May 31st 2017

Nature Group PLC

("Nature Group" or the "Company")

Final Results for the Year ended 31 December 2016

Nature Group, (AIM: NGR), the provider of port reception facilities and waste treatment solutions for the oil, marine and process industries, announces its results for the year ended 31 December 2016.

2016 Financial Performance from Continuing Operations*

- Revenues decreased by 26% to £11.9 (2015: £16.27m)
- Underlying EBITDA (excluding non-trading incidentals) decreased to -£0.48 loss (2015: -£0.33m loss)
- Underlying operating loss widened to -£1.62m (2015: -£1.13m)
- Underlying loss before tax widened to -£1.66 (2015: -£1.21m)
- Underlying earnings per share ("EPS") of -2.38p (2015: -3.17p)
- Year-end cash balances increased to £0.38m (2015: £0.28m)

2016 Operational Performance

Maritime – Port Reception Facilities

- Rotterdam operations continued to perform as expected but did not see any large one-off projects as in previous years.
- In Texas, in second full year of operations, revenue was slightly higher than 2015 from traditional maritime customers compensating for a strong decline in business from offshore customers.
- Further growth potential in Texas through additional services including tank cleaning and barging, and a further positive effect when the offshore market picks up again.
- Gibraltar entity sold at the beginning of 2017.
- Portugal operations incurred losses in 2016 and intention is to exit the joint venture by July 2017.

Oil and Gas

- Successful operations in Canada, Norway, Brazil and Tanzania.
- Overall, business came under further pressure after the projects in Canada and Tanzania terminated in the 2nd half of the year and anticipated new projects were postponed to 2017.
- Important contract signed in December 2016 for the UK shelf with mobilisation in early Q1 2017 generating healthy revenues and margins from March 2017 onwards.

Engineering

- Engineering office in Cornwall closed but Nature Group continues to deliver, on customer requests, specific engineering consultancy projects.

- Designed and delivered a Modular Emulsion Breaking System as part of our Waste Treatment at Source concept.

Commenting Berend van Straten, Chairman, said:

"2016 was a year full of restructuring activities for Nature Group. We have worked hard to get the restructuring work completed and managed to do so finally in the first months of 2017 through the completion of the sale of our Gibraltar entity and the decision to exit the joint venture in Portugal in the first half of this year. The focus going forward is on making sure the existing Maritime operations in Rotterdam and Texas and our Oil and Gas division improve their performances by increasing margins and market share and widening product offerings. The overall process of restructuring has been more demanding than anticipated and has cost the company time and money."

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(*) Excludes revenue and cost from discontinued operations in Gibraltar as Nature Port Reception Facilities Limited ("NPRF"), which previously operated the Group's reception, treatment and storage facility for maritime waste in Gibraltar, was sold January 16th 2017, excludes revenue and cost from discontinued operations of Nature Port Reception Facilities Portugal ("NPRFP") as Nature Group PLC is currently negotiating exiting the joint venture, excludes revenue and cost from discontinued operations in Nature Shipping Agency Limited ("NSA") in Gibraltar (as the entity was sold on 4 March 2016), excludes revenue and cost from discontinued operations at Nature Environmental Technologies Limited ("NETL") in UK for the first nine months of 2016 when Corporate Center activities ceased and all staff was made redundant but includes the last 3 months of 2016 as the entity was revived and is now used for specific engineering services for our Joint Venture in Sohar, excludes revenue and cost from discontinued operations at Residuos Y Transportes MARPOL, S.L.U.("RYTM") as the entity is being liquidated and excludes revenue and cost from Nature Group Trading Limited ("NGTL") in Jersey as this entity was dissolved July 12th 2016. Underlying results exclude non-trading incidental items.

Chairman's Statement

The core of our strategy remains to build on our Maritime strength in the Rotterdam and Texas areas and on growing our Oil and Gas business. Under difficult market circumstances in both the Matitime and Oil and Gas division, focussing on our existing operations is the best way to get the Company to return to profitability.

