

DISENCO ENERGY PLC

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

THREE MONTHS ENDED 31 MARCH 2008

Expressed in Pounds Sterling

The accompanying financial information for the three months ended 31 March 2008 has not been reviewed or audited by the company's auditors

DISENCO ENERGY PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS ENDED 31 MARCH 2008

	Three months ended 31 March 2008 (unaudited) £	Three months ended 31 March 2007 (unaudited) £
TURNOVER	-	4,800
Cost of sales	(47,516)	(36,164)
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Gross loss	(47,516)	(31,364)
Administrative expenses	(286,897)	(379,013)
	<hr/>	<hr/>
OPERATING LOSS	(334,413)	(410,377)
Interest receivable and similar income	616	2,110
Interest payable	(41,766)	(25,814)
	<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AND FOR THE FINANCIAL PERIOD	(375,563)	(434,081)
	<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains or losses for the period other than those included in the profit and loss account.

There was no material difference between the reported result and the result calculated on an unmodified historical cost basis.

LOSS PER SHARE (Note 2)

Basic	31 March 2008	(0.53) pence	31 March 2007	(0.7) pence
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DISENCO ENERGY PLC
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2008

	Notes	As at 31 March 2008 (unaudited) £	As at 31 December 2007 (audited) £	As at 31 March 2007 (unaudited) £
FIXED ASSETS				
Intangible	3	3,844,167	3,532,777	2,182,774
Tangible	4	24,644	28,146	29,283
		<hr/>	<hr/>	<hr/>
		3,868,811	3,560,923	2,212,057
CURRENT ASSETS				
Debtors		73,497	203,069	104,191
Cash at bank and in hand		8,857	125,135	304,294
		<hr/>	<hr/>	<hr/>
		82,354	328,204	408,485
CREDITORS: amounts falling due within one year		(3,171,251)	(2,799,617)	(1,027,486)
		<hr/>	<hr/>	<hr/>
NET CURRENT LIABILITIES		(3,088,897)	(2,471,413)	(619,001)
		<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		779,914	1,089,510	1,593,056
CREDITORS: amounts falling due after more than one year		-	-	(420,877)
		<hr/>	<hr/>	<hr/>
NET ASSETS		779,914	1,089,510	1,172,159
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES				
Called up share capital	5	7,233,016	7,233,016	6,816,362
Share premium account	7	943,072	943,072	599,161
Merger reserve	7	(3,762,559)	(3,762,559)	(3,762,559)
Warrant reserve	7	63,020	63,020	44,086
Share option reserve	7	846,943	780,976	651,474
Convertible debenture - equity reserve	7	14,481	14,481	10,944
Profit and loss account	7	(4,558,059)	(4,182,496)	(3,187,309)
		<hr/>	<hr/>	<hr/>
SHAREHOLDERS' FUNDS	8	779,914	1,089,510	1,172,159
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The consolidated financial information was approved and authorised for issue by the board and was signed on its behalf on 12th May 2008 by:

A Caplin Director

C Mearns Director

DISENCO ENERGY PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2008
UNAUDITED

	Three months ended 31 March 2008 (unaudited) £	Three months ended 31 March 2007 (unaudited) £
Reconciliation of operating loss to net cash outflow from operating activities		
Operating loss	(334,413)	(410,377)
Amortisation of intangible assets	9,900	12,884
Depreciation of tangible fixed assets	3,502	2,835
Decrease in debtors	84,175	228,226
Increase/(decrease) in creditors	149,335	(163,208)
Share based payments	65,967	122,488
	<hr/>	<hr/>
Net cash outflow from operating activities	(21,534)	(207,152)
	<hr/>	<hr/>
CASH FLOW STATEMENT		
Net cash outflow from operating activities	(21,534)	(207,152)
Taxation	45,397	-
Returns on investments and servicing of finance (note 9)	616	(9,675)
Capital expenditure (note 9)	(321,290)	(515,614)
	<hr/>	<hr/>
	(296,811)	(732,441)
Financing (note 9)	180,533	1,004,701
	<hr/>	<hr/>
(Decrease)/increase in cash	(116,278)	272,260
	<hr/>	<hr/>
Reconciliation of net cash flow to movement in net debt (note 10)		
(Decrease)/increase in cash in the period	(116,278)	272,260
Amortisation of debenture issue costs	(8,563)	-
Issue of loans	(180,533)	(200,000)
Loan repayments	-	373,871
Conversion of convertible debenture into equity	-	51,371
Exchange rate movements	5,104	(9,237)
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Change in net debt	(300,270)	488,265
Opening net debt	(2,081,292)	(1,012,448)
	<hr/>	<hr/>
Closing net debt	(2,381,562)	(524,183)
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DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

