

27 May 2010

NATURE GROUP PLC
PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

Nature Group Plc (“Nature” or the “Group”), a provider of port reception facilities and waste water treatment solutions for the oil, marine and process industries, announces its preliminary results for the year ended 31 December 2009.

Financial highlights

- Revenues of £5,992,444, reflecting full consolidation of Gibraltar operations (2008: £3,379,086)
- Profit before tax £1,646,098 (2008: £512,604)
- Earnings per share 4.05p (2008: 1.754p)
- Cash flow from operations increased to £2,246,610 (2008: £479,250)
- Net cash balances of £1,586,823 (2008: £614,807)
- A maiden dividend of 0.6p per share will be proposed at the AGM.

Operational highlights

- Regional and international expansion in place for 2010/11 onwards
 - Delivery of onshore treatment unit to oilfield site Kazakhstan
 - Extension of port waste services to Ceuta (North Africa) and for oil waste shipments from Malta
 - Letter of intent signed for a port waste facility in Oman
- Potential alliance for Nature Norway offshore rig based treatment units deployment under advanced negotiations.

Richard Eldridge, Chairman of Nature, commented:

“We are pleased to have exceeded our expectations for 2009, despite slower than planned development of our offshore treatment activities for the oil industry. The latter remains an exciting element of the Group’s potential, and we are hopeful that current negotiations will lead to the growth of rig based and other opportunities in the oil industry in the near future.

The Directors are pleased to announce that a dividend of 0.6p per share in respect of the year ended 31st December 2009 will be proposed for shareholder approval to be paid in July 2010. This compares to the indicative forecast of 0.5p contained in the interim results for the year..

After a year of rapid growth in 2009, we anticipate that the current year will reflect a period of consolidation for the Group. In the first half of 2010, our Port treatment facilities in Gibraltar will have undergone maintenance and upgrade but will still achieve growth in revenues as planned. The design engineering of new port treatment facilities at Duqm, Oman is now concluding following an intensive period of technical review prior to procurement, with the principal modules still scheduled to be on site by the end of November this year. The outlook for the Norwegian operations depends on negotiations currently under way, in addition to which a re-structure of the rental contract for a treatment module at our joint venture in Stavanger Norway, will reduce its direct contribution whilst increasing our joint venture share of profits.

Overall the Board remains confident of further progress in 2010 and beyond.”

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CHAIRMAN'S STATEMENT

Introduction

We are pleased to have exceeded our expectations for 2009 by more than doubling our earnings per share despite the slower than planned development of our offshore treatment activities for the oil industry. However, we are hopeful that current negotiations regarding this exciting element of our Group potential, will lead to the growth of rig based revenues and other opportunities in the oil industry.

The results achieved for the year ended 31st December 2009, reflected by the increase in cash resources of the Group, are a milestone in the development of Nature.

The Directors are pleased to announce that a maiden dividend of 0.6p per share will be proposed at the AGM and, if approved, be paid in July 2010 - compared with the indicative forecast of 0.5p per share made last year.

Results for the Year ended 31st December 2009

The consolidated results of the Group show profits before tax of £1,646,698 (2008: £512,604) and profit after tax of £1,573,712 (2008: £454,346). With no increases in share capital in the year, this resulted in the achievement of earnings per share of 4.05p (2008: 1.75p), and with capital expenditure at a reduced level save for the acquisition of the double hulled vessel the "Humber Mist" deployed in Gibraltar in July 2010, the cash resources of the Group increased from £614,807 to £1,586,823 at 31st December 2009.

Port Reception Facilities

Our Gibraltar subsidiary, Nature Port Reception Facilities Ltd ("NPRF"), increased its sales from £2.25m to £3.23m and profits before central overhead allocation from £0.82m to £1.44m. This excellent achievement was mainly driven by a full year of revenues from recovered oil accompanied by increased slop treatment throughput and port management fees. The integration of NPRF fully into the Group and the extension of our Port activities has been a successful and beneficial step forward for the Group.

During 2008 NPRF became a member of Euroshore, the port waste operation association for Europe. Through our CEO Darren Laguea and other colleagues, we have become an active member of this association, including participation in working groups and seminars on key issues facing the port waste industry. We have found this membership both stimulating and rewarding and in late June Nature will host the next Euroshore meeting in Gibraltar.

Oil Industry Support Services

Our Norwegian team has had another solid year of servicing our key existing clients, in working closely with our Tananger plant joint venture partner to achieve greater revenues and profits in that location, as shown by the joint venture contribution in our Accounts, and importantly in continuing discussions for potential expansion in the offshore oil sector as referred to above. Gross revenues, including our 40% share of the joint venture, increased from £2.19m to £2.76m and the pre-tax profit contribution before central overheads from £0.23m to £0.38m

In respect of our Stavanger joint venture, Nature in 2009 received an exceptional level of direct revenues through the extended hire of a treatment module on a volumetric throughput rate. It is likely that this substantial rate of return will be renegotiated resulting in a potential net reduction in operating profits of some £250,000.

The exchange translation gain increased from £0.08m to £0.13m due to sterling's further depreciation against the Norwegian kroner.

Principal achievements of 2009 and early 2010

Port Reception Facilities

- Volumes of waste handled in Gibraltar in 2009: 68,000 tonnes (2008: 58,000 tonnes)
- The negotiations to extend the outreach of NPRF in Gibraltar to the Port of Ceuta in North Africa, culminating in the necessary licences and approvals enabling first collections of waste into reception tanks in Ceuta end 2009.
- The signing of a contract with Waste Oils Company Limited (“WOCL”), the principal waste reception facility in Malta, whereby WOCL will now transship collected slops and oily wastewaters to Nature for treatment in Gibraltar. The first inwards shipment of 2800m³ was received in early April this year. The contract is currently for a period of one year, although discussions on future collaboration are continuing.

Oil Industry Support Services

- The shipment in February 2009 of a containerised treatment unit (“CTU”) to Kazakhstan for a major oilfield services client, with the project designed and negotiated by Nature Norway.
- The implementation of a strategic review of the deployment of our offshore treatment operations, and the consequent discussions for extension of market penetration as referenced below.

Payment of Dividend

Subject to shareholders approval the maiden dividend will be paid to Nature Shareholders following the Annual General Meeting now expected to be early July 2010. The record date and the payment date of the proposed dividend will be announced with the dispatch of accounts and notice of the AGM. Your Directors are pleased to be able to reflect our achievements by the commencement of a dividend policy, and in particular to initiate a financial return to our shareholders most of whom have been co-proprietors of Nature over the many years required for the development of the Group.

The Oman Contract and International Marketing of Nature Services, both in Slops Treatment and Port Waste Services.

Nature was approached in early 2009, to participate in the tender to be issued by the Oman Government for a slops and sludge facility to be established at a new port and docks infrastructure at Duqm in Oman. The overall project including storage tank construction would have been substantial in terms of Nature’s resources. Consequently it was arranged by the principal contractor for the overall docks project that Nature be considered for a role as supplier of treatment modules, to include commissioning and training. In November 2009 a Letter of Intent, in the sum of US\$4.2million was issued to Nature by the joint venture parties whose bid was accepted by the Oman Government tender board.

Benefits to be derived from the Oman project could be threefold:

- Potential for revenues for the Group in Oman and other Middle East areas.
- International marketing and awareness of Nature’s capability in modular port waste treatment facilities.
- Perhaps most importantly, the opportunity to develop Nature’s team and the treatment engineering capabilities of the Group, leading to new advances in product development and knowledge in the port waste treatment market

The period from December 2009 to date has involved the design and initial engineering of the facility under a tight timescale, which provides for initial delivery of equipment to site in November this year. There are certain technical issues under resolution, following which the plant procurement process can commence. The basis under which the revenues from this project will contribute to the results of Nature will depend on the timing of the delivery of equipment to Duqm, but as advised in November, it is expected that, subject to any site preparation delays, approximately £1.8 million of contract revenues will have been invoiced within 2010.

Norwegian Operations

In our interim announcement, issued on 22 September 2009, I referred to a strategic review being undertaken as to how best to expand our offshore rig treatment services operations. Discussions commenced in the third quarter of 2009 regarding a potential joint marketing and development agreement with a major international group for building more offshore treatment units (OTU's) to be deployed on drilling rigs, initially in the North Sea and then internationally.

These discussions could result in a significant change in the Norwegian operations of the Group as well as providing an additional boost in the prospects for 2010 and beyond. As mentioned in my opening paragraph, we look forward to a successful conclusion of current negotiations for such expansion in the offshore sector and hope to report to shareholders on these developments in the near future.

The Challenge for Nature and its Staff

The daily demands of management in our operating locations, and now the further demands of technical and engineering delivery capabilities, present a significant challenge to all working in the Group.

Our treatment modules, for example as built in Gibraltar in 2000 / 2001, are being upgraded and refined to reflect new technical innovations evolved in recent years, and for 2011 a further extension of tank capacity in Gibraltar is under consideration.

Equally, this evolution provides opportunities for development of newly enhanced products and for expansion through marketing of these capabilities. This is the challenge to which our team is having to rise, and we will need to grow our headcount to add new technical and marketing skills and to cope with growth in commercial and administrative terms.

The continued building of the Nature team, whilst maintaining the enthusiasm and belief of our existing staff, with potential geographical expansion ahead, is very much in your Directors' focus.

