

TAU CAPITAL PLC

(a company incorporated in the Isle of Man)

**CONDENSED HALF-YEARLY REPORT AND
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

TAU CAPITAL PLC

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TAU CAPITAL PLC

Company Information

Directors (Non- executive)

Philip Lambert* (Chairman)
Robert Brown, III* (resigned 31 March 2013)
Richard Horlick
Terence Mahony*
Nicholas Paris (resigned 6 March 2013)
Philip Scales*
Graham Smith* (appointed 9 April 2013)

*Independent Director

Registered Office

IOMA House
Hope Street
Douglas IM1 1AP
Isle of Man

Nominated Adviser and Broker

Numis Securities Ltd
The London Stock Exchange
Building
10 Paternoster Square
London EC4M 7LT
United Kingdom

Investment Advisor-Private Equity

Capitalgate Securities Limited
Trident Chambers
Road Town
Tortola
British Virgin Islands

Investment Manager-Public Equity

(to 8 October 2013)
Sturgeon Capital Ltd
4 Bourlet Close
London W1W 7BJ
United Kingdom

Independent Auditor

Deloitte LLP
PO Box 250
The Old Courthouse
Athol Street
Douglas IM99 1XJ
Isle of Man

UK Solicitors

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

Isle of Man Advocates

Cains Advocates Ltd
Fort Anne
South Quay
Douglas IM1 5PD
Isle of Man

Cayman Islands Counsel

Maples & Calder
PO Box 309 GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

CREST Service Provider and UK Transfer Agent

Computershare Investor Services
(Channel Islands) Ltd
Ordnance House
31 Pier Road
St Helier JE4 8PN
Jersey

Administrator and Registrar

IOMA Fund and Investment
Management Ltd
IOMA House
Hope Street
Douglas IM1 1AP
Isle of Man

Sub-Administrator

BNY Mellon Investment Servicing
(International) Ltd
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

TAU CAPITAL PLC

Chairman's Statement

During 2013, your Board has continued to implement the decisions passed at the 2012 Annual General Meeting ("AGM") which, in summary, is to make no new private equity investments and to sell the portfolio by July 2014. The Board does have discretion to extend this date if circumstances to do so are in the best interests of shareholders. The full investing policy can be found on the website at <http://www.taucapitalplc.com/>.

By the middle of May 2013, Sturgeon Capital Limited ("Sturgeon") had completed the sale of all the public equities and we thank them for the efficient way in which they managed this disposal process.

Capitalgate Securities Limited ("Capitalgate") continues as the Investment Advisor to the Company and remains responsible for managing the two remaining private equity assets, Lucent Petroleum and Stopharm.

Tau Capital plc (the "Company") and its subsidiaries (together the "Group") continue to hold Oxus convertible loan notes and, as previously reported, Oxus is currently in the middle of international arbitration with the government of Uzbekistan. Until such time as the arbitration is determined, it is unlikely that the holding can be sold. The Board commissioned an independent report at the beginning of the year to determine how best to value the holding and it is currently being valued by reference to the ordinary share price assuming that the loan notes had been converted.

Further detail on both Lucent and Stopharm is contained in the Investment Adviser's Report. However, the Board has instructed the Investment Advisor to continue to actively seek ways in which to exit both these investments within the timescales set at the 2012 AGM.

In February, a second Tender Offer was completed with approximately US\$33m returned to shareholders. This, combined with the share buybacks and first Tender Offer in 2012, means US\$70m has been returned to shareholders. At the beginning of September 2013, a third Tender Offer of approximately US\$15m was announced which will bring the total returned to shareholders to US\$85m.

The remainder of the Company's cash reserves after the third Tender Offer, expected to be approximately US\$7 million, will be retained by the Company for on-going working capital purposes and to ensure that the Company meets the solvency requirements of the Isle of Man Companies Act. In addition, as all the remaining assets are illiquid, the Board believes it is prudent to retain a reserve of cash should any further support for an investment be required which is in the best interests of Shareholders. The Board though intends to make further returns of capital to Shareholders as and when realisations from the remaining portfolio permit.

In March this year, Bob Brown III retired from the Board having joined the Company on launch. I would like to express my gratitude to Bob for his assistance during his time on the Board. In addition, Nicholas Paris, who joined the Board during 2012, stood down following the completion of the second Tender Offer. I am pleased to welcome Graham Smith, an Executive Director with our Administrator, IOMA Fund and Investment Management Limited, to the Board. Graham will assist in the continuing implementation of the investing policy agreed at the 2012 AGM.

During the 6 months under review, the Net Asset Value ("NAV") per share declined from US\$0.53 to US\$0.46 and during the same period the share price declined from US\$0.44 to US\$0.32. By comparison, the RENCASIA declined by 25.0% and the KASE index declined by 9.9%. The Tender Offer completed during the six month period did not impact the NAV per share.

Your Board will continue to focus on reducing costs wherever possible and to seek a satisfactory exit from the remaining private equity investments. As announced on 10 July 2013, both the NAV and newsletter will now be issued quarterly.

Philip Lambert
Chairman

27 September 2013

TAU CAPITAL PLC

Investment Advisor's Report

We are pleased to report on the two principal private equity investments remaining in the portfolio.

Lucent Petroleum LLP (“Lucent”)

During the first half of 2013, Lucent completed a 3D seismic interpretation of the entire contract territory and identified a number of prospects and leads for future exploration drilling, especially in the Southeast corner of the contract territory.

In 2011, a third party invested US\$30,000,000 into Lucent through a loan structure that was converted into approximately an 11% stake in the Company following approval by the Ministry of Oil & Gas of Kazakhstan. On 24 April 2013, Lucent issued new shares representing 11% of its total post issued share capital, converting the loan of this amount into share capital. Of the new share capital Tau holds 5.5% of the holding company, which is equal to 5.4% of the Kazakhstan company holding the license.

The management of the Company is working aggressively in the market to raise additional funds required to complete its desired exploration plan up to 2015. During the first quarter of 2013 it signed non-disclosure agreements with three new potential investors. It should be noted that the Ministry of Oil and Gas is preparing to offer a number of new exploration blocks that do compete in the market for investors alongside the Lucent Management's efforts.