Corporate restructuring
The project of closing down and selling our operations in Gibraltar has been an extremely slow process and kept us occupied during 2016. It has certainly prevented us from moving faster in other areas and – as a result – has cost us substantially more than we had anticipated.

Additionally, the impact of the low oil price was felt strongly in our Oil and Gas division and in our Portuguese joint venture.

We have further restructured our Norwegian organisation by cutting 40% of staff to cope with the downturn in the industry in general and in Norway specifically.

All of the above has resulted in a group overhead reduction of 40% (from 2015 to 2017), however the full impact of these cost reductions will only be visible in 2017. Management will consider further cost cutting if necessary.

Despite all the actions taken to reduce the cost base and stop non-contributing activities, the overall performance of the Group was disappointing for 2016.

Outlook
Our core focus for the maritime division has not changed. We want to deliver the best port reception service available to our customers in the ARA region (Amsterdam / Rotterdam/ Antwerp) and Texas and will continue to look for growth via adjacent locations and new product offerings, such as tank cleaning (which we started to offer in April 2017 in Texas), the collection of fixed waste (Marpol Annex V in Rotterdam) and servicing inland vessels in Rotterdam, having successfully won the tender for the next three years.

In the Oil and Gas division, our focus is on "Waste treatment at Source" with our best in class technology. With our new contracts in the UK, and our continuing presence in Brazil and Norway, we have proof that in this niche space, we deliver the best service, capable of treating the widest range of offshore waste. At the same time, we will also focus on geographical expansion (Arabian Gulf, US Gulf) and product expansion where feasible. Even though the Oil and Gas environment remains difficult, we are optimistic that we will gradually, during the coming months, be awarded more projects and rebuild the Oil and Gas division.

With a successful execution of these activities, combined with a further downsized organization, we believe we will deliver an improved performance compared to 2016.

Berend van Straten
Chairman of the Board

Executive Directors' statement

2016 has been a very difficult year for Nature Group due to several factors such as the prolonged process to sell our Gibraltar operations and the collapse of the oil price early 2016. Firstly the sale of our Gibraltar operations took the full year, while we had anticipated a much swifter closure. It took considerable time and effort by management to achieve the sale and the impact of such a distraction, as well as the continued organisation costs due to the delay, adversely effected the Company's ability to progress as the Directors would otherwise have anticipated in 2016. The completion of the sale and corresponding cash injection were a welcome start to 2017.

In addition, the oil price collapse in January 2016 and the slow recovery in the second half of the year, has also had a significant effect on our businesses. Strongly reduced offshore drilling operations and delays in new drilling plans materially affected our Oil and Gas business, even though our customers were increasingly satisfied with our services.

Also in the port reception businesses the impact of the low oil price was felt as the oil price has a significant impact on the potential value of waste oil. In Texas many offshore customers simply stopped doing business and we worked hard to replace these with customers from the maritime industry.

However, during this turbulent period we have accomplished several key milestones:

- Made the transition in Texas from offshore customers to maritime customers.
- Won 2 new contracts for Oil and Gas, starting operations at the end of the 1st quarter of 2017.
- Reduced Group overhead costs by 40% (from 2015 to 2017).
- Closed Gibraltar and Cornwall offices and reduced headcount in the Stavanger office.
- Designed and commissioned a containerized emulsion breaking system, part of our "Waste Treatment at Source" philosophy.

Overview of Financial Performance 2016

As required by IFRS 5 "Non-current assets held for sale and discontinued operations", all asset and liabilities, revenue and cost relating to discontinued operations have been disclosed under "Assets and Liabilities held for Sale" and "Results from discontinued operations". See Chairman's statement for details on continuing operations.

The Group generated sales from continuing operations of £11.99m with a related Loss Before Tax ("LBT") of £2.53m. This loss includes £1.02m of both trading and non-trading incidentals related to the restructuring of the Group.

Furthermore, after deducting losses from start-up cost incurred in relation to our Oil and Gas division in the UK and maritime business development in Rotterdam and Texas, the pro-forma normalised LBT is £0.99m. We believe this more accurately represents the financial performance in 2016 of the activities of the Group that will continue.