A group reconstruction of Disenco Energy plc and Disenco Limited, which took place on 13 March 2006, has been accounted for under the merger accounting rules as permitted by Financial Reporting Standard No.6. The cost was £5,593,500 and the consideration was satisfied by the issue of 5,593,500 shares in Disenco Energy plc. The net book value of Disenco Limited's assets and liabilities at the date of the merger was £285,582.

The consolidated financial statements comprise the financial statements of the company and its subsidiary undertaking made up to 31 March 2008.

(b) Basis of preparation - going concern basis

The directors have prepared financial projections to take the group through to expected commercialisation of its product in 2008 and through to anticipated profitability in the reasonable expectation that the company will generate significant amounts of future funding via private equity placements and director and other loans.

They believe that sufficient funds can be raised to meet the net costs for the foreseeable future and until the group becomes profitable. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

While the directors have estimated the future costs of the group and are taking reasonable steps to ensure that the required funding is received, there can be no certainty in relation to these matters. The financial statements do not include any adjustments that would result from a failure to secure the required funding.

(c) Turnover

Turnover represents amounts received from The Carbon Trust in respect of a contract for trials undertaken of the company's Home Power Plant.

(d) Intangible fixed assets

Intangible fixed assets are stated at their purchase cost, together with any incidental expenses of acquisition, less amortisation. Amortisation is provided to write off the cost of the intangible fixed assets over their expected useful economic lives on the following bases:

Intellectual property rights	5%
Patents and designs	25%

(e) Property, plant and equipment

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures, fittings, tools and equipment	25% - 33%
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DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES (continued)

(f) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

(g) Research & Development

Development expenditure that relates to the clearly defined project of developing the home power plant (m-CHP) which is proven technically feasible and is commercially viable is capitalised and amortised over its expected useful economic life. Amortisation will commence once the project reaches commercialisation.

Other expenditure on research and development is charged in the profit and loss account as cost of sales in the period in which it is incurred.

(h) Operating leases

Operating lease rentals are charged in the profit and loss account on a straight line basis over the term of the lease.

(i) Grant income

Grant income relating to revenue expenditure is recognised in the profit and loss account when received.

(j) Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

A net deferred tax asset is recognised only if it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(k) Use of estimates

The preparation of financial statements 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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include the rate of amortisation of intangible fixed assets, the rate of depreciation of tangible assets and the assumptions used in determination of the fair value of share-based payments. Management believes that estimates are reasonable however actual results could differ from those estimates and would impact future results of operations.

DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES (continued)

(l) Share based payments

The company follows FRS 20 'Share-based payments', to account for share-based payments using the fair value based method with respect to all share-based payments to directors, employees, non employees and service providers, including awards that are direct awards of shares and call for settlement in cash or other assets, or share appreciation rights that call for settlement by the issuance of equity instruments. Under this standard, share-based payments for directors, employees and non-employees are recorded as an expense in the period the share-based payment vests or when the awards or rights are granted. For service providers share-based payments are recorded as an expense in the period the service is received based on the fair value of the service. A corresponding increase to the share option reserve under shareholders' funds is recognised. When share options are exercised, the corresponding fair value is transferred to share capital or when share options are forfeited, cancelled or expire, the corresponding fair value is transferred to the profit and loss account.

2. LOSS PER SHARE

The calculation of the basic loss per share is based on the following loss and number of shares.