On 12 March 2013, it was announced that the value of Lucent Petroleum had been reduced by an additional US\$3,750,000. The Lucent investment was written down from US\$7,500,000 to US\$3,750,000 on 12 March 2013 based on advice from its Private Equity Investment Advisor, following the lifting of a moratorium on auctions of new oil and gas projects by the Kazakhstan government in January 2013. The lifting of the moratorium will provide competition for Lucent with respect to prospective farm in partners. The directors also considered that a material dilution of the shareholding in Lucent would occur if a farm in partner was found. Lucent during the period had US\$1.3 million in restricted accounts at Bank of Cyprus.

As of June 30, 2013 Lucent had a cash balance of US\$10.3 million including the restricted US\$1.3 million held in the Bank of Cyprus.

As of June 30, 2013 Lucent has completed its seismic program over the entire contract area.

Stopharm LLP (“Stopharm”)

During the first half of 2013 Stopharm LLP earned revenues of US\$119.23 million as compared to US\$140.4 million in the 1H2012. A substantial portion of the revenue decrease was a result of a timing issue of goods shipped to SK Pharma prior to the close of 2012, and overall lower government sales as compared to the same period in 2012. Forecasted revenues were US\$110.3 million, so the actual revenues exceed the budget by 8.1%. Net Profit for the first half of 2013 was equal to US\$2.03 million, which is 11% over forecast. Tau received a dividend of approximately US\$1.3 million from Stopharm in July 2013.

Stopharm's revenue grew by 59% last year. It is not expected to grow at the same rate this year as compared to 2012 as there still remains a lack of working capital due to the long payment terms of government purchases. An additional US\$10.5 million had to be borrowed for a 3 year term to replace the 2012 dividend outflow demanded by the majority shareholders. Management will continue to take actions to reduce the cash needs and thus the outstanding debt.

The investment in Stopharm LLP has been valued based on the price of recent investment as disclosed in note 14 to the financial statements. Although more than 18 months have elapsed since the recent investment on which the valuation is based, this valuation basis is considered to remain the most appropriate basis by which to value the investment under IPEVCVG, there being no significant change in circumstances which may indicate the valuation adopted is not the best estimate of fair value.

TAU CAPITAL PLC

Investment Advisor's Report (continued)

General

As instructed by the Board of Tau we remain actively engaged in trying to sell these two investments in accordance with the existing investment policy.

Capitalgate Securities Ltd

27 September 2013

TAU CAPITAL PLC

Independent Review Report to Tau Capital Plc

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated and company statements of financial position, the condensed consolidated and company statements of changes in equity, the condensed consolidated and company statement of cash flows and related notes 1 to 16. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as issued by the International Accounting Standards Board (‘IASB’). The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting,” as issued by the IASB.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB and the AIM Rules of the London Stock Exchange.

TAU CAPITAL PLC

Independent Review Report to Tau Capital Plc (continued)

Emphasis of matter – valuation of private investments

In arriving at our review conclusion, which is not modified, we have considered the adequacy of the disclosures in notes 2 and 14 concerning the valuation of private investments. The Directors of the Company have estimated the total fair value of certain private investments as US\$25,250,000 as of 30 June 2013 in accordance with the Group's accounting policy, as disclosed in note 2. The value has been estimated by the Directors following the opinions and advice of the Investment Advisor in the absence of readily ascertainable market values. However, because of the inherent uncertainty of the valuations, the estimated values may differ materially from the values that would have been realised had disposals of the investments been made between a willing buyer and seller. It is not possible to quantify such uncertainties.

Deloitte LLP

Chartered Accountants
Douglas,
Isle of Man

27 September 2013

TAU CAPITAL PLC

Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 June 2013 (Unaudited) US\$	For the year ended 31 December 2012 (Audited) US\$	For the six months ended 30 June 2012 (Unaudited) US\$
Note			
Investment income			
Interest income	5,793	3,829	55,730
Dividend income	17,989	5,745,329	4,959,981
Less: withholding tax	(4,497)	(160,698)	(88,587)
Net (loss) on financial assets and liabilities			
at fair value through profit or loss	3	(7,263,699)	(17,397,281)
		(14,151,188)	
Total operating (loss)	(7,244,414)	(11,808,821)	(9,224,064)
Expenses			
Operating expenses	7	(1,466,432)	(5,301,793)
		(2,111,646)	
(Loss) for the period/year attributable to:			
Owners of the parent	(8,710,846)	(17,110,614)	(11,335,710)
Non-controlling interests	-	-	-
Other comprehensive income	-	-	-
Total comprehensive (loss)			
for the period/year	(8,710,846)	(17,110,614)	(11,335,710)
Total comprehensive (loss) attributable to:			
Owners of the parent	(8,710,846)	(17,110,614)	(11,335,710)
Non-controlling interests	-	-	-
	(8,710,846)	(17,110,614)	(11,335,710)
Basic and diluted (loss) per share	13	(\$0.07)	(\$0.08)
		(\$0.05)	

All results derive from continuing operations.

The accompanying notes on pages 14 to 24 are an integral part of these condensed financial statements.

TAU CAPITAL PLC

Condensed Consolidated Statement of Financial Position

	As at 30 June 2013 (Unaudited) US\$	As at 31 December 2012 (Audited) US\$	As at 30 June 2012 (Unaudited) US\$
Note			
Assets			
Cash and cash equivalents	22,525,058	39,225,307	869,087
Amounts due from brokers	-	-	9,818,044
Financial assets at fair value through profit or loss	3 25,666,977	53,117,728	113,500,402
Securities sold receivable	-	-	2,799,538
Dividends receivable	-	233,720	192,552
Interest receivable	-	-	53,860
Other receivables	517,046	478,217	78,868
Total assets	48,709,081	93,054,972	127,312,351
Liabilities			
Financial liabilities at fair value through profit or loss	3 -	(2,504,266)	(1,131,229)
Accounts payable and accrued expenses	(368,756)	(660,521)	(325,175)
Total liabilities	(368,756)	(3,164,787)	(1,456,404)
Total net assets	48,340,325	89,890,185	125,855,947
Shareholders' equity			
Share capital	5 2,396,055	3,653,225	4,497,861
Capital redemption reserve	5 -	-	504,318
Distributable reserves	45,944,270	86,236,960	120,853,768
Total shareholders' equity	48,340,325	89,890,185	125,855,947
Net Asset Value per share	12 \$0.46	\$0.53	\$0.57

Approved by the Board of Directors and signed on its behalf by:

Philip Scales

Graham Smith

27 September 2013

The accompanying notes on pages 14 to 24 are an integral part of these condensed financial statements.