Further detail on the Group's underlying financial performance of continuing operations and incidental cost incurred is set out later in this statement.

Overview of Financial Performance 2016 - Discontinued Operations

Included in the LBT from discontinued operations of £1.1m is the operational loss in Gibraltar, as the process to sell the entity took the whole year, offset by the gain on the sale of the entity. Also included is the operational loss of £0.3m in the joint venture that operates our business in Portugal and the loss on writing off the investment in Portugal of £0.6m. The other material item is the cost of closing the engineering and corporate functions entity in Cornwall for £0.2m.

Discontinued operations	Total cost £'000
NPRF Gibraltar operational and result on sale	(56)
NPRF Portugal	938
Other	7
Engineering/Corporate office UK	152
NSA, sold March 2016	4
RYTM, in liquidation	15
NGTL, dissolved July 2016	3
Total	**1,063**

Overview of Divisional Performance 2016 - Continuing Operations

Maritime
Overall, the Maritime division generated sales from continuing operations of £9.74m (2015 £11.03m) and PBT of £0.21m (2015: LBT £0.36m). Adjusting for incidental items of £0.28m the PBT becomes £0.5m.

Rotterdam continues to be the largest Port Reception Operation of the Group, however revenue declined year on year. This is mainly caused by the lack of special projects. Our base business performed in line with previous years. During the year we have incurred cost in adding MARPOL Annex V to the service portfolio but the revenue stream from this activity was modest in 2016 but has finally picked up in May 2017.

We continue to look for more and different services and as such, we are preparing ourselves on future waste issues such as ballast-water and degassing.

It is important to note that the effect of the oil price on the waste oil market, and the specific regulations concerning waste oil, make this a difficult market to predict. Prices fluctuate with market prices of oil in some way but especially volumes change dramatically over short periods of time. We are working diligently to make sure our services offered in Rotterdam can withstand those rapid market changes.

In Texas we have grown our existing services revenues marginally, but underneath there has been a big shift in our business. The business generated from offshore customers significantly declined in the first half of 2016 but we have managed successfully to replace these customers with Maritime customers. On top of that, we have added a barge service in our Houston operations, offering the ability to offload larger waste streams in one trip. After the reporting period, we have added a barge cleaning facility to our service operations in Texas that has recently completed the first cleaning job.

We remain positive about the potential of the Texas area for Nature Group. We clearly see the benefits of offering superior services to our global customers. Long term, we believe our Texas business has the potential to contribute as significantly as the Rotterdam business.

In 2016 we have struggled with our Portuguese business. Due to the collapse in the oil price in the first quarter and the consequences this has had for the waste oil market in Europe, our business in Lisbon had a very disappointing first 6 months of the year. We were able to bring it close to breakeven for the last 6 months but overall it has become clear that this is not a sustainable business model for Nature Group. We have decided to limit our exposure in Portugal but at the same time need to assure we have an overall solid strategy to manage rapid oil price changes.

Oil and Gas

Overall, the Oil and Gas division generated sales from continuing operations of £2.25m (2015 £4.99m) and LBT of £1.08m. Adjusting for incidental items of £0.31m the LBT becomes £0.8m.

In 2016 we have for the first time encountered a substantial decline in revenue as a result of the global decline in offshore drilling operations. During the last 6 months of 2016, the order book has been weak. Our customers in Canada and Tanzania have ceased their operations. At the same time, the discussions with customers for new projects has never been more active and, as has been announced in December 2016, this resulted in 2 contracts for our service in the UK. These 2 projects are now running well. In addition our projects in Brazil were extended for another 2 years. We are working on a range of tenders for the second half of 2017 and 2018. The number of tenders outstanding has increased compared to 2016 as a result of increased planned drilling and P&A activities.

Our main USPs for this product line are simple: at comparable costs to alternatives, Nature Group can deliver the biggest percentage of waste cleaned at source and thus reduce both environmental footprint (reduction of CO_2 due to transport to shore) and safety risks (less transport means less handling and less supply vessels waiting at sea). In 2016 we have treated 20k m^3 of waste and reduced this by 96% by taking out water with an average PPM of less than 5 PPM, doing so at 7 different locations with zero lost-time incidents.

