

25th May 2011

Nature Group PLC

Preliminary Results for the Year ended 31 December 2010

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 2010.

2010 Financial Highlights

- Revenues of £6,830,223 (2009: adjusted to £5,062,610)
- Profit after tax £1,528,379 (2009: £1,573,712)
- Earnings per share 3.71p (2009: 4.05p)
- Adjusted earnings per share excluding share based payments and group acquisition costs 4.34p
- Profit before tax, depreciation, share based payments and group acquisition costs £2,318,951 (2009: £2,203,458)
- Cash balances of £5,741,644 (2009: £1,586,823)
- Proposed dividend of 0.7p per share in respect of 2010 (2009: 0.6p)

2010 Operational Highlights

- Acquisition of ISD and Ecoscrub for £16m completed in December 2010
- Extension of oil waste collections to Malta and other locations
- Formal contract issued to Nature for a new treatment plant at Duqm Oman, although local site delays have deferred some anticipated revenues from 2010 to 2011
- Expansion of tankage planned for 2011/12 at the Group's Gibraltar facility to 12,000 tonnes from the current 7,000 tonnes.
- The Placing of shares to raise £3 million alongside the Rotterdam acquisitions and significant expansion of Nature's institutional shareholder base

2011 highlights to date

- Synergies to be achieved as a result of the ISD acquisition were actioned in the first quarter of 2011 and are on track, including transshipments from Rotterdam
- Collections of waste oil from Italy commenced in 2011
- Offshore utilisation of our compact treatment units under possible deployment from August, potentially generating a new international market later in the year
- A new international port location for Nature Group agreed in principle
- Group integration and new Group identity progressing well
- Results for the first quarter 2011 satisfactorily achieved the budget established for the enlarged Group in December 2010.

Nature entered 2011 as the leading maritime waste reception and treatment group in Europe, following the acquisition of International Slop Disposal BV ('ISD'), the largest maritime and offshore waste collector in the Port of Rotterdam, with effect from mid December 2010.

The financial results for the year ended 31st December 2010 do not reflect the Group's revenue and profit growth that is evident since the integration of ISD and Ecoscrub Solutions BV ('Ecoscrub'), an environmental hydrocarbon gas cleaning business acquired at the same time. As a reflection of the incremental scale of the Group revenues and activities, we have provided within the Chairman's statement set out below a summarised pro forma statement of combined 2010 results for Nature and ISD and Ecoscrub. The Group Balance Sheet as at 31st December 2010 does, however, include consolidation of ISD and Ecoscrub after acquisition.

Following the appointment of Deloitte as Group auditors the 2010 results reflect certain accounting changes which have an impact on prior year comparisons with 2009 and earlier. For example, Nature's 40% owned Norwegian joint venture treatment company, to which we supply both the General Manager and technical support, is now shown as an 'associate' rather than a 'joint venture'. The accounting effect, whilst excluding our share of gross revenues and costs, is to include the

Group's proportion of after tax profits. In addition we have complied with IFRS standards in evaluating executive share options by the application of such factors as share price volatility. In view of the significant increase in Nature's share price during 2010 we have been advised to recognise a share-based payment expense under IFRS 2 for the first time, resulting in a deduction of £151,303 from 2010 profits. We have also prudently written off £106,937 of costs relating to our Rotterdam acquisitions.

Richard Eldridge, Chairman of Nature, commented;

"The Nature Group is establishing itself as the leading maritime and waste reception and treatment group in Europe. It is exciting that the Group has achieved a size and reputation to enable the ambition of international expansion held by the Nature team throughout all the recent years of effort and commitment to be achieved, particularly through Darren Laguea our Managing Director. This vision is shared by the ISD shareholders and staff who have joined us, led by those in key roles such as Andreas Drenthen our new CEO. I should also like to welcome our new institutional shareholders who have, alongside the long term support from Jupiter funds, been most supportive of our current and potential plans.

The results summarised above for the year ended 31 December 2010 are now historic in many ways, but underline the consistency and growth of Nature's original core businesses. The significant benefits of both the new Rotterdam businesses and potential upside from the oil industry opportunities of recent years should significantly enhance Group's prospects in 2011 and beyond. The pro-forma results for 2010 if ISD had been consolidated for the full year are shown in the following Statement as an indication of the increased scale of Nature Group revenues. As a result of the consistent performance of the Group in 2010 and our confidence in the future ability of the Group to generate cash we are recommending that the dividend to be declared in respect of the year ended 31 December 2010 be increased to 0.7p per share (2009: 0.6 p)".