TAU CAPITAL PLC

Condensed Company Statement of Financial Position

	Note	As at 30 June 2013 (Unaudited) US\$	As at 31 December 2012 (Audited) (Restated*) US\$	As at 30 June 2012 (Unaudited) (Restated*) US\$
Assets				
Cash		22,513,414	2,402,258	104,574
Debtors and prepayments		91,193	74,419	78,868
Investments in subsidiaries	15	87,503,980	128,447,542	133,104,530
Total assets		110,108,587	130,924,219	133,287,972
Liabilities				
Creditors and accruals		(158,408)	(200,328)	(67,140)
Loan from subsidiary	5, 6	(61,609,854)	(40,833,706)	(7,364,885)
Total liabilities		(61,768,262)	(41,034,034)	(7,432,025)
Total net assets		48,340,325	89,890,185	125,855,947
Shareholders' equity				
Share capital	5	2,396,055	3,653,225	4,497,861
Capital redemption reserve	5	-	-	504,318
Distributable reserves		45,944,270	86,236,960	120,853,768
Total shareholders' equity		48,340,325	89,890,185	125,855,947
Net Asset Value per share	12	\$0.46	\$0.53	\$0.57

* The comparatives have been restated, see note 2.

Approved by the Board of Directors and signed on its behalf by:

Philip Scales

Graham Smith

27 September 2013

The accompanying notes on pages 14 to 24 are an integral part of these condensed financial statements.

TAU CAPITAL PLC

Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2013

	Share capital (Unaudited) US\$	Capital redemption reserve (Unaudited) US\$	Distributable reserves (Unaudited) US\$	Total (Unaudited) US\$
Balance at 31 December 2012	3,653,225	-	86,236,960	89,890,185
Own shares acquired	(1,257,170)	-	(31,581,844)	(32,839,014)
Total comprehensive (loss) for the period	-	-	(8,710,846)	(8,710,846)
Balance at 30 June 2013	2,396,055	-	45,944,270	48,340,325

Condensed Consolidated Statement of Changes in Equity for the year ended 31 December 2012

	Share capital US\$	Capital redemption reserve US\$	Distributable reserves US\$	Total US\$
Balance at 31 December 2011	4,752,070	250,109	139,097,195	144,099,374
Own shares acquired	(1,098,845)	-	(35,999,730)	(37,098,575)
Transfer to capital redemption reserve	-	254,209	(254,209)	-
Transfer from capital redemption reserve	-	(504,318)	504,318	-
Total comprehensive (loss) for the year attributable to:				
Owners of the parent	-	-	(17,110,614)	(17,110,614)
Non-controlling interests	-	-	-	-
Balance at 31 December 2012	3,653,225	-	86,236,960	89,890,185

Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2012

	Share capital (Unaudited) US\$	Capital redemption reserve (Unaudited) US\$	Distributable reserves (Unaudited) US\$	Total (Unaudited) US\$
Balance at 31 December 2011	4,752,070	250,109	139,097,195	144,099,374
Own shares acquired	(254,209)	-	(6,653,508)	(6,907,717)
Transfer to capital redemption reserve	-	254,209	(254,209)	-
Total comprehensive (loss) for the period	-	-	(11,335,710)	(11,335,710)
Balance at 30 June 2012	4,497,861	504,318	120,853,768	125,855,947

The accompanying notes on pages 14 to 24 are an integral part of these condensed financial statements.

TAU CAPITAL PLC

Condensed Company Statement of Changes in Equity for the six months ended 30 June 2013

	Share capital (Unaudited) US\$	Capital redemption reserve (Unaudited) US\$	Distributable reserves (Unaudited) US\$	Total (Unaudited) US\$
Balance at 31 December 2012	3,653,225	-	86,236,960	89,890,185
Own shares acquired	(1,257,170)	-	(31,581,844)	(32,839,014)
Total comprehensive (loss) for the period	-	-	(8,710,846)	(8,710,846)
Balance at 30 June 2013	2,396,055	-	45,944,270	48,340,325

Condensed Company Statement of Changes in Equity for the year ended 31 December 2012

	Share capital US\$	Capital redemption reserve US\$	Distributable reserves US\$	Total US\$
Balance at 31 December 2011	4,752,070	250,109	139,097,195	144,099,374
Own shares acquired	(1,098,845)	-	(35,999,730)	(37,098,575)
Transfer to capital redemption reserve	-	254,209	(254,209)	-
Transfer from capital redemption reserve	-	(504,318)	504,318	-
Total comprehensive (loss) for the year	-	-	(17,110,614)	(17,110,614)
Balance at 31 December 2012	3,653,225	-	86,236,960	89,890,185

Condensed Company Statement of Changes in Equity for the six months ended 30 June 2012

	Share capital (Unaudited) US\$	Capital redemption reserve (Unaudited) US\$	Distributable reserves (Unaudited) US\$	Total (Unaudited) US\$
Balance at 31 December 2011	4,752,070	250,109	139,097,195	144,099,374
Own shares acquired	(254,209)	-	(6,653,508)	(6,907,717)
Transfer to capital redemption reserve	-	254,209	(254,209)	-
Total comprehensive (loss) for the period	-	-	(11,335,710)	(11,335,710)
Balance at 30 June 2012	4,497,861	504,318	120,853,768	125,855,947

The accompanying notes on pages 14 to 24 are an integral part of these condensed financial statements.