Also of note, in terms of marketing Nature in the North and South American offshore markets, is the selection of our Norway subsidiary by the Norwegian global entrepreneurship programme, represented by Stig Keller and Trond Aarestrup, to participate in focused business development and environmental opportunities assessment and discussions in the USA and in Brazil.

2010 and the Future

The current year will inevitably reflect a period of consolidation for the Group. However, the Board remain confident in the outlook for 2010 and beyond, both in terms of new opportunities already identified, and the potential for establishment of new operating locations in the future.

In conclusion I would like to thank our staff, still totalling less than 40 in number, who have worked so hard and effectively in delivering our progress to date.

NATURE GROUP PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR TO 31ST DECEMBER 2009

		<i>Unaudited Year to 31/12/2009 £</i>	<i>Audited Year to 31/12/2008 £</i>
REVENUE	Continuing operations	5,062,610	1,715,736
	Joint venture (2008-ventures)	929,834	1,663,350
		<hr/> 5,992,444	<hr/> 3,379,086
OPERATING COSTS	Continuing operations	(1,946,512)	(958,814)
	Joint venture (2008-ventures)	(688,129)	(909,852)
		<hr/> 3,357,803	<hr/> 1,510,420
Interest receivable		16,764	13,294
Administrative costs		(1,050,094)	(649,049)
Bank interest and charges		(16,547)	(22,288)
		<hr/> 2,307,926	<hr/> 852,377
Profit on ordinary activities before depreciation			
Depreciation and goodwill amortisation		(661,828)	(339,773)
		<hr/> 1,646,098	<hr/> 512,604
Profit on ordinary activities before taxation			
Taxation on profit on ordinary activities		(72,386)	(58,258)
		<hr/> 1,573,712	<hr/> 454,346
Profit for the financial period			
Basic profit per share (pence)		4.050	1.754

NATURE GROUP PLC

CONSOLIDATED BALANCE SHEET AT 31ST DECEMBER 2009

	<i>Unaudited</i> <i>As at</i> <i>31/12/09</i> £	<i>Audited</i> <i>As at</i> <i>31/12/08</i> £
ASSETS:		
Non current assets		
Plant and equipment	4,039,952	3,413,366
Intangible assets	503,810	561,294
Investments	275,319	163,798
Deferred tax asset	26,996	31,366
Total non current assets	<u>4,846,077</u>	<u>4,169,824</u>
Current assets		
Inventory	92,871	91,684
Trade and other receivables	921,858	872,545
Cash and cash equivalents	<u>1,586,823</u>	<u>614,807</u>
Total current assets	2,601,552	1,579,036
TOTAL ASSETS	7,447,629	5,748,860
LIABILITIES:		
Current liabilities		
	(632,781)	(838,342)
Non -current liabilities		
Long term loans	(547,456)	(216,838)
NET ASSETS	<u><u>6,267,392</u></u>	<u><u>4,693,680</u></u>
EQUITY		
Called up share capital	77,720	77,720
Share premium	3,233,799	3,233,799
Capital Reserve	2,925,520	2,925,520
Profit and loss account	30,353	(1,543,359)
Total equity attributable to equity shareholders	<u><u>6,267,392</u></u>	<u><u>4,693,680</u></u>

NATURE GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT
(Excluding cash movements in joint venture)

FOR THE YEAR TO 31ST DECEMBER 2009

	<i>Unaudited</i> <i>year to</i> <i>31/12/09</i> £	<i>Audited</i> <i>year to</i> <i>31/12/08</i> £
Reconciliation of operating profit to net cash flow from operating activities:		
Operating profit	1,573,712	512,604
Depreciation	593,974	139,639
(Increase) in inventory	(1,187)	(91,684)
(Increase)/Decrease in debtors	(45,035)	(566,765)
(Decrease)/increase in creditors	125,146	485,456
Net cash from operating activities	2,246,610	479,250
Investing activities:		
Increase in investments	(111,521)	0
Acquisition of intangible fixed assets	(25,933)	(14,492)
Acquisition of fixed assets	(1,137,140)	(166,741)
Financing activities:		
Cash consideration from issuance of shares net of issuance costs	0	48,415
Increase/(Decrease) in cash balances	972,016	346,432
Movement in cash balances:		
Balance at bank 1st January 2009	614,807	268,375
Net cash inflow/(outflow)	972,016	346,432
Balance at 30th December 2009	1,586,823	614,807

Notes to the accounts

1. The calculation of profit per share has been based on the profit for the period and the average 38,860,155 Ordinary Shares in issue throughout the period.

2. These unaudited results have been prepared on the basis of the accounting policies adopted in the accounts to 31 December 2009.