For further information please contact

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CHAIRMAN'S STATEMENT

Introduction

As indicated in my statement with the Circular issued on 13 December 2010, the revenues of the Group for the year ended 31 December 2010 increased in line with expectations, although we have excluded for 2010 our share of the revenues for the joint venture treatment plant in Stavanger in line with recommended accounting standards. Whilst we did not achieve the revenues hoped for in the offshore sector in 2010, there are indications that significant revenues from this segment of our business could be secured in the near future.

Group revenues on a fully integrated basis for 2010 would have shown combined revenues approximately 140% higher at £16.38 million as set out below.

The most significant event of the year was the acquisition of International Slops Disposals BV (ISD) and Ecoscrub Solutions BV (Ecoscrub) for £16m, completed in December 2010. Both companies are based in the Port of Rotterdam where ISD is the largest maritime waste oil collector in Europe. This acquisition was financed by the issue of shares in Nature half of which were placed with institutions. At the same time a further £3m before expenses was raised for future expansion.

The substantial effort of our executives and staff devoted to Group expansion throughout 2010 involved significant executive time, travel and other costs. This commitment had a positive effect on operational growth and, in financial terms, resulted in deductions of considerable corporate acquisition costs from our profits including certain professional costs in relation to the Rotterdam acquisitions. Together with the IFRS required introduction of a "share based payments reserve" and the deferment of an element of the Middle East project revenues, these factors reduced our expected profits after tax by approximately £300,000.

Group share capital increased significantly in 2010 as reported in our Circular of 13 December 2010 and, on a weighted average basis, earnings per share were 3.71p (2009 4.05p). Excluding the newly introduced 'share based payments' and corporate acquisition costs, earnings would have been 4.34p per share.

These results do not portray the substantive Group progress in 2010 which was a year of "scale of business change" for Nature, and with the enlarged Balance Sheet we now are reflecting cash balances of £5,741,644. The current growth in Group revenues is demonstrating strong cash generation from operations which gives your Directors the confidence to continue exploring and developing new business opportunities.

The Directors are pleased to propose a dividend of 0.7p per share in respect of the year ended 31 December 2010 (2009 - 0.6p) for approval at the AGM to be distributed at the end of June 2010. Your Directors proposals as to current and future dividend policy stated in our Circular of 13th December 2010 – which was the intended distribution of 25% of future net earnings. Implementation of this policy as to a maiden interim dividend will be considered in September this year when announcing our results for the six months to June 2011.

Review of Group Results for the Year ended 31st December 2010

European Port Reception Facilities

Our operations based out of Gibraltar achieved a 25% increase in revenues in 2010, with the inclusion of initial collections from Ceuta and Malta, in addition to the Canary Islands as in previous years. The logistics of inwards shipments, at an economic size for vessel movements involving some 3000 tonnes per load, has been managed effectively by our dedicated staff there, requiring considerable logistical and personal commitment. Your Directors as announced, are currently in the process of completing approvals for the expansion in reception tonnage from 7000 to 12000 tonnes. I would like to thank on behalf of shareholders, our team in Gibraltar for their strenuous efforts in developing our leading position in SW Europe.

We have also initiated business opportunities in Southern Europe ranging from Italy to Portugal, including as announced, transhipment of waste oils from Malta.

In Rotterdam, ISD is recognised as the leading waste service provider to the maritime and offshore industry in the ARA (Amsterdam - Rotterdam - Antwerp) region. The team based in Rotterdam and operating ISD services, together with the Ecoscrub technology now uniquely approved for hydrocarbon gas scrubbing by Rotterdam port, have demonstrated their

operational and commercial skills in developing the services there, now as Nature ISD, to such a leading position. We welcome them aboard, in particular Andreas Drenthen as our CEO and Bernard Muller as Deputy Chairman, and look forward to their valued contribution to our continued growth. The benefits of their international connections with both shipping lines and oil companies, and their existing infrastructure connections in other regions of the world, will undoubtedly accelerate our growth in these immediate months and years.

Oil Industry Services

2010 was a challenging year for our Norwegian businesses with several contracts ending in 2010, leading to a change of strategy to more international marketing, together with the process of integrating Northern Treatment and Nature Technology Solution into one business. We believe the benefits of the efforts made in recent years should at last come to fruition in second half 2011 and 2012 onwards.

The potential joint venture offshore with a leading international oil services contractor, whilst agreed in principle, was not concluded due to policy changes resulting from their integration into a larger group.

Our leading client for the utilisation of our Offshore Treatment Unit (OTU) was, for operational reasons, restricted to two campaigns rather than the four we had anticipated. However 2010 saw the development of our next generation of more compact treatment container and the first of these new Compact Treatment Units (CTU) is now completed and available. This design will enable a standardized design and solution for the future to be marketed offshore and onshore, and "CTU" will be the new abbreviated terminology for deployment in identified markets internationally, particularly as a result of synergies resulting from the ISD team vision and contacts.

Our SAR Treatment (SART) joint venture in Stavanger continues to deliver a good service treating wastewaters from the offshore oil industry. For this business we not only provide the General Manager but also provide a full technical support service which our JV partner endorses. In 2010 we experienced process capacity constraints in meeting demand which was addressed by commissioning a process upgrade, awarded to Nature for implementation, and installed early in 2011 with encouraging increases in throughput. This has led the SART Board to approve a substantial capacity upgrade to be designed and delivered by Nature for commissioning in the 4th quarter of 2011.

We still remain very confident in the future growth available to Nature deriving from the oil industry and for which the excellence of the knowledge and skill base inherent in our Norwegian team, together with Nature Norway's 12 year history and industry recognition of complex hydrocarbon treatment research and development, is an integral and valuable component of Group capabilities. For the future our business in Norway is to be renamed Nature Oil and Gas AS.

International Contracts

The contract to supply a turnkey port oil waste treatment facility to Duqm Oman was formally initiated in 2010. The overall regional project involves the development of substantial new infrastructures at Duqm by the main contractor Daewoo on a green 'sands' site 800 kms south of Muscat on the Indian Ocean. Our own progress has been hindered by a number of external factors beyond our control; as a consequence only 40% of the revenues attributable to Nature from the contract were recognised in our accounts for 2010. However, shipment of plant components is now under way, with installation due to commence in July. We anticipate that over 80% of the contract will be fulfilled by September, with training of local Oman Docks Company staff commencing at that time.

The experience gained in the engineering and design work for a new build plant ten years after initiating our Gibraltar installation provides a valuable resource for application to the several potential new international projects where Nature will be involved as principal and operator.

Pro Forma Revenue and Profit summary for 2010

This assumes consolidation for the full year 2010 of ISD and Ecoscrub, after deduction of their acquisition costs and the share based payment provision (together £258,240).

Revenues of the Enlarged Group	£16,384,730
Profits before tax and	£3,582,338

Profits after tax £3,085,745

Current and Future Development of the Group

Opportunities for the Group are widespread. Our resources as enlarged by the acquisition of ISD in December 2010, including the introduction of a number of significant institutional investors now owning in excess of 25% of the Group share capital, provide the platform for the evolution of the Group as a leader in our activities worldwide. The development of Group staff resources is also an essential process to complement the skills and enthusiasm of our existing staff and is currently a key focus for our senior team in support of our growth.

I anticipate that by the end of 2011 the Group will be actively involved in an expansion of our activities further afield in Europe, in Central and South America, with mainland USA and the Far East planned also as extensions to our "Nature" world. Achieving these aims and the enhancement of our service offerings to the maritime and oil industries is an exciting ambition, targeting leadership in our industry .

Meanwhile the implementation of a co-ordinated review of collected wastes in all locations including Rotterdam has commenced as a key factor in our strategy for extracting synergies from the enlarged Group activities in Europe. I am pleased to report that the first substantial transshipment from Rotterdam was achieved in March, with additional revenues as planned attributable to the Group after deduction of shipment costs.

We have also signed an initial agreement for a fast track project feasibility study for providing port oil waste services in a key international maritime location, where our substantial local partner is providing the proposed site at which the modular nature of our treatment units could enable initial operations to commence by the end of 2011.

Corporate responsibility

With regard to our ethical credentials and corporate responsibility, your Directors are aware of the impact our operations can have on our various stakeholders in the contexts particularly of regulatory compliance, improving the environment and the welfare of our employees. At the time of the ISD acquisition we made a commitment to introduce an upgraded CSR (Corporate Social Responsibility) policy for the Group in 2011 and our forthcoming Annual Report will include the framework of the policy that we will be developing in 2011. We intend to ensure that commitment to CSR is embedded in our organisation and we look to a programme of constant improvement. Through the services Nature provides and our technical know-how we feel our operations can make a strong and valid contribution to a better and cleaner maritime environment.

Annual General Meeting and dividend payment in respect of 2010

Our Annual General meeting will be held on Tuesday 28th June 2011 at our offices at Ordnance House, Pier Road, St. Helier, Jersey. The dividend payment of 0.7p per to shareholders (excluding the 16 million shares received by Portinvest in December as part of the ISD transaction) will be proposed at the meeting, and if approved paid to shareholders shortly afterwards as advised by our Registrar.