TAU CAPITAL PLC

Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June 2013 (Unaudited) US\$	For the year ended 31 December 2012 (Audited) US\$	For the six months ended 30 June 2012 (Unaudited) US\$
Cash flows from operating activities			
(Loss) for the period/year	(8,710,846)	(17,110,614)	(11,335,710)
Adjustments to reconcile (loss) for the period/year to net cash provided by operating activities			
Purchase of financial assets and settlement of financial liabilities	-	(19,166,613)	(18,150,353)
Sale of financial assets and settlement of financial liabilities	18,026,041	88,908,985	29,589,098
Realised loss on investments	10,393,258	35,843,940	12,704,959
Net change in unrealised (gain)/loss on investments	(3,472,814)	(18,228,966)	1,457,931
Decrease/(increase) in amounts due from brokers	-	6,178,013	(3,640,031)
(Increase) in securities sold receivable	-	-	(2,799,538)
Decrease/(increase) in dividends receivable	233,720	(233,720)	(192,552)
Decrease/(increase) in interest receivable	-	51,118	(2,742)
Decrease/(increase) in other receivables	(38,829)	(344,955)	54,394
(Decrease)/increase in accounts payable and accrued expenses	(291,765)	306,697	(28,649)
Net cash provided by operating activities	16,138,765	76,203,885	7,656,807
Cash flows from financing activities			
Payment for purchase of ordinary shares	(32,839,014)	(37,098,575)	(6,907,717)
Net cash used in financing activities	(32,839,014)	(37,098,575)	(6,907,717)
Net (decrease)/increase in cash and cash equivalents	(16,700,249)	39,105,310	749,090
Cash and cash equivalents at the beginning of period/year	39,225,307	119,997	119,997
Cash and cash equivalents at the end of period/year	22,525,058	39,225,307	869,087
Supplementary disclosure of cash flow information			
Dividends received	251,709	5,511,609	4,767,429
Net interest received	5,793	54,947	52,988

The accompanying notes on pages 14 to 24 are an integral part of these condensed financial statements.

TAU CAPITAL PLC

Condensed Company Statement of Cash Flows

	For the six months ended 30 June 2013 (Unaudited) US\$	For the year ended 31 December 2012 (Audited) (Restated*) US\$	For the six months ended 30 June 2012 (Unaudited) (Restated*) US\$
Cash flows from operating activities			
(Loss) for the period/year	(8,710,846)	(17,110,614)	(11,335,710)
Adjustments to reconcile (loss) for the period/year to net cash provided by operating activities			
(Increase)/decrease in debtors and prepayments	(16,774)	58,843	54,394
Decrease in investments in subsidiaries	40,943,562	15,750,209	11,093,221
(Decrease)/increase in creditors and accruals	(41,920)	(121,967)	(255,155)
Net cash provided by operating activities	32,174,022	(1,423,529)	(443,250)
Cash flows from financing activities			
Payment for purchase of ordinary shares	(32,839,014)	(37,098,575)	(6,907,717)
Proceeds from inter-company loan	20,776,148	40,833,706	7,364,885
Net cash used in financing activities	(12,062,866)	3,735,131	457,168
Net increase in cash and cash equivalents	20,111,156	2,311,602	13,918
Cash and cash equivalents at the beginning of period/year	2,402,258	90,656	90,656
Cash and cash equivalents at the end of period/year	22,513,414	2,402,258	104,574
Supplementary disclosure of cash flow information			
Dividends received	(32,839,014)	-	-

* The comparatives have been restated, see note 2.

The accompanying notes on pages 14 to 24 are an integral part of these condensed financial statements.

TAU CAPITAL PLC

Condensed Notes to the Financial Statements

1. General

Tau Capital plc (the “Company”) is a closed-ended investment fund incorporated and domiciled in the Isle of Man on 3 April 2007. The Company was incorporated under the Companies Acts 1931-2004. Following approval at the AGM held on 24 July 2012, the Company was re-registered under the Companies Act 2006 with number 008604V. The Company was originally established to allow investors the opportunity to realise returns through investing in both public and private businesses that are established in, operating in or have exposure to Kazakhstan. Although Kazakhstan focused, the Company also sought investment opportunities in the Kyrgyz Republic, Uzbekistan, Turkmenistan, Tajikistan, Mongolia and Russia (the “Investment Countries”). The Company is listed on the Alternative Investment Market of the London Stock Exchange. The Company has no employees.

The Company’s investments are held by a subsidiary, Tau Cayman L.P. Tau Cayman L.P. holds two (31 December 2012: two; 30 June 2012: two) private investments. As at 30 June 2013, one other private investment is held by Tau SPV 1 Cooperatief (31 December 2012: one; 30 June 2012: one). Tau Cayman LP, Tau SPV 1 Cooperatief, Tau Cayman Limited and Tau Capital plc are referred to as the “Group”.

The Group is currently implementing the investing policies agreed at the 2012 AGM and has not made any new investments during the period under review.

2. Accounting Policies

The significant accounting policies and estimation techniques adopted by the Group for the period ended 30 June 2013 are consistent with those adopted by the Group for the annual financial statements for the year ended 31 December 2012.

Statement of compliance

The annual financial statements of Tau Capital plc are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The condensed set of financial statements in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, as issued by the IASB.

Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and assess its performance.

The investment strategy of the Group is focused on entities that operate in or have an exposure to Kazakhstan and the Investment Countries, which represent one geographical segment. Accordingly, the Directors are of the opinion that the Group is engaged in a single segment of business, being investment business, in one geographical area, being Kazakhstan and the Investment Countries.

Taxation

The Company is resident for tax purposes in the Isle of Man and its profits are subject to Isle of Man Corporate Income tax at the current rate of 0%.

The Group is exempt from all forms of taxation in the Cayman Islands, including income, capital gains and withholding taxes.

The Group suffered withholding taxes on dividends received from foreign sources in the current and prior periods.

Condensed Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and positions are set out in the Investment Advisors Report on page 3.

The Group has considerable financial resources and as a consequence the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have considered forecast administration expenses and liquid financial resources available to the Group post period end, and after making enquiries, have a reasonable expectation that the Company and the Group have adequate financial resources to meet liabilities as they fall due and to continue in operational existence for the foreseeable future.