	Three months ended 31 March 2008 (unaudited) £	Three months ended 31 March 2007 (unaudited) £
Loss for the financial period	375,563	434,081
	<hr/>	<hr/>
	Number of shares	Number of shares
Weighted average number of shares for basic loss per share	71,145,862	62,253,009
	<hr/>	<hr/>

3. INTANGIBLE FIXED ASSETS

Group	Development costs £	Patents & designs £	Intellectual property rights £	Total £
Cost				
At 1 January 2008	3,024,025	92,841	575,000	3,691,866
Additions	321,290	-	-	321,290
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2008	3,345,315	92,841	575,000	4,013,156
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 January 2008	-	68,055	91,034	159,089
Charge for the period	-	2,715	7,185	9,900
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2008	-	70,770	98,219	168,989
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 31 March 2008	3,345,315	22,071	476,781	3,844,167
	<hr/>	<hr/>	<hr/>	<hr/>

DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

4. TANGIBLE FIXED ASSETS	Fixtures, fittings tools & equipment £
Group	
Cost	
At 1 January 2008	63,161
Additions	-
	<hr/>
At 31 March 2008	63,161
	<hr/>
Depreciation	
At 1 January 2008	35,015
Charge for period	3,502
	<hr/>
At 31 March 2008	38,517
	<hr/>
Net book amount	
At 31 March 2008	<u>24,644</u>

5. SHARE CAPITAL

Equity share capital	Authorised		Allotted, called up & fully paid	
	No	£	No	£
At 31 December 2007 and 31 March 2008				
S Ordinary shares of £0.10 each	60,000,000	6,000,000	559,350	55,935
C Ordinary shares of C\$0.24 each	200,000,000	22,583,693	70,586,512	7,177,081
	<hr/>	<hr/>	<hr/>	<hr/>
	260,000,000	28,583,693	71,145,862	7,233,016
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Outstanding share options at the period end

Options have been granted under the following option schemes to subscribe for ordinary shares of the company. As at 31 March 2008 the following options were outstanding:

	Number of shares under option	Weighted average subscription price per share C\$	Exercise period expires
Executive share options	6,810,835	0.318	16/10/2011
Executive share options	750,000	0.430	08/05/2012
Service Providers	1,700,000	0.409	16/10/2011
Service Providers	659,904	0.500	16/10/2009
Service Providers	96,000	0.510	15/03/2012
Service Providers	104,000	0.510	31/08/2012
IPO fundraisers	617,045	0.500	21/02/2009
	<hr/>	<hr/>	
Options outstanding at 31 December 2007	10,737,784	0.365	
Issued during the period:			
Executive share options	1,000,000	0.500	01/01/2013
Service Providers	400,000	0.510	01/01/2013
	<hr/>	<hr/>	
Options outstanding at 31 March 2008	<u>12,137,784</u>	<u>0.381</u>	

DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

6. SHARE BASED PAYMENTS

Share based payments recorded through the profit and loss account in the three months ended 31 March 2008 totalled **£65,967**.

This includes **£41,469** in relation to issue of share options to certain executives and non employees of the company. These have been calculated at fair value using the Black-Scholes method and the main assumptions are disclosed below.

The model has used the following assumptions:

- A volatility rate of **50%**. This figure is based upon the experience of similar companies, newly listed, operating in a market with new technology.
- A risk free interest rate of **3.76%** based upon the value of Government of Canada benchmark bond yields for 5 years.
- Expected life of options of 3.5 years.
- Bid price discount of 20%.
- Expected dividend rate of £nil.

This also includes **£24,498** in relation to options issued to investor relations and public relations service providers for services provided since the completion of the TSX Venture Exchange listing. The fair value of these share based payments is equal to the market value of the services received.

7. RESERVES

	Share Premium £	Merger Reserve £	Warrant Reserve £	Share Option Reserve £	Convertible Debenture Equity Reserve £	Profit & Loss Account £	Total £
Balance 31 December 2007	943,072	(3,762,559)	63,020	780,976	14,481	(4,182,496)	(6,143,506)
Issue of share options	-	-	-	65,967	-	-	65,967
Loss for the period	-	-	-	-	-	(375,563)	(375,563)
Balance at 31 March 2008	943,072	(3,762,559)	63,020	846,943	14,481	(4,558,059)	(6,453,102)

8. SHAREHOLDERS' FUNDS

	Three months ended 31 March 2008 (unaudited) £	Three months ended 31 March 2007 (unaudited) £
Loss for the period	(375,563)	(434,081)
Other movements:		
New shares issued	-	1,370,875
Share issue costs	-	(166,929)
Issue of share options	65,967	122,488
Conversion of convertible debenture into equity	-	25,997
Opening shareholders' funds	1,089,510	253,809
Closing shareholders' funds	779,914	1,172,159

DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

9. GROSS CASH FLOWS

	Three months ended 31 March 2008 (unaudited)	Three months ended 31 March 2007 (unaudited)
	£	£
Returns on investments and servicing of finance		
Interest received	616	2,110
Interest paid	-	(2,389)
Exchange rate (losses)	-	(9,396)
	<hr/>	<hr/>
	616	(9,675)
	<hr/>	<hr/>
Capital expenditure		
Payments to acquire intangible fixed assets	(321,290)	(512,381)
Payments to acquire tangible fixed assets	-	(3,233)
	<hr/>	<hr/>
	(321,290)	(515,614)
	<hr/>	<hr/>
Financing		
Issue of share capital	-	1,345,501
Expenses paid in connection with the issue of shares	-	(166,929)
Issue of loans	180,533	200,000
Loan repayments	-	(373,871)
	<hr/>	<hr/>
	180,533	1,004,701
	<hr/>	<hr/>

10. ANALYSIS OF CHANGES IN NET DEBT

	At 31 December 2007	Cash flows	Other changes	Exchange rate differences	At 31 March 2008
	£	£	£	£	£
Cash at bank and in hand	125,135	(116,278)	-	-	8,857
Debt due within 1 year	(2,206,427)	(173,050)	(16,046)	5,104	(2,390,419)
Debt due after 1 year	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	(2,081,292)	(289,328)	(16,046)	5,104	(2,381,562)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

11. TRANSACTIONS WITH RELATED PARTIES

The group owes £360,802 to Disenco International AS, a company in which G Bretvin and G B Longpre are both directors and shareholders.

On 3 March 2007 Mr Longpre, a director of the company, agreed to a share for debt settlement for £200,000 of the company's outstanding loans to himself and Dover International Limited, a company in which Mr Longpre is a director and shareholder. This was accepted by the TSX Venture Exchange and relevant securities commissions in May 2007. The remaining outstanding balance of £38,892 is due to be repaid on receipt of significant funds from the current round of fundraising.

The group owes C\$12,500 to J Gunn, a director and shareholder of the company, in relation to expenses incurred on the company's behalf.

The group also owes an additional £50,000 to J Gunn in relation to a loan granted on 30 April 2007. The loan incurs interest at 6% payable on date of repayment, which is on receipt of significant funds from the current round of fundraising.

The group also owes J Gunn £100,000 in respect of £50,000 loans granted on 22 October 2007 and 8 February 2008. These loans incur interest at 7% payable at the date of repayment, which is due on receipt of significant funds from the current round of fundraising.

In July 2007, the company received a \$400,000 payment as first drawdown instalment from the C\$1,000,000 loan facility agreement that it has with Mr J Gunn. This facility is repayable at any time from one year of date of commencement of the facility, which was 12 October 2006, following receipt of seven days notice in writing from the lender. Interest on the loan is charged at 1% above the rate obtained for an equivalent value 12 month Canadian dollar deposit, which the company has agreed with the lender will be 5.05%.

In the period from August 2007 to March 2008 the company received funds totalling C\$792,645 as drawdown instalment from the C\$1,000,000 loan facility agreement that it has with Dover International Limited. This facility is repayable at any time from one year of date of commencement of the facility, which was 12 October 2006, following receipt of seven days notice in writing from the lender. Interest on the loan is charged at 1% above the rate obtained for an equivalent value 12 month Canadian dollar deposit, which the company has agreed with the lender will be 5.05%.

Throughout 2007 the company was granted several loans from Warburg International. These were consolidated on 1 January 2008 into one loan of £690,000. The company has also received additional advances of £25,000 on 1 February 2008 and £20,000 on 31 March 2008. B Longpre, a director of the company, is a guarantor on these loan amounts. The loans bear interest at a rate of 7% per annum. Total interest accrued and unpaid on these loans at 31 March 2008 is £29,513.