It has become increasingly clear during the tender process that our complete service, comprising of the Compact Treatment Unit ("CTU") and Sludge Treatment Unit ("STU), our operators and our green chemicals deliver a superior performance compared to other options available in the market. Therefore we are confident that we will gradually, during the coming months, be awarded more projects as a result of successful tender processes.
The process we started in 2016 by targeting the IOC's we believe has been successful in Europe. The next step will be to widen our geographical reach to initially the Arabian Gulf and US Gulf, later including Australia and Asia as our target markets.

Engineering

In 2016 we have downsized our in-house engineering team on the maritime side by closing our office in Cornwall. However, due to the project in Sohar and some additional consultancy work for customers in the Mediterranean, we still have solid knowhow in the organisation or close around us. Additionally, we have our team in Stavanger which consistently works on our technology and how we can further improve it. For the future, we see engineering skills as core to Nature Group, both for Oil and Gas as well as for our facilities in Texas.

Group overhead

We have taken several actions in out organization to reduce cost levels. The reduction in overheads of £500k compared to 2015 did help to reduce the losses and further actions will reduce an additional £250k in 2017, bringing the overall reduction in overhead costs over the last 2 years to £750k or 40%.

Detailed analysis of Pro forma result 2015 – continuing operations

As stated above, the Group generated sales from continuing operations of £11.99m and a related LBT of £2.53m, which includes the following non-trading incidental items.

Non-trading One-offs	Total cost £'000
NISD	158
NEMS	125
Oil and Gas	312
Nature Group PLC	284
Total	**879**
LBT excluding non-trading incidentals	**(1,660)**

Incidental cost incurred in our Rotterdam entity Nature International Slop Disposal BV ("NISD") includes legal fees of £0.09m for the case concerning the waste treated from an Angolan FPSO (here NISD was acquitted on all points but the public prosecutor appealed) and providing for £0.07m for a disputed trade receivable.
Incidental cost incurred in our Texas entity Nature Environmental & Marine Service LLC ("NEMS") includes accelerated depreciation and losses on disposal of fixed assets.
Oil and Gas division incidentals relate to redundancy cost and related legal fees.
Incidental cost incurred in Nature Group PLC include the full write-off of the capitalized Group accounting system for £0.12m and legal fees incurred in the sale of NPRF Gibraltar for £0.09m.

After deducting non-trading incidental items of £0.88m the Group incurred a trading LBT of £1.66m. Included in this loss are the following trading incidental items, partly offset by a recovery of pre-2016 development cost from the Sohar joint venture previously written off.

Trading One-offs	Total cost £'000
Group	139
Total	**139**
Total One-offs Trading and Non-Trading	**1,017**
Clean PBT	**(1,521)**

After deducting the trading incidental items the Group generated a “clean” LBT of £1.5m.

When we exclude cost incurred for new business development for tank cleaning and barging operations in Texas, collection of MARPOL Annex V waste in Rotterdam and setting up the Oil and Gas business in the UK, we get to a pro-forma LBT for our continuing business of £0.99m.

Cost incurred in business development	Total cost £’000
Oil & Gas UK New Business Development	283
Maritime New Business Development	249
Total	**532**
Pro-Forma LBT Continuing Operations	**(989)**

This pro-forma LBT of £0.99m can be split into a loss in the Oil and Gas division of £0.45m, a profit of £0.66m in our Maritime operations and Group cost of £1.2m.

Cash and Capital Expenditure
During 2016 the cash position of the Group improved slightly to £0.38m from £0.28m end of 2015. We added a working capital facility and term loan for our Texas business and continued with our bank facilities in Norway and Rotterdam. The sale of our port reception facility in Gibraltar for a consideration of £4m, of which £1m is kept in escrow, completing on January 16th 2017 improved the cash position of the Group although we used a substantial part of the £3m received to strengthen the balance sheet in 2017.