The Directors have considered the resolutions passed at the 2012 AGM in relation to an orderly disposal of investments, and after consideration are of the opinion that given the time scales pertaining to the disposal of investments which require disposal of the private investments within 24 months and the fact that no final decision has been made by the board in relation to the future trading activities of the Company and the Group, the Company and the Group is still a going concern. Accordingly they continue to adopt the going concern basis in preparing the half-yearly report and consolidated financial statements.

The Statement of Financial Position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items. All of the Group's assets and liabilities are held for the purpose of being traded or are expected to be realised within one year with the exception of private investments and any associated interest receivable. All references to net assets throughout this document refer to net assets attributable to holders of ordinary shares unless otherwise stated.

Private investments

Unlisted investments are valued at the Directors' estimate of their fair value in accordance with the requirements of IAS 39 and guidelines issued by the International Private Equity and Venture Capital Association ("IPEVCA") December 2012. In estimating fair value for an investment, the Directors will apply a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio and will use reasonable assumptions and estimations. An appropriate methodology will incorporate available information about all factors that are likely to materially affect the fair value of the investment. Valuation methodologies will be applied consistently from period to period, except where a change would result in a more accurate estimate of the fair value of the investment, which may be up or down.

Prior year restatement

Comparative information disclosed in the Condensed Company Statement of Financial Position and Condensed Company Statement of Cash Flows for the year ended 31 December 2012 and period ended 30 June 2012 has been restated to recognise that the cash previously reported as held by a subsidiary was in fact held by the Company. This has resulted in the recognition of cash and cash equivalents, other debtors and accounts payable, accrued expenses and adjustments to the value of investments in subsidiaries and loan from subsidiary balances within the Company Statement of Financial Position. It has also resulted in amendments for associated cash flows related to those balances within the Company Statement of Cash Flows. The restatement does not have an impact on the net assets of the Company, the net asset value per share or the loss made by the Company for the year and period then ended.

The restatement also does not affect any comparative figures presented in respect of the Group consolidated financial statements.

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Condensed Notes to the Financial Statements (continued)

3. Financial Instruments at Fair Value Through Profit or Loss

	As at 30 June 2013 US\$	As at 31 December 2012 US\$	As at 30 June 2012 US\$
Held for trading:			
Public equities	-	23,434,883	58,979,874
Debt instruments	416,977	682,845	2,210,677
	<u>416,977</u>	<u>24,117,728</u>	<u>61,190,551</u>
Designated at fair value through profit or loss:			
Private investments	25,250,000	29,000,000	52,309,851
	<u>25,666,977</u>	<u>53,117,728</u>	<u>113,500,402</u>
Held for trading:			
Derivatives: contracts for difference	-	(2,504,266)	(1,131,229)
	<u>-</u>	<u>(2,504,266)</u>	<u>(1,131,229)</u>
Total financial assets at fair value through profit or loss			
	<u>25,666,977</u>	<u>53,117,728</u>	<u>113,500,402</u>
Total financial liabilities at fair value through profit or loss			
	<u>-</u>	<u>(2,504,266)</u>	<u>(1,131,229)</u>
	For the six months ended 30 June 2013 US\$	For the year ended 31 December 2012 US\$	For the six months ended 30 June 2012 US\$
Net (loss) on financial assets and liabilities at fair value through profit or loss			
Net realised (loss) on investments and foreign exchange	(10,668,366)	(35,710,310)	(12,704,568)
Net unrealised gain/(loss) on investments and foreign exchange	3,404,667	18,313,029	(1,446,620)
Total net (loss)	<u>(7,263,699)</u>	<u>(17,397,281)</u>	<u>(14,151,188)</u>

4. Fair Value of Financial Instruments

In accordance with IFRS 13, the Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted market price: Public equities and contracts for difference

Level 2 - Market observable inputs: Debt instruments and public equities

Level 3 - Non-market observable inputs: Private investments

The following tables show an analysis of financial instruments recorded at fair value, between those whose fair value is based on quoted market prices (level 1), those involving valuation techniques where all the model inputs are observable in the market (level 2) and those where the valuation technique involves the use of non-market observable inputs (level 3).

TAU CAPITAL PLC

Condensed Notes to the Financial Statements (continued)

4. Fair Value of Financial Instruments (continued)

As at 30 June 2013, the breakdown was as follows:

	(Level 1) US\$	(Level 2) US\$	(Level 3) US\$	Total US\$
Financial assets				
- Held for trading	-	416,977	-	416,977
- Designated at fair value				
through profit or loss	-	-	25,250,000	25,250,000
	-	416,977	25,250,000	25,666,977

As at 31 December 2012, the breakdown was as follows:

	(Level 1) US\$	(Level 2) US\$	(Level 3) US\$	Total US\$
Financial assets				
- Held for trading	22,798,484	1,319,244	-	24,117,728
- Designated at fair value				
through profit or loss	-	-	29,000,000	29,000,000
	22,798,484	1,319,244	29,000,000	53,117,728
Financial liabilities				
- Held for trading	(2,504,266)	-	-	(2,504,266)
	(2,504,266)	-	-	(2,504,266)

As at 30 June 2012, the breakdown was as follows:

	(Level 1) US\$	(Level 2) US\$	(Level 3) US\$	Total US\$
Financial assets				
- Held for trading	58,979,874	2,210,677	-	61,190,551
- Designated at fair value				
through profit or loss	-	-	52,309,851	52,309,851
	58,979,874	2,210,677	52,309,851	113,500,402
Financial liabilities				
- Held for trading	(1,131,229)	-	-	(1,131,229)
	(1,131,229)	-	-	(1,131,229)

TAU CAPITAL PLC

Condensed Notes to the Financial Statements (continued)

4. Fair Value of Financial Instruments (continued)

The following is a reconciliation of the movement in financial assets for which non-market observable inputs (level 3) were used to determine fair value as at 30 June 2013, 31 December 2012 and 30 June 2012:

	30 June 2013 US\$	31 December 2012 US\$	30 June 2012 US\$
Opening balance at beginning of period/year	29,000,000	57,566,228	57,566,228
Transfers in	-	-	-
Transfers out	-	-	-
Purchases	-	-	-
Sales	-	(18,950,770)	-
Net realised and unrealised loss on investments recognised as investment income	(3,750,000)	(9,615,458)	(5,256,377)
Closing balance at end of period/year	25,250,000	29,000,000	52,309,851

Net realised and unrealised (loss)/gain on investments are recognised as investment income in the Statement of Comprehensive Income. The valuation of the private investments is subject to inherent uncertainty. There were no transfers out of level 3 during the year (31 December 2012: none, 30 June 2012: none).

