10 June 2014

GREKA ENGINEERING & TECHNOLOGY LTD.
("Greka Engineering" or the “Company")

Final Results

Greka Engineering & Technology Ltd. (AIM: GEL), the unconventional gas sector engineering and technology business with pipeline, gas compression and power generation assets in China, is pleased to announce its audited financial results for the year ended 31 December 2013.

HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

- Sales of 136 gas station refueling equipment items in 2013, compared to 101 dispensers sales in 2012, sales of 3 wellhead compressors in 2013, compared with 7 compressors in 2012, sales of 2 SCADA in 2013, compared with 12 SCADA in 2012
- 1,038,263 thousand cubic feet of gas for sale were processed in 2013, compared with 564,680 thousand cubic feet in 2012, an 84% increase
- 10,714,823 kwh of power sales in 2013, there were no power sales in 2012
- 0.4km of trunk pipe line and 2.35km of sub-pipeline constructed in 2013, 37km of well gas gathering pipeline at the end of 2013
- 0.5km of power line constructed in 2013, 68km of power line at the end of 2013

FINANCIAL SUMMARY

- Revenue of US$3.7m, a 29% decrease over same period last year of US$5.2m
- Total assets decreased by US$0.6m to US$42.7m, a decrease of 1.3% year on year
- Cash and bank deposits as at 31 December 2013 of US$3.5m
- Loss for the year of US$1.9m, compared to a loss of US$1.4m in 2012

CORPORATE HIGHLIGHTS

- Addition of 30 new customers during 2013, a 39% increase over 2012
- A total of 107 customers in China
- No lost time due to injury or accident in 2013

Randeep S. Grewal, Chairman of Greka Engineering, commented:

“*2013 was the year of independence for Greka Engineering & Technology Ltd., becoming an independent and listed Company following the successful demerging from Green Dragon Gas Ltd. via a dividend in specie on 30 September 2013. Since the demerger, the Company has focused on establishing itself as an independent operator and on technology integration, resource optimization and productivity enhancements. The focus has been to enhance the human resources catered to win more market share by providing advanced infrastructure services, EPCM (engineering, procurement, construction and management services), SCADA, gas station refuelling equipment and technology to the customers within the unconventional gas sector in China. We look forward to capitalizing on this unique niche in the years to come.*”

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About Greka Engineering & Technology
Greka Engineering & Technology Ltd., (AIM; GEL) was demerged from Green Dragon Gas Ltd. (AIM; GDG) via a dividend in specie and was admitted to trading on AIM in September 2013.

Greka Engineering offers turnkey solutions to over 100 upstream, midstream and downstream gas suppliers. The Company's technologies include Compressed Natural Gas/Liquefied Natural Gas (CNG/LNG) compressor equipment, CNG retail dispenser equipment and CBM wellhead extraction technologies. The Company also supplies proprietary Integrated Circuit Card Point of Sale (ICC POS) and Supervisory Control and Data Acquisition (SCADA) software and hardware solutions for the remote management of transmission systems, power facilities, vehicle management and retail services.

In addition, the Company invests in, operates and maintains wholly owned assets for its customers in return for service contracts based on the volume management.

The Company has historically completed several Engineering, Procurement, Construction and Management (EPCM) contracts including the design, construction and management of gas gathering systems, a gas pipeline in Shanxi Province to the China West-East pipeline, the installation and commissioning of a 10MW gas-fired power facility in the Shanxi province and the construction of CNG retail stations.

Chairman’s Statement

It is my pleasure to report these first year results for Greka Engineering.

2013 was the year of independence for Greka Engineering & Technology Ltd., becoming an independent and listed Company following the successful demerging from Green Dragon Gas Ltd. via a dividend in specie on 30 September 2013. Since the demerger, the Company has focused on establishing itself as an independent operator and on technology integration, resource optimization and productivity enhancements. The focus has been to enhