

30 September 2016

**Strat Aero plc (“Strat Aero”, the “Company” or the “Group”)
Half Yearly Report**

Strat Aero Plc, the AIM quoted international aerospace company focused on the Unmanned Aerial Vehicle (“UAV”) sector, is pleased to present its unaudited half yearly report for the six month period ended 30 June 2016.

OVERVIEW

- Secured first US Wind Turbine Inspection Contract – completed initial service commitment successfully during April
- Secured US\$375,000 Proprietary Software Contract with Readyjet, a leading service provider to the aviation sector – roll out of contract successfully underway
- Master franchise agreement executed with I-Coach in Hong Kong
- Appointment of Iain McLure as CEO
- Revenues from inspection, survey and consultancy services remained below expectations due to slower than anticipated adoption of UAV solutions by larger customers
- Geocurve's pipeline revenue generation has been in line with expectations set at the time of acquisition – improving billed revenue and operating profitability remains a key priority
- Revenues of US\$410,740 during 2016 (2015: US\$57,441) generating a gross profit of US\$293,941 (2015: US\$30,334)
- Net Loss of US\$ 2,121,986 during 2016 (2015 US\$ 1,311,117)
- Cash balances at the period-end amounted to US\$275,428 (2015: US\$238,324)
- AK Litigation commenced April

- **POST PERIOD EVENTS**
- Completion of the Acquisition of Geocurve
- Second US Wind Turbine inspection contract awarded in August.
- Grant of 'NQE' (National Qualified Entity)Status by the UK's Civil Aviation Authority ('CAA') to Strat Aero
- Master Franchise Agreement executed with the Limkokwing University of Creative Technology ('LKW'), an international technology university, to roll out UAV training services
- Geocurve awarded a multi-year contract worth £2.5 million over the entire duration of the contract to provide aerial inspection and survey services for the Environment Agency's Thames Estuary Asset Management 2100 (TEAM2100) programme
- Settlement of AK litigation

CHAIRMAN'S STATEMENT

Strat Aero offers investors a robust strategy to capitalise of the exceptional growth opportunities in the Unmanned Aerial Vehicle ('UAV') space. Our goal is to build a world class provider of UAV services and solutions. It was with this in mind that during the period the Board appointed Iain McLure, an operations specialist, as CEO of the Group to apply his expertise to formulating an executable business plan with identifiable targets, measures, planning, financial processes and clear lines of accountability, which together provide a roadmap for Strat Aero to realise its objective. I am pleased to report much progress has been made in the short period since Iain's appointment, and I am confident this will soon be reflected in our financial performance.

We believe Strat Aero has all the key ingredients in place to succeed as a UAV based services and solutions provider. We have extensive operational UAV experience; we have the technology and Data Analytics capability, particularly in the form of our proprietary Digital Data Management ('DDM') system which provides the foundation of data capture, processing and reporting back to customers across all our main divisions; and we have a team of experts, which includes a number of qualified civil engineers, capable of making sense of all the data collated. All three components, in our view, are vital to the value proposition we offer to our end customers and sets us apart from our peers. Being able to offer a superior value adding product is something that sets Strat Aero apart from its competitors and presents us with an opportunity we are keen to capitalise on.

Having established Strat Aero's key strengths, Iain and the team set about identifying our end customers and target markets. Like all emerging disruptive technologies, the pace at which the number of new markets in which UAVs can displace decades old business practices by enhancing functionality and driving efficiencies for its customers shows no signs of letting up. For a company of our size it is important to be aware of market developments, but not to get distracted from delivering our core offering. With this in mind one of management's priorities during the period has been to sharpen the Company's focus on those areas of the UAV market where our expertise, experience, contacts and technology provide us with an excellent opportunity to establish Strat Aero as a leading provider of UAV based services and solutions.

Two high priority areas we have identified are Commercial UAS Training & Education and Survey & Inspection Services. In both cases Strat Aero already has an established platform in place upon which we can build profitable businesses that generate recurring revenue streams year after year without the need to invest significant amounts of capital. Encouragingly, significant progress has been made in both of these divisions during the first half and post period end.

Commercial UAV Training & Education

Ensuring a UAV is operated safely is of paramount importance and this need will only grow further as the number of UAVs flown, along with their applications and uses, increases exponentially in the years ahead. The need for pilots to be professionally trained and accredited is clear. Given the expertise and experience of Strat Aero's team of aviation specialists, specifically in teaching both in the classroom and running proprietary digital-based training platforms, Strat Aero is ideally placed to

develop a professional UAV career path and association for UAV pilots in both the commercial and public sectors. Becoming a leading provider of training solutions and accreditation services, promises to not only provide Strat Aero with repeatable revenue opportunities but also gives us access to a growing pool of pilots, all of whom have been trained and accredited by the Company. The combination of this resource with our training programmes will help us develop an “ecosystem”, which we believe will provide excellent purchasing and partnership arrangements with UAV manufacturers.

What makes Strat Aero’s training solutions stand out is that they have been developed by leading experts from the UAV industry, including the Head of Flight Training from one of the UK’s leading flight training schools; the Chief Instructor and Commander of Standards & Evaluation for the Royal Air Force MQ-9 Reaper fleet; as well as industry experts from the commercial and military unmanned aviation sector who between them have several thousand hours of UAV flight experience. In addition, unlike many other training organisations, Strat Aero flies its own commercial UAV fleet to deliver inspection and survey services to a blue chip customer base. This allows real-world experience to be embedded directly into our training materials. Furthermore, having already developed our proprietary commercial UAV training application, we can roll-out our offering via a capital light strategy, centred on adopting a franchise model with suitable partners. We are already doing this as demonstrated by the post period end signing of a Master Franchise Agreement with the Limkokwing University of Creative Technology (‘LKW’), a leading international technology university.

Under the terms of the agreement, Strat Aero’s UAV training solutions will be initially launched in LKW’s prestigious Cyberjaya campus outside Kuala Lumpur in Malaysia, before being rolled out to other LKW campuses over the next two years, particularly in Africa. Strat Aero will provide a complete set of training materials and accreditation services as well as instruct LKW’s trainers, enabling LKW to deliver a comprehensive suite of UAV training products. In addition to initial set up fees, Strat Aero will earn a percentage of student fees charged by LKW. The first course is expected to be held in 2016 and this will be followed by 15 - 20 courses per year in 2017 and beyond. Strat Aero’s training solutions, enable LKW to provide a complete programme for students keen to embark on careers as professional UAV operators incorporating an up-to-date understanding of regulation and technology, as well as practical flying skills. In addition, LKW will be able to integrate a UAV module into many of their existing courses such as Urban Planning & Design, Construction Management, Digital Film & Television, Creative Multimedia and Events Management - industry sectors that will increasingly take advantage of UAV technology.

The post period tie-up with LKW follows a similar franchise agreement we secured during the six months under review with Hong Kong based I-Coach to roll-out our proprietary UAV Training Programme in Hong Kong, The People’s Republic of China, the Taiwanese Republic of China and Macao. We are looking to secure similar agreements with other potential partners in other targeted regions.

Also post period end we were pleased to announce that the UK’s Civil Aviation Authority (‘CAA’), one of the world’s leading National Aviation Authorities, has granted Strat Aero National Qualified Entity

('NQE') status for training in the UK. This is an important development in the commercialisation of Strat Aero's training programmes as in order to apply for a UAV pilot's licence, individuals need to show that they trained at an NQE certified centre. The Board believes that the grant of NQE status is an endorsement of the Company's training programmes and confirms the quality of Strat Aero's suite of commercial teaching courseware.

Survey & Inspection Services

Following last year's agreement to acquire Geocurve, a specialist in the provision of UAV operated topographical surveys and inspection services, Strat Aero has a readymade platform from which to build a profitable UAV based inspection services business. Geocurve not only has a blue chip client base including the UK's Environment Agency, EDF Energy, Carillion, and the RSPB, but it has also been a pioneer in the use of UAVs in the field of surveys and inspections: Geocurve was one of the first companies to be authorised by the CAA to fly UAVs in congested urban areas and conduct surveys, inspections and various other projects in previously prohibited areas; and successfully completed a ground-breaking survey over the Norfolk Broads National Park using UAVs.

With such an impressive track record and high standing in this emerging sector, post period end we were delighted to complete the acquisition of Geocurve and commence its full integration within the Strat Aero Group. This will involve Geocurve sharing the same reporting lines and management processes with all other business units within the Group, which is expected to lower corporate costs, and generate operational efficiencies as well as cross-selling opportunities. In line with the Group's wider strategy, Geocurve will look to secure longer term contracts with visible annualized revenues from a broader customer base. Targeted areas include civil engineering; land surveys and inspection services for quarries and boundaries; flood defences; buildings; tunnels; energy assets including oil and gas, water, solar, wind turbines, water towers; wildlife habitat monitoring; insurance services; and cell towers.

With this in mind, post period end we were delighted to announce Geocurve had been awarded an additional contract to provide aerial inspection and level survey services for the Environment Agency's Thames Estuary Asset Management 2100 (TEAM2100) programme. This is focused on refurbishing tidal flood defences to reduce the risk of flooding to 1.25 million people and £200 billion worth of property. The contract follows the successful completion of a survey project on the Isle of Grain, where Geocurve combined multiple UAV flights, land-based surveys and bathymetric surveys to deliver a suite of video, orthomosaic photo, 3D model and survey products. Depending on contract options and call-off timing, the TEAM2100 programme could deliver in the region of £1m in revenue to Strat Aero over the next 18 months, and £2.5m over the duration of the whole programme. Aside from the potential revenues, being a part of TEAM2100 alongside major engineering companies such as CH2M, promises to raise the Group's profile within the industry.

In tandem with progress made at our Commercial UAS Training & Education and Survey & Inspection Services divisions, we have also been successful in leveraging DDM's core functionality in aviation

management software, which is used in general aviation in North America. Given Strat Aero's aviation heritage and DDM's extensive data storage and analysis capability, the Company has continued to actively market it as a customised enterprise resource planning ('ERP') offering to the wider aviation industry. During the period, we announced the award of a contract worth an estimated US\$378,000 over a five year period for DDM with ReadyJet, a leading service provider to the aviation sector. Strat Aero has customised DDM to meet ReadyJet's requirements, which include tracking employees' time, calculating payroll, hosting and tracking required training that has been developed by ReadyJet. DDM will also track schedules, documents, employee titles and positions. With DDM generating high gross margins of over 80%+, we are looking to secure additional contracts for our software and discussions are on-going with other potential customers operating outside the UAV sector.

Our focus is on establishing long term contracts with repeatable earnings across the Group. However our extensive experience in the general aviation sector, including training and regulation, data gathering and modelling, together with our active influence and involvement in the industry, via professional trade associations and participation in the legislative process and lobbying can also be used profitably on a consultancy basis. In addition to providing a source of income, offering bespoke services to individual customers on both a regular and ad hoc basis, consultancy work also provides scope for cross selling opportunities across all our divisions.

Financial Overview

During the period the Group recorded revenues of US\$410,740 compared with US\$57,441 for the six months to 30 June 2015. The loss for the six months to 30 June 2016, before and after taxation, was US\$2,121,986 (Period to 30 June 2015: US\$1,311,117). The loss per share was 1.20 cents (2015: loss per share of 1.61 cents). Administrative expenses amounted to US\$2,387,675 (Period to 30 June 2015: US\$1,308,232), a large portion of these costs continue to comprise of wages and salaries, consultancy and professional fees associated with a public company. In comparison with last year's level of costs it should be noted that H1 2016 incorporates the full impact of meeting Aero Kinetics' working capital commitments and also the working capital commitments associated with Geocurve.

Consolidated net assets at 30 June 2016 amounted to US\$173,875 (30 June 2015: US\$478,406). Cash balances at the period end amounted to US\$275,428 (30 June 2015: US\$238,324).

During the period the Company raised US\$1,415,765 net of costs through the issue of new shares.

Post period end, Strat Aero settled the final balance payable to the founders of Geocurve of £374,893 via the issue of 37,489,288 new ordinary shares in the Company on 18 July 2016 at 1p per share.

On 1 September 2016 the Company issued 74,000,000 new ordinary shares of 1p each at a price of 0.5p per share raising £370,000 pre expenses.

On 29 September 2016 in settlement of the Aero Kinetics litigation, Strat Aero agreed to issue Mr. Smith 44,750,645 new Ordinary Shares ("Settlement Shares"), representing approximately 11.75% of the Company's enlarged issued share capital. Strat Aero has also made a cash payment to Mr. Smith of US\$75,000. All debt and loan obligations relating to the Company's acquisition of Aero Kinetics are deemed to have either been satisfied or written off.

It should be noted that admission to trading on AIM of the Settlement Shares is expected to commence at 8:00 a.m. on or around 5 October 2016 (not 7.00 a.m. as noted in the Company's announcement of 29 September 2016).