5. Share Capital, Share Premium and Loan from Subsidiary

The authorised share capital of the Company is £3,502,000 comprising 350,199,998 ordinary shares of £0.01 each and 2 founder shares of £0.01 each. The founder shares carry identical rights and privileges to the ordinary shares of the Company which includes a right to receive all dividends and other distributions declared, made or paid. The share capital of the Company has been allocated, called up and fully paid. The shares in issue as at 30 June 2013, 31 December 2012 and 30 June 2012 were as follows:

	Ordinary Shares in issue	Founder Shares in issue
As at 30 June 2013	106,344,023	2
As at 31 December 2012	169,426,460	2
As at 30 June 2012	222,308,462	2

During the period ended 30 June 2013, the following acquisitions of own shares took place:

	Shares	Price per Share US\$	Amount Paid US\$
26 February 2013	63,082,437	0.52	32,839,014
	<u>63,082,437</u>		<u>32,839,014</u>

During the period the Company acquired 63,082,437 of its own shares of £0.01 at a price of US\$0.52 per share each of which were subsequently cancelled.

TAU CAPITAL PLC

Condensed Notes to the Financial Statements (continued)

5. Share Capital, Share Premium and Loan from Subsidiary (continued)

In order to finance the share buy backs in the current period and prior years, a subsidiary company, Tau (Cayman) L.P., sold certain public investments and loaned the proceeds to the Company. The loan is interest free and repayable on demand. During the current period as disclosed in note 15, Tau (Cayman) L.P. made a distribution of US\$32,839,014 which was offset against the loan. As required under Isle of Man company law, while the Company was incorporated under the Companies Act 1931-2004, the amount by which the Company's issued share capital has diminished was transferred to the capital redemption reserve. Following re-registration under the Companies Act 2006 on 25 July 2012, this reserve was no longer required and an amount of US\$504,318 was transferred to distributable reserves from the capital redemption reserve in the prior year.

6. Related Party Items

Philip Scales, a Director of the Company as listed on page 1, is the managing director of IOMA Fund and Investment Management Limited, the administrator.

Graham Smith, a Director of the Company as listed on page 1, is an executive director of IOMA Fund and Investment Management Limited, the administrator.

Fee arrangements with related parties and details of Director's remuneration can be found in note 7.

As at 30 June 2013, Philip Lambert held 239,149 ordinary shares in the Company (31 December 2012: Philip Lambert and Robert Brown, III each held 389,292 ordinary shares; 30 June 2012: Philip Lambert and Robert Brown, III each held 500,000 ordinary shares). These shares were granted in consideration for the provision of services pursuant to their letters of appointment as non-executive Directors.

As at 30 June 2013, Richard Horlick held 10,662,874 ordinary shares (31 December 2012: 17,357,305; 30 June 2012: 22,600,000).

As at 30 June 2013, Terence Mahony held 242,039 ordinary shares (31 December 2012: 393,996; 30 June 2012: Nil).

As at 30 June 2013, 31 December 2012 and 30 June 2012, both Spencer House Capital Management, LLP and Compass Asset Management Ltd held one founder share each.

As at 30 June 2013, Tau Cayman L.P. has loaned the Company US\$61,609,854 (31 December 2012: US\$40,833,706; 30 June 2012: US\$7,364,885).

Gypsum Limited, a company to whom Richard Horlick provides consultancy services, received fees of GBP£90,000 during 2013 (31 December 2012: GBP£75,000; 30 June 2012: GBP£Nil).

7. Fees & Expenses

Directors' remuneration

Directors' remuneration for the period ended 30 June 2013 amounted to US\$126,652 (31 December 2012: US\$213,265, 30 June 2012: US\$76,995).

Investment management fees

With effect from 19 September 2012 Capitalgate Securities Ltd ("Capitalgate") became the Investment Advisor to the private equity part of the Fund for which they receive two fees which are paid semi-annually in advance. The first fee is equal to 2% of the current aggregate net asset value of Stopharm LLP and the current aggregate net asset value of Lucent Petroleum LLP until the liquidation of such assets. As at 30 June 2013 the net asset values of Stopharm LLP and Lucent Petroleum LLP were US\$21,500,000 and US\$3,750,000 respectively.

TAU CAPITAL PLC

Condensed Notes to the Financial Statements (continued)

7. Fees & Expenses (continued)

Investment management fees (continued)

Additionally Capitalgate receives 1% of the net asset value of any other assets that the Group may subsequently transfer from its public equity portfolio to Capitalgate or in respect of any other ancillary services which the Company asks Capitalgate to provide.

With effect from 21 September 2012 Sturgeon Capital Ltd (“Sturgeon”) acted as Investment Manager to the Group, with responsibility for the public equity securities.

The investment management fees which apply to Sturgeon are as follows:

- a) The management fee is an amount equal to 0.12% of the net asset value, which is calculated or determined monthly at each valuation date.
- b) If the aggregate investment management fees paid by the Group prior to the earlier of (i) the date of termination of the investment management agreement or (ii) the first anniversary of 21 September 2012 are less than US\$375,000, the Group shall pay an amount equal to US\$375,000 less the investment management fees actually paid during the period by no later than 30 days after the earlier of (a) the termination date of the agreement or (b) the first anniversary of the effective date.
- c) The Group shall pay Sturgeon a maximum aggregate amount of US\$750,000 in investment management fees and performance fees during the term of the investment management agreement. If such maximum amount has been reached, there is no further liability to pay any investment management fee or performance fee during the term of the investment management agreement.