Conclusion

I am very privileged to have been involved in the initial formation of the Group, the early engineering of treatment capabilities and our business development over the past 13 years. This has seen recognition of both our meaningful contribution to "cleaner seas" and the commercial potential of our core capabilities, with both Governments and the industries we serve seeking high quality responsible solutions to their waste and environmental issues. I am further privileged to see the leadership and enthusiasm of the enlarged Group staff in taking forward our worldwide business in response to the many initiatives available to us. The current year and beyond will be significant in fulfilling returns to our shareholders and the leadership position for our sector that we aim to establish internationally. However, a Chairman's confident statement of ambition for the future should undoubtedly not end without words of caution – we must always be alert to changing market circumstances in today's turbulent global economies and the effect that they can have on subsequent business opportunities. Thank you shareholders and staff for your terrific support in our mutual endeavour.

Richard Eldridge

Chairman
25th May 2011.

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2010

	2010	2009
	£	£
	Unaudited	(restated) Audited
Revenue		
Continuing operations	6,830,223	5,062,610
Cost of sales		
Continuing operations	(3,650,881)	(1,946,512)
Operating profit	3,179,342	3,116,098
Other income	16,439	15,793
Share based payments	(151,303)	0
Administrative costs	(938,028)	(1,006,986)
Depreciation and goodwill amortisation	(556,369)	(593,974)
Finance costs	(17,284)	(15,726)
Costs to acquire group companies	(106,937)	0
Share of profits of associates after tax	78,482	94,279
Profit before tax	1,504,342	1,609,484
Taxation on profit on ordinary activities	24,037	(35,772)
Profit after tax	1,528,379	1,573,712
Earnings per share (pence)	3.711	4.050
Profit after tax, before share based payments and group acquisition costs	1,786,619	1,573,712
Earnings per Share (pence) Excluding Share based payments and group acquisition costs	4.338	4.050

CONSOLIDATED BALANCE SHEET

At 31 December 2010

	2010	2009
	£	£
	Unaudited	Audited
Assets		
Non-current assets		
Plant, vessels and equipment	7,060,992	4,039,952
Goodwill	13,224,120	362,355
Other intangible assets	129,289	141,455
Investment in associated company	269,469	275,319
Deferred tax assets	89,827	26,996
Total non-current assets	20,773,697	4,846,077
Current assets		
Stocks and work in progress	98,059	92,871
Trade and other receivables	4,096,871	921,858
Cash and cash equivalents	5,741,644	1,586,823
Total current assets	9,936,574	2,601,552
Total assets	30,710,271	7,447,629
Liabilities		
Current liabilities		
Trade and other payables	(2,716,534)	(607,834)
Bank loans and overdrafts	(191,582)	0
Corporate taxes	(8,743)	(24,947)
Total current liabilities	(2,916,859)	(632,781)
Non current liabilities		
Term loans	(1,555,110)	(547,456)
Net assets	26,238,302	6,267,392
Equity		
Called up share capital	155,120	77,720
Share premium account	21,683,488	3,233,799
Share option reserve	151,303	
Capital reserve	2,925,520	2,925,520
Profit and loss account	1,322,871	30,353
Total equity attributable to equity shareholders	26,238,302	6,267,392

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2010

	2010	2009
	£	£
	Unaudited	Audited
Reconciliation of operating profit of net cash flow from operating activities:		
Profit for the year before taxation	1,504,342	1,646,098
Adjustments for:		
Depreciation of fixed assets	556,369	593,974
Decrease/(increase) in stock	6,825	(1,187)
Increase in debtors	(1,304,479)	(44,943)
Increase in creditors	672,641	52,671
Increase in reserves due to share based payments	151,303	0
Net cash from operating activities	<u>1,587,001</u>	<u>2,246,613</u>
Investing activities:		
Decrease/(increase) in investments	5,850	(111,521)
Acquisition of tangible fixed assets	(607,661)	(1,137,141)
Acquisition of intangible fixed assets	0	(25,935)
Acquisition of subsidiaries net of cash acquired	(7,026,347)	0
Dividends paid	(235,861)	0
Financing activities:		
Cash consideration from issuance of shares net of issuance costs	10,431,839	0
Increase in cash balances	<u>4,154,821</u>	<u>972,016</u>
Analysis of cash and cash equivalents during the year:		
Balance at start of period	1,586,823	614,807
Increase in cash and cash equivalents	4,154,821	972,016
Balance at end of period	<u>5,741,644</u>	<u>1,586,823</u>

Notes to the accounts

1. The calculation of profit per share has been based on the profit for the period and the average of 41,190,000 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 2010 but stating Joint Venture revenues and costs as net share of profits of associates.

3. The Report and Accounts for the year ended 31 December 2010 will be posted to shareholders on or before 10 June 2011 and will also be available on that date on the Company's web site: www.naturegroup.co.uk.