- An amount of £0.7m was used to settle NPRF Gibraltar debts and pay remaining redundancies.
- An amount of £0.25m was used to settle the outstanding amount under the Lombard financing agreement.
- An amount of £0.5m was used to settle part of the Group cost financed by our entity in Rotterdam.
- An amount of £0.25m was used to settle the first Sohar JV equity contribution that was temporarily recalled.
- An amount of £0.4m was used to finance the Oil and Gas division in the first quarter of 2017 as receivables from customers in Brazil and the UK started to come in during the month of May and will continue going forward.

At the start of May 2017, excluding £1m in escrow from the sale of our port reception facility in Gibraltar, the Group has £0.5m cash at hand and a further £0.3m available through working capital facilities. We are closely monitoring the cash position of the various entities in the Group.

During 2016 fixed assets were acquired throughout the Group for £2.0m. In Our Oil and Gas division we completed the construction of 3 STU’s and 1 CTU for £1.5m. In Texas we invested £0.3m for new business activities in Red Fish Bay and Baytown as well as new trucks. Throughout the Group we’ve invested in facilities and maintenance on our vessels for £0.2m.

Outlook
Our restructuring process has taken longer than expected. Nevertheless, with Gibraltar, Cornwall and Portugal resolved, we are now focusing on the future again. Our vision of safeguarding the health and cleanliness of our oceans remains unchanged from when we started this journey in 2010. Nature Group has a unique position and the right competences in the Group to become successful in our Mission:

Clean Seas – Your Choice, our Mission

Delivering environmentally responsible services is a growing market and Nature Group is uniquely positioned to ride this wave. We are excited about our future and believe we have the right team to make it work. The internal restructuring is not fully completed but we are ready for growth in all 3 business we run today: Rotterdam, Texas and Oil and Gas.

For 2017 we project the rebuilding of our Oil and Gas business through 1 or 2 more project wins, the growth of our Texas operations through new activities and improved revenue in the ARA region, based on customer wins and growth in our Marpol Annex V service.

Based upon the above mentioned increase in sales combined with a further decrease in cost as a result of actions already implemented and new cost cutting initiatives we expect a gradual improvement of our financial performance during 2017.

Jan Vesseur
CEO

Maarten Smits
CFO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	*Audited year to 2016*	*Audited year to 2015*
Year ended 31 December 2016	*£*	*£*
Continuing operations		
Revenue	11.990.529	16.273.810
Cost of sales	(7.332.730)	(10.963.725)
Operating profit	**4.657.799**	**5.310.085**
Interest income	-	5.025
Other expenses	(203.961)	(359.990)
Share based payments	3.699	(110.746)
Administrative costs	(5.814.627)	(6.505.018)
Depreciation and goodwill amortisation	(1.141.913)	(805.173)
Finance costs	(35.650)	(82.295)
Gain recognised on disposal of interest in former subsidiary	-	136.299
Loss before taxation	**(2.534.653)**	**(2.411.813)**
Income tax gain/(expense)	285.013	131.844
Loss for the year and total comprehensive income for the year from continuing operations	**(2.249.640)**	**(2,279,969)**
Discontinued operations		
Loss for the year and total comprehensive income for the year from discontinued operations	(1,055,144)	(1,575,988)
Loss for the year and total comprehensive income for the year	**(3,304,784)**	**(3,855,957)**
Attributable to:		
Owners of the parent		
Loss for the year from continuing operations	(2.249.640)	(2.279.969)
Loss for the year from discontinued operations **Profit**	(1.055.144)	(1.575.988)
Profit for the year attibutable to owners of the parent	**(3.304.784)**	**(3.855.957)**
Non-controlling interest:		
Loss for the year from continuing operations	47.367	143.958
Loss for the year from discontinued operations	132.187	-
Profit for the period attributable to owners of the non-controlling interest	**179.554**	**143.958**
Loss for the year and total comprehensive income for the year attributed to owners	**(3.125.230)**	**(3,711,999)**
Earnings per share (pence)		
From continuing operations:		
Basic	(2,778)	(2,876)
From discontinued operations:		
Basic	(1,164)	(1,988)
Loss after tax, before share based payments	**(3.128.929)**	**(3.601.253)**
Excluding Share based payments	(2,778)	(4,542)