The investment management fee for the period ended 30 June 2013 amounted to US\$568,979 (31 December 2012: US\$3,150,005; 30 June 2012: US\$1,438,383).

Administrator fees

The administration fee for the period ended 30 June 2013 amounted to US\$69,940 (31 December 2012: US\$191,789; 30 June 2012: US\$98,207).

Performance fees

Sturgeon is also entitled to receive a performance fee equal to 20% of the Net Realisation of an Investment provided the Net Realisation of each Investment (other than the Oxus Bonds) has achieved a Hurdle Return (an increase of 12% per annum on the base value of the relevant investment).

The performance fee for the period ended 30 June 2013 amounted to US\$181,101 (31 December 2012: US\$289,507; 30 June 2012: US\$Nil).

8. Exchange Rates

The following exchange rates were used to translate assets and liabilities into US dollars at 30 June 2013, 31 December 2012 and 30 June 2012:

	As at 30 June 2013	As at 31 December 2012	As at 30 June 2012
Canadian dollar	1.054950	1.004319	0.980921
Euro	1.299849	1.318400	1.269052
Hong Kong dollar	0.128927	0.129018	0.128918
Kazakhstan tenge	0.006588	0.006647	0.006689
Pound sterling	1.516691	1.625500	1.568455
Russian rouble	0.030462	0.032735	0.030829

TAU CAPITAL PLC

Condensed Notes to the Financial Statements (continued)

9. Distributions

Subject to the provisions of the Articles, the Company may by ordinary resolution, declare that out of profits available for distribution, in accordance with Isle of Man law, dividends be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. There is no fixed date on which an entitlement to dividend arises.

No dividends were declared or paid during the periods/year ended 30 June 2013, 31 December 2012 or 30 June 2012.

10. Soft Commissions

During the period, the Investment Managers, Investment Advisors and connected persons have not entered into soft commission arrangements with brokers in respect of which certain goods and services used to support investment decision making were received.

11. Commitments and Contingent Liabilities

As at 30 June 2013, the Group has no commitments and contingent liabilities (31 December 2012: US\$Nil; 30 June 2012: US\$Nil).

12. Valuation of the Group

The NAV of the Group as at 31 December 2012 and 30 June 2013, as reported at the time (based on last traded prices of underlying investments), is the same as the NAV in the financial statements in the current period. In accordance with IAS 39, long positions in the financial statements are valued at bid prices and short positions at offer prices.

	As at 30 June 2013 US\$	As at 31 December 2012 US\$	As at 30 June 2012 US\$
Net Asset Value for			
management reporting purposes	48,340,325	91,469,056	126,067,997
Adjustment to bid/offer prices	-	(51,040)	(212,050)
Adjustment to fair value of debt instruments	-	(1,527,831)	-
Net Asset Value			
per financial statements	48,340,325	89,890,185	125,855,947
Reported Net Asset Value per share	\$0.46	\$0.53	\$0.57
Net Asset Value per share per financial statements	\$0.46	\$0.53	\$0.57

TAU CAPITAL PLC

Condensed Notes to the Financial Statements (continued)

13. (Loss) per Share

Basic and diluted loss per share is calculated by dividing the net consolidated profit or loss attributable to shareholders by the weighted average number of ordinary shares outstanding during the period/year.

	For the six months ended 30 June 2013	For the year ended 31 December 2012	For the six months ended 30 June 2012
Net consolidated (loss) attributable to shareholders	(\$8,710,846)	(\$17,110,614)	(\$11,335,710)
Weighted average number of ordinary shares in issue	116,857,763	214,148,259	226,215,387
Basic (loss) per share	(\$0.07)	(\$0.08)	(\$0.05)

There is no difference between the fully diluted earnings per share and basic earnings per share.

14. Private Investments Designated at Fair Value Through Profit or Loss

At the period end, the Group's private investment portfolio comprised two (31 December 2012: two; 30 June 2012: three) investments as follows:

	Note	As at 30 June 2013 US\$	As at 31 December 2012 US\$	As at 30 June 2012 US\$
Stopharm LLP	(i)	21,500,000	21,500,000	21,500,000
Lucent Petroleum LLP	(ii)	3,750,000	7,500,000	11,250,000
Alem Communications Holding LLP	(iii)	-	-	19,559,851
Total		25,250,000	29,000,000	52,309,851

The directors have valued these investments on the advice of the Investment Advisor and using the guidance laid down in the International Private Equity and Venture Capital Valuation Guidelines (December 2012) ("IPEVCG").

(i) Stopharm LLP ("Stopharm")

Stopharm is a wholesale pharmaceuticals distributor operating in Kazakhstan. On 1 September 2010 the Group announced the closing of a US\$21.5 million investment in Stopharm comprising a 24.00% equity stake in Stopharm acquired for US\$12.8 million and a fully secured convertible bridge loan of US\$8.7 million provided to one of the shareholders of Stopharm with implied equity on conversion representing an additional 16.35% stake. The conversion into equity of this loan was subject to approval by the Anti Monopoly Committee of the Republic of Kazakhstan which was received on 25 November 2011. The conversion subsequently took place on 27 December 2011. As such, at the period end, the Group held a 40.35% equity stake in Stopharm LLP.

The investment in Stopharm LLP has been valued at 30 June 2013 at US\$21,500,000 which is based on the price of the recent investment. Although more than 18 months have elapsed since the recent investment on which the valuation is based, this valuation basis is considered to remain the most appropriate basis by which to value the investment under IPEVCG, there being no significant change in circumstances which may indicate the valuation adopted is not the best estimate of fair value.

TAU CAPITAL PLC

Condensed Notes to the Financial Statements (continued)

14. Private Investments Designated at Fair Value Through Profit or Loss (continued)

(ii) Lucent Petroleum LLP (“Lucent”)

Lucent is a Cyprus based oil and gas exploration company that in turn has a 99% equity stake in a Kazakhstan based subsidiary that owns rights to a block located in the pre Caspian basin, and in close proximity to several major producing oilfields. On 22 September 2010, the Group announced an investment in Lucent with total commitments of US\$15 million, with an initial US\$4.5 million drawdown on that date. The investment was initially structured as a convertible bridge loan to Lucent Oil & Gas (Cyprus) Limited, an indirect holding company of Lucent.