Outlook

The size and breadth of the opportunity presented by the fast growing UAV industry is clear. While we expect that the Company will require additional funding during the fourth quarter to provide working capital and support continued growth, we have always had the people with the right experience and expertise along with the cutting edge technology to capitalise on the opportunities available to us. Now thanks to the progress made during the first half, we believe we have a robust strategy and platform in place to harness our resources and in the process build a cash generative and profitable business, one that generates real value for both its customers and its shareholders. I look forward to providing further updates on our progress in due course, as we look to deliver on our vision to transform Strat Aero into a world class provider of UAV based services and solutions.

Acknowledgments

On behalf of the Board, I would like to extend our thanks to our business partners, customers, associates and valued shareholders for their continued support throughout the period.

Graham Peck
Executive Chairman

ENQUIRIES:

Strat Aero plc

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STRAT AERO PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six month period ended 30 June 2016

	Note	Unaudited 6 months ended 30 June 2016 US\$	Unaudited 6 months ended 30 June 2015 US\$	Audited Year ended 31 December 2015 US\$
Continuing operations				
Revenue		410,740	57,441	433,001
Cost of sales		(116,799)	(27,107)	(87,254)
Gross profit		293,941	30,334	345,747
Administration expenses		(2,387,675)	(1,308,232)	(4,180,769)
(Loss)/Gain on foreign exchange		(9)	(30,307)	130
Impairment		-	-	(2,028,235)
Operating loss		(2,093,743)	(1,308,205)	(5,863,127)
Finance costs		(28,261)	(2,912)	(68,812)
Finance income		18	-	6
Loss before income tax		(2,121,986)	(1,311,117)	(5,931,933)
Income tax expense		-	-	-
Loss for the period attributable to owners of the parent		(2,121,986)	(1,311,117)	(5,931,933)
Other Comprehensive Income				
Items that may be subsequently reclassified to profit or loss:				
Currency translation difference		81,599	24,665	7,581
Total comprehensive income for the period attributable to owners of the parent		(2,040,387)	(1,286,452)	(5,924,352)
Earnings per ordinary share attributable to owners of the parent during the period (expressed in cents per share)				
Basic and diluted	4	(1.20)	(1.61)	(6.31)

STRAT AERO PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Unaudited	Unaudited	Audited
	30	30	31 Decem-
	June	June	ber 2015
	2016	2015	
	US\$	US\$	US\$
Note			
Non-current assets			
Intangible assets	2,186,513	771,799	2,230,833
Property, plant and equipment	276,757	189,606	372,142
Total non-current assets	2,463,270	961,405	2,602,975
Current Assets			
Inventories	90,488	-	88,488
Trade and other receivables	221,505	308,767	462,814
Cash and cash equivalents	275,428	238,324	1,485,257
Total current assets	587,421	547,091	2,036,559
TOTAL ASSETS	3,050,691	1,508,496	4,639,534
Equity attributable to owners of the parent			
Share capital	3 3,474,004	1,413,453	2,292,836
Share premium	6,406,012	2,474,327	6,171,415
Other reserves	(497,059)	(853,496)	(574,010)
Translation reserve	45,681	(43,917)	(35,918)
Retained loss	(9,254,763)	(2,511,961)	(7,132,777)
TOTAL EQUITY	173,875	478,406	721,546
Current liabilities			
Trade and other payables	1,271,097	579,352	1,956,798
Borrowings	406,497	-	390,000
Total current liabilities	1,677,594	579,352	2,346,798
Non-current liabilities			
Other payables	90,600	-	-
Borrowings	748,468	450,738	1,211,036
Deferred tax liabilities	360,154	-	360,154
Total non-current liabilities	1,199,222	450,738	1,571,190
TOTAL LIABILITIES	2,876,816	1,030,090	3,917,988
TOTAL EQUITY AND LIABILITIES	3,050,691	1,508,496	4,639,534

STRAT AERO PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2016

	Attributable to owners of the parent					
	Share capital US\$	Share pre- mium US\$	Other re- serves US\$	Translation reserve US\$	Retained loss US\$	Total US\$
As at 31 December 2014	1,301,737	1,642,449	(856,384)	(68,582)	(1,200,844)	818,376
Loss for the period	-	-	-	-	(1,311,117)	(1,311,117)
Other comprehensive income for the period						
Currency translation difference	-	-	-	24,665	-	24,665
Total comprehensive income for the period	-	-	-	24,665	(1,311,117)	(1,286,452)
Proceeds from shares issued (net of costs)	111,716	831,878	-	-	-	943,594
Share based payments	-	-	2,888	-	-	2,888
Transactions with owners, recognised directly in equity	111,716	831,878	2,888	-	-	946,482
As at 30 June 2015	1,413,453	2,474,327	(853,496)	(43,917)	(2,511,961)	478,406
As at 1 January 2016	2,292,836	6,171,415	(574,010)	(35,918)	(7,132,777)	721,546
Loss for the period	-	-	-	-	(2,121,986)	(2,121,986)
Other comprehensive income for the period						
Currency translation difference	-	-	-	81,599	-	81,599
Total comprehensive income for the period	-	-	-	81,599	(2,121,986)	(2,040,387)
Proceeds from shares issued (net of costs)	1,181,168	234,597	-	-	-	1,415,765
Share based payments	-	-	76,951	-	-	76,951
Transactions with owners, recognised directly in equity	1,181,168	234,597	76,951	-	-	1,492,716
As at 30 June 2016	3,474,004	6,406,012	(497,059)	45,681	(9,254,763)	173,875

STRAT AERO PLC
CONSOLIDATED STATEMENT OF CASH FLOW
For the six month period ended 30 June 2016

	Unaudited	Unaudited	Audited
	6 months ended 30 June 2016	6 months ended 30 June 2015	Year ended 31 Decem- ber 2015
Note	US\$	US\$	US\$
Cash Flows from Operating Activities			
Loss for the period before tax	(2,121,986)	(1,311,117)	(5,931,933)
Depreciation of property, plant and equipment	82,134	23,452	83,860
Amortisation of intangible assets	68,431	43,966	211,503
Share based payments	76,951	2,888	194,760
Impairments	-	-	2,028,235
Finance income	(18)	-	(6)
Finance costs	28,261	2,912	68,812
Foreign exchange on operating activities	200,018	23,891	173,467
Increase in inventories	(2,000)	-	(88,488)
Decrease in trade and other receivables	241,309	46,892	(139,144)
(Decrease)/Increase in trade and other payables	(595,101)	162,129	473,685
Cash generated used in operations	(2,022,001)	(1,004,987)	(2,925,249)
Interest expense	(28,261)	(2,912)	(68,812)
Net cash used in operating activities	(2,050,262)	(1,007,899)	(2,994,061)
Cash Flows used in Investing Activities			
Purchases of intangible assets	(24,111)	(183,392)	-
Purchases of property, plant and equipment	13,251	(7,570)	(64,471)
Purchase of subsidiaries (net of cash acquired in the Group)	-	-	(970,177)
Interest income	18	-	6
Net cash used in investing activities	(10,842)	(190,962)	(1,034,642)
Cash Flows from Financing Activities			
(Repayments of)/Net proceeds from borrowings	(446,071)	386,000	244,881
Issue of shares, net of issue costs	1,415,765	943,594	5,165,927
Net cash generated from financing activities	969,694	1,329,594	5,410,808
Net (decrease)/ increase in cash and cash equivalents	(1,091,410)	130,733	1,382,105
Exchange (losses)/gains	(118,419)	774	(3,665)
Cash and cash equivalents at beginning of period	1,485,257	106,817	106,817
Cash and cash equivalents at end of period	275,428	238,324	1,485,257

NOTES TO THE INTERIM RESULTS:

1. General information and accounting policies

The principal activity of Strat Aero Plc (“the Company”) and its subsidiaries (together “the Group”) is the development, marketing and selling of Unmanned Aerial Vehicle inspection services, training programmes and software in the aviation industry.

The Company is a public limited company, which is listed on the London Stock Exchange: AIM and incorporated and domiciled in the United Kingdom. Its registered office is: The Beehive, City Place, Gatwick Airport, West Sussex, RH6 0PA.

This announcement is for the unaudited interim results for the period ended 30 June 2016.

The Directors approved these unaudited interim results on 29 September 2016.

2. Basis of preparation

The condensed consolidated interim financial information (the “Financial Information”) has been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing this Financial Information. The Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. In the opinion of the Directors the Financial Information for the period represents fairly the financial position, results from operations and cash flows for the period in conformity with generally accepted accounting principles consistently applied.

The Financial Information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. The Financial Information has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the period ended 31 December 2015 were approved by the Board of Directors on 30 June 2016 and subsequently delivered to the Registrar of Companies and are also available on the Group’s website: www.strat-aero.com. The independent auditor’s report on those financial statements was unqualified, however drew attention to going concern matters by way of emphasis of matter.

The 2016 Financial Information of the Group has not been audited or reviewed.