No disclosure has been made within these financial statements of any transactions with group companies in accordance with the exemptions allowed by Financial Reporting Standard No.8.

12. FINANCIAL INSTRUMENTS

The group finances working capital through issue of equity and through borrowings at prevailing market interest rates. The group does not use hedge accounting.

The group's financial instruments comprise cash resources raised through the issue of equity, directors and other loans, the issue of a convertible debenture and various other items, such as trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

It is, and has throughout the period under review, been the group's policy that no trading in financial instruments shall be undertaken.

The group's exposure to the price risk of financial instruments is limited to currency risk on the Norwegian Kroner loan and Canadian Dollar loans and debenture. The group does not undertake any forward currency purchases to hedge against this risk.

DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

13. SIGNIFICANT DIFFERENCES FROM CANADIAN GAAP

The interim financial statements of the company for the three months ended 31 March 2008 have been prepared in accordance with United Kingdom Generally Accepted Accounting Principles ("UK GAAP") which, as applied in the financial statements, conforms in all material respects to those accounting principles generally accepted under Canadian Generally Accepted Accounting Principles ("CDN GAAP"), except as described below:

a) Basis of consolidation

On 13 March 2006, Disenco Energy plc acquired the whole of the share capital of Disenco Limited in exchange for 5,593,500 ordinary shares of £1 each, being the directors' estimate of the fair value of the consideration given.

Under UK GAAP, the combination of Disenco Energy plc and Disenco Limited has been accounted for under the merger accounting rules.

Under Canadian GAAP, the acquisition has been accounted for using the purchase method.

Accordingly, the directors have considered the value of the assets acquired and their fair value at the date of acquisition and believe that there is no material difference between the fair value of the assets and their book value. Accordingly, the purchase price has been allocated as follows:

	£
Intellectual property rights	535,707
Patents and designs	33,093
Fixtures, fittings, tools and equipment	20,512
Net current liabilities	(153,730)
Long term liabilities	(150,000)
	285,582
Issuance of capital stock	(5,593,500)
	(5,307,918)

In accordance with CICA section 3840, the transaction was a non-monetary transaction between related parties with no amount to independently substantiate the exchange amount, and accordingly no gain is recognised.

b) Patents and Intellectual property rights

Under UK GAAP Intangible fixed assets are stated at their purchase cost, together with any incidental expenses of acquisition, less amortisation. Amortisation is provided to write off the cost of intangible fixed assets over their expected useful economic lives.

Under Canadian GAAP, an intangible asset that is acquired either individually or with a group of other assets should be initially recognized and measured at cost. An intangible asset is not written down or written off in the period of acquisition, unless it becomes impaired during this period.

When an intangible asset has a finite useful life, but the precise length of that life is not known, the intangible asset is amortised over the best estimate of its useful life. When an intangible asset has an infinite useful life, the intangible is tested annually for impairment.

DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

13. SIGNIFICANT DIFFERENCES FROM CANADIAN GAAP (continued)

For Canadian GAAP purposes, intellectual property is recorded at cost and tested for impairment on an annual basis. No amortisation is taken. For UK GAAP amortisation is provided to write off the cost of intellectual property rights over their expected useful economic lives.

c) Related party transactions

Under Canadian GAAP separate disclosure is required for transactions incurred with related parties. Such disclosure includes a description of the terms of the transaction as well as a description of the relationship. Debt totalling £360,802 is owed to Disenco International AS ("DIAS"), a company in which G Bretvin and G B Longpre, who are both directors of the company, are shareholders, of which £283,107 (2,859,908 NOK) represents the repayment of amounts owing by DIAS to SND Innovation Bank, for which the company has given a guarantee and is secured by a fixed charge over certain of the group's intangible fixed assets dated 24 March 2005. The debt is paid in equal instalments of £75,000. The company reached an agreement with Innovation Bank in Norway, who underwrite the loan, to delay the payment of £75,000 due on 1 June 2007 to 1 March 2008. Discussions are currently continuing between DIAS and the bank regarding further agreed payment extensions. The interest on the debt is calculated at Norwegian Bank base rate plus 2%. Interest of £35,144 has been accrued for the period ending 31 December 2007. This includes penalty interest of £6,103 for negotiated delayed repayment of capital. Interest of £7,434 has been accrued for the three months ended 31 March 2008. All interest incurred and accrued prior to 1 June 2006 was repaid during 2006.

d) Loss per share

Loss per share is calculated based on the weighted average number of common shares outstanding during the year. The company uses treasury stock methods for calculating diluted earnings per share. However, diluted loss per share has not been presented as the potential exercise of options and warrants outstanding would have the effect of reducing the loss per share. Therefore, basic and diluted loss per share are the same.

DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

13. SIGNIFICANT DIFFERENCES FROM CANADIAN GAAP (continued)

i Reconciliation of total assets, liabilities and stockholders' equity:

	As at 31 March 2008 (unaudited) £	As at 31 March 2007 (unaudited) £
Total assets per UK GAAP	3,951,165	2,620,542
Adjustments to Canadian GAAP		
Intellectual property amortisation	58,934	30,194
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Total assets per Canadian GAAP	4,010,099	2,650,736
	<hr/>	<hr/>
Total liabilities per UK GAAP	3,171,251	1,448,383
Adjustments to Canadian GAAP	-	-
	<hr/>	<hr/>
Total liabilities per Canadian GAAP	3,171,251	1,448,383
	<hr/>	<hr/>
Total equity per UK GAAP	779,914	1,172,159
Adjustments to Canadian GAAP		
Intellectual property amortisation	58,934	30,194
Merger reserve	3,762,559	3,762,559
Pre-acquisition losses	1,545,359	1,545,359
Excess of consideration over assets acquired allocated to deficit	(5,307,918)	(5,307,918)
	<hr/>	<hr/>
Total equity per Canadian GAAP	838,848	1,202,353
	<hr/>	<hr/>
Total liabilities and equity per Canadian GAAP	4,010,099	2,650,736
	<hr/>	<hr/>

ii Reconciliation of net loss reported in Canadian GAAP and UK GAAP

Statement of Operations	Three months ended 31 March 2008 (unaudited) £	Three months ended 31 March 2007 (unaudited) £
Net loss per UK GAAP	(375,563)	(434,081)
Add:		
Net loss under merger accounting	375,563	434,081
Net loss under the purchase method of accounting	(375,563)	(434,081)
Amortisation of intellectual property rights	7,185	7,184
	<hr/>	<hr/>
Net loss per Canadian GAAP	(368,378)	(426,897)
	<hr/>	<hr/>

DISENCO ENERGY PLC
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2008

13. SIGNIFICANT DIFFERENCES FROM CANADIAN GAAP (continued)

iii Statement of Cash Flows under Canadian GAAP

	Three months ended 31 March 2008 (unaudited) £	Three months ended 31 March 2007 (unaudited) £
Net loss per Canadian GAAP	(368,378)	(426,897)
Add:		
Depreciation of fixed assets	3,502	2,835
Depreciation of patents and designs	2,715	5,700
Share based payments	65,967	122,488
	<hr/>	<hr/>
	(296,194)	(295,874)
Changes in non-cash working capital		
Accounts receivable/payable	275,276	79,047
	<hr/>	<hr/>
Cash provided by operating activities	(20,918)	(216,827)
	<hr/>	<hr/>
Taxation		
Receipt of 2006 research and development tax credit	45,397	-
	<hr/>	<hr/>
Cash received from taxation	45,397	-
	<hr/>	<hr/>
Investing activities		
Purchase of fixed assets	(321,290)	(515,614)
	<hr/>	<hr/>
Cash used in investing activities	(321,290)	(515,614)
	<hr/>	<hr/>
Financing activities		
Proceeds from share issue	-	1,178,572
Issue of loans	180,533	200,000
Loan repayment	-	(373,871)
	<hr/>	<hr/>
	180,533	1,004,701
	<hr/>	<hr/>
(Decrease)/increase in cash during the period	(116,278)	272,260
Opening cash	125,135	32,034
	<hr/>	<hr/>
Ending cash	8,857	304,294
	<hr/> <hr/>	<hr/> <hr/>