On completion of the operational milestones established in the Lucent business plan, on 15 July 2011, the Group provided the final tranche of financing in the shape of a convertible loan for a consideration of US\$4m. After the final tranche was made, the total investment in Lucent increased to US\$15 million. The conversion of US\$15 million into the 6.18% stake in Lucent Oil & Gas (Cyprus) Ltd equity was subject to grant of approvals by the Government of the Republic of Kazakhstan. This approval was received on 3 November 2011.

On 23 January 2012, following the receipt by Lucent of the official letter from the Ministry of Oil and Gas of Kazakhstan providing a State Waiver of its right to purchase new shares of the company, and approval for the issuance of an additional 86 shares to the Group, the Convertible Bridge Loan originally provided by the Group to Lucent was converted into a 6.18% equity stake. The current stake of the Group in the company is 6.18%. In May 2012, the Board of the Group decided to mark-down the investment in Lucent, from the previous valuation, which was based on the price of recent investment, by 25% due to the extension of the drilling program. As of 31 December 2012, the investment was marked down by an additional 25% after a decision by the Board, and was valued at US\$7,500,000. In the current period, the Lucent investment was written down by a further 50% from US\$7,500,000 to US\$3,750,000 on 12 March 2013 based on advice from its Private Equity Investment Advisor.

Lucent had started a process of negotiations with a number of potential farm-in partners which would enable the Company to drill further exploratory wells. However following a continued reduction in Lucent’s cash reserves due to payment of the normal operating costs of the Company, the Board felt it prudent to write down the value of the Company to reflect this cash burn from US\$11,250,000 to US\$7,500,000 as at 31 December 2012. In March 2013, the further write down of US\$3,750,000 followed a lifting of the Kazakhstan Government’s moratorium on auctions of new oil and gas projects, and the awarding of 20 new contracts in 2013 - 2014, thus providing competition for Lucent with respect to prospective farm-in partners. A successful farm-in will dilute the Company’s interest to an extent which diminishes its expected return on investment.

(iii) Alem Communications Holding LLP (“Alem”)

Alem is a telecom holding company operating within the territory of the Republic of Kazakhstan. The Group had an indirect stake in Alem through a secured senior profit participating loan (“SSPPL”) in DTV Investment Holding LLP (“DTV”) which has a direct holding in the shares of Alem.

As per a Sale and Purchase Agreement (“SPA”) dated 27 April 2012 between DTV Investment Holding (“DTV”), Tau (Cayman) L.P., Midas Telecom (“Midas”) and Mymari Holding B.V. (“Mymari”), Midas and Mymari agree to buy DTV’s 13.0561% stake in Alem for KZT 3,012,841,310 which corresponds to \$20,402,528 at a USD:KZT fx rate of 147.67. Based on the Group’s interest in DTV, the Group received \$19,559,850 in total proceeds before expenses, taxes, and provisions for the liquidation of Special Purpose Vehicles. Proceeds of US\$18.69 million were received by the Fund on 16 July 2012. Any remaining balance due, less expenses, taxes and liquidation costs, is expected to be received in the second half of 2013. This remaining balance expected to be received is estimated at US\$259,558 and is recorded within other receivables.

As stated in note 2, and specifically in relation to the Group’s investments in Stopharm LLP and Lucent Petroleum valued at US\$25.25 million above, where the valuation of investments is dependent on non-market observable inputs a degree of judgement is required on estimating fair values. Accordingly the valuation of the private investments is subject to significant inherent uncertainty.

TAU CAPITAL PLC

Condensed Notes to the Financial Statements (continued)

15. Investments in Subsidiaries

Name	Country of incorporation	Principal investment activity	Proportion of ownership interest
Tau (Cayman) L.P.	Cayman Islands	Investment holding Business	100%
Tau Cayman Ltd	Cayman Islands	Administration	100%
Tau SPV 1 Cooperatief W.A.	The Netherlands	Investment holding	100%

The values of the subsidiaries at 30 June 2013, 31 December 2012 and 30 June 2012 were as follows:

	As at 30 June 2013 US\$	As at 31 December 2012 US\$	As at 30 June 2012 US\$
Tau Cayman Ltd	-	-	-
Tau (Cayman) L.P.	87,244,422	128,187,984	113,544,679
Tau SPV 1 Cooperatief W.A.	259,558	259,558	19,559,851
	87,503,980	128,447,542	133,104,530

In February 2013 Tau (Cayman) L.P. distributed \$32,839,014 to Tau Capital Plc (31 December 2012: US\$nil, 30 June 2012: US\$nil), which was offset against the loan disclosed in note 5.

16. Events After the Date of the Statement of Financial Position

With the sale of all the public equities, the contract with Sturgeon Capital Ltd was terminated on 8 July 2013 to take effect on 8 October 2013.

On 6 September 2013 a third tender offer of approximately US\$15 million was announced.

There were no other significant events subsequent to the date of the Statement of Financial Position.

TAU CAPITAL PLC

Additional Information: Schedule of Investments as at 30 June 2013 (unreviewed)

Country (of main operational exposure)/industry sector	Fair value - US\$	% of net assets
Financial assets at fair value through profit or loss		
<i>Debt instruments</i>		
Uzbekistan		
Gold mining	416,977	0.86%
	416,977	0.86%
<i>Total debt instruments</i>	416,977	0.86%
<i>Private investments</i>		
Kazakhstan		
Healthcare	21,500,000	44.48%
Oil & gas services	3,750,000	7.76%
	25,250,000	52.24%
<i>Total private investments</i>	25,250,000	52.24%
Total financial assets at fair value through profit or loss	25,666,977	53.10%
Financial assets at fair value through profit or loss		
	25,666,977	53.10%
Cash and cash equivalents	22,525,058	46.60%
Other assets in excess of liabilities	148,290	0.30%
Total net assets	48,340,325	100.00%