicle fuel to qualify as a cellulosic RIN under the EPA's RFS II, the Company began participating in the programme. However, delays in the EPA's release of the volume obligations for calendar years 2014 and 2015 under the programme has impacted the timing of the sale of the RINs generated. During fiscal 2015, given the absence of EPA-mandated volumes required to be purchased by obligated parties, the market value for cellulosic RINs has not approached the Company's expectations of the value of the RINs generated. As a result the Company has made a decision to hold these RINs in inventory until the volume obligations are released so as to see what the market will price the RINs with volume obligations published. As of the end of fiscal 2015 the Company had approximately 10 million cellulosic RINs unsold.

In accordance with a consent decree reached in a settlement with various petroleum groups in April 2015, on 29 May 2015 the EPA released its proposed cellulosic RINs volume obligations for calendar year 2014 (33 million gallons), 2015 (106 million gallons) and 2016 (206 million gallons). The EPA announced that the volume obligations would be finalised for all three years by 30 November 2015, which would put it back in compliance with the RFS II standard for timing of setting the required volumes. The Company is currently evaluating the proposed volume obligations and its potential impact on the market for RINs generated.

DEVELOPMENT ACTIVITIES
The Company secured financing and has begun construction of the 20 MW electric generation facility in southern California. The project is on schedule to be completed and begin commercial operations in the fourth quarter of fiscal 2016. The Company has contracted with a large municipality in southern California for the electricity and associated environmental attributes produced under a 20-year fixed price power purchase agreement.

In November 2014 the Company executed a purchase agreement to acquire three additional renewable natural gas facilities. The purchase is contingent upon the seller satisfying certain conditions precedent to closing. As of the current date the seller has not met and is not expected to meet the conditions precedent. The Company and the seller are in discussions regarding a possible resolution and the ultimate outcome of those discussions is yet to be determined.

CHANGES IN DIRECTORATE
During the year under review the following changes in directorate occurred:

DR Herrman	Appointed 31 August 2014
SF McClain	Appointed 31 August 2014
MH Ahmed	Resigned 1 May 2014; Appointed 31 August 2014
MA Jacobson	Appointed 31 August 2014
NB Jappie	Appointed 31 August 2014
BS Raynor	Appointed 31 August 2014
A van der Veen	Appointed 31 August 2014
TG Govender	Appointed 1 May 2014; Resigned 31 August 2014
MJA Golding	Resigned 1 May 2014
JG Ncgobo	Resigned 1 May 2014
VE Mphande	Resigned 1 May 2014
Y Shaik	Resigned 1 May 2014

AUDITOR'S REVIEW
These condensed consolidated financial statements for the year ended 31 March 2015 have been reviewed by Grant Thornton Johannesburg, who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the Company's registered office together with the financial statements identified in the auditor's report.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

DIVIDEND TO SHAREHOLDERS
The directors have resolved not to declare a final dividend.

For and on behalf of the board of directors

JA Copelyn	DR Herrman	SF McClain
Chairman	Chief Executive Officer	Chief Financial Officer

Cape Town
4 June 2015

Directors: JA Copelyn (Chairman)*, DR Herrman (Chief Executive Officer)#; SF McClain (Chief Financial Officer)#, MH Ahmed*; MA Jacobson*##; NB Jappie*; BS Raynor*#; A van der Veen* *Non-executive; #United States of America; ##Australia
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