CONSOLIDATED BALANCE SHEET **At 31 December 2016**	*Audited* *31 December 2016* *£*	*Audited* *31 December 2015* *£*
Assets		
Non-current assets		
Plant, vessels and equipment	8,341,330	5,923,210
Goodwill	1,238,137	907,563
Other intangible assets	17,680	139,815
Investment in associated company	308,446	308,446
Deferred tax assets	478,508	4,222
Total non-current assets	**10,384,100**	**7,283,256**
Current assets		
Insurance Recoveries on 3rd Party Claims	1,593,352	-
Corporate taxes	86,978	203,148
Stocks and work in progress	79,234	1,185,630

Trade and other receivables	3,369,337	5,716,738
Cash and cash equivalents	383,642	278,369
Total current assets	**5,512,544**	**7,383,885**
Assets classified as held for sale	**6,387,737**	**6,618,693**
Total Assets	**22,284,382**	**21,285,834**
Liabilities		
Current liabilities		
Trade and other payables	(7,031,742)	(4,740,419)
Bank loans and overdrafts	(1,186,456)	(778,989)
Corporate taxes	(386,907)	-
Provision for 3rd Party Claims	(1,593,352)	-
Liabilities directly associated with assets classified as held for sale	(5,608,227)	(5,398,664)
Total current liabilities	**(15,806,685)**	**(10,918,072)**
Non current liabilities		
Term loans	**(1,220,277)**	**(1,964,628)**
Net assets	**5,257,420**	**8,403,134**
Equity		
Called up share capital	158,561	158,561
Share premium account	21,953,617	21,953,617
Share option reserve	107,047	110,746
Capital reserve	2,702,399	2,925,520
Foreign currency translation reserve	(265,625)	(1,017,848)
Profit and loss account	(19,128,164)	(16,002,934)
	5,527,835	8,127,662
Amounts recognised directly in equity relating to assets classified as held for sale	-	-
Equity attributable to owners of the group	5,527,835	8,127,662
Non-controlling interest	(270,415)	275,472
Total equity attributable to equity shareholders	**5,257,420**	**8,403,134**

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2016

	Audited year to 2016 £	*Audited year to 2015* £
Reconciliation of operating profit to net cash flow from operating activities:		
Loss before taxation	(3,600,996)	(3,917,766)
Adjustments for:		
Depreciation and amortisation	1,150,457	1,336,428
Decrease/(Increase) in stock	-	387,027
Decrease/(Increase) in debtors	1,798,041	528,820
(Decrease)/Increase in creditors	2,011,300	842,095
Foreign exchange differences	30,533	192,154
Increase in reserves due to share based payments	(3,699)	110,746
Impairment of financial/fixed assets	646,405	-
Net cash from operating activities	**2,032,040**	**(520,495)**
Investing activities:		
Increase in investments	-	(308,196)
Acquisition of tangible fixed assets	(1,968,916)	(3,723,465)
Acquisition of intangible fixed assets	(166,478)	(115,785)
Proceeds from disposal of fixed assets	-	3,029,360
Financing activities:		
Proceeds from bank borrowings	(336,884)	1,088,578
Increase in cash balances	**(440,238)**	**(550,003)**
Analysis of cash and cash equivalents during the period:		
Balance at start of period	(253,411)	296,592
Increase/(Decrease) in cash and cash equivalents	(440,238)	(550,003)
Balance at end of period	**(693,649)**	**(253,411)**

Notes to the accounts

1. Shares in issue throughout the period.
2. These audited results have been prepared on the basis of the accounting policies adopted in the accounts to 31 December 2016.
3. The statutory accounts for the year ended 31 December 2016 will be sent to shareholders of the Company by 2nd of June 2017 and will be delivered to the Registrar of Companies following the Group's Annual General Meeting, which will be held on 27 June 2017. The report and accounts will also be available on the Group's web site: www.ngrp.com.
4. Cash flow statement represents both continuing and discontinued entities.