The Financial Statements are presented in US Dollar rounded to the nearest dollar.

Going concern basis

The Group has been actively managing the review of the going concern position including the following material measures:

- Development of key partner relationships in order to assist Strat Aero to take advantage of new market opportunities.
- Evaluating and developing revenue pipeline opportunities
- Consideration of future fund raisings; and
- Deferral of Directors remuneration

Based on our commercial review for 2016 and 2017 and the Group’s economic prospects the Directors have made the assessment, the above measures provide sufficient working capital in order to cover the period until

the Group is able to earn operating positive cash flows. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all available information regarding the foreseeable future; in particular for the period covering 12 months from the date of issue of the financial information.

Risks and uncertainties

The Board continuously assesses and monitors the key risks facing the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2015 Annual Report and Financial Statements. The key financial risks are liquidity risk and credit risk.

Critical accounting estimates and judgements

The preparation of Financial Information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in Note 4 of the Group's 2015 Annual Report and Financial Statements.

Accounting Policies

The same accounting policies, presentation and methods of computation have been followed in this Financial Information as were applied in the preparation of the Group's Annual Financial Statements for the period ended 31 December 2015.

3. Share capital

On 17 March 2016 the Company issued 4,575,209 new ordinary shares of 1p each as consideration for the conversion of US\$390,000 of convertible loan notes.

On 12 April 2016 the Company issued 35,555,556 new ordinary shares of 1p each at a price of 1.125p per share raising £400,000. On the same date the Company issued 8,000,000 warrants exercisable for three years from the date of grant at an exercise price of 1.125p.

On 20 April 2016 the Company issued 24,000,000 new ordinary shares of 1p each and committed to issue a further 18,422,222 new ordinary shares of 1p each following approval by shareholders at a general meeting of the Company, raising in aggregate £477,250 at a price of 1.125p per share. On the same date the Company issued 4,242,222 warrants exercisable for three years from the date of grant at an exercise price of 1.125p.

On 12 May 2016, following approval from shareholders at a general meeting of the Company, the Company issued the 18,422,222 new ordinary shares of 1p each in connection with the placing on 20 April 2016.

4. Earnings per share

Basic earnings per share has been calculated by dividing the loss attributable to equity holders of the Company after taxation by the weighted average number of shares in issue during the period. There is no difference between the basic and diluted earnings per share as the effect on the exercise of options and warrants would be to decrease the earnings per share.

6 months ended 30 June 2016	6 months ended 30 June 2015	Year ended 31 Decem- ber 2015
--------------------------------------------	--------------------------------------------	----------------------------------------------

	US\$	US\$	US\$
Basic and Diluted			
Loss after taxation	(1,997,554)	(1,311,117)	(5,931,933)
Weighted average number of shares	177,139,686	81,506,191	93,993,888
Earnings per share (cents)	(1.20)	(1.61)	(6.31)

5. Dividends

No dividend has been declared or paid by the Company during the 6 months ended 30 June 2016 (2015: nil).

6. Events after the reporting date

Following the completion of the acquisition of Geocurve Limited the final balance payable to the founders of Geocurve of £374,893 was settled via the issue of a total of 37,489,288 new ordinary shares in the Company on 18 July 2016 at 1p per share ("Consideration Shares") with 18,744,644 Consideration Shares being issued to each of the founders Gary Nel and Perran Bonner.

On 1 September 2016 the Company issued 74,000,000 new ordinary shares of 1p each at a price of 0.5p per share raising £370,000.

On 29 September 2016 the Company settled of the litigation and claims arising from its dispute with Mr W. Hulsey Smith, the Chief Executive Officer of Aero Kinetics Holdings LLC ("Aero Kinetics"). Under the terms of the settlement, Strat Aero disclaims any allegations of fraud against Mr. Smith and will issue Mr. Smith 44,750,645 new Ordinary Shares ("Settlement Shares"), representing approximately 11.75% of the Company's enlarged issued share capital. Strat Aero has also made a cash payment to Mr. Smith of US\$75,000.

As a result of the settlement, both Strat Aero and Mr Smith are released from all current and future claims relating to the Company's acquisition of Aero Kinetics and all debt and loan obligations relating to the Company's acquisition of Aero Kinetics are deemed to have either been satisfied or written off. Both parties have agreed to dismiss all pending litigation between them which is subject to certain procedural formalities.

7. Approval of the interim financial information

The condensed Financial Information were approved by the Board of Directors on 29 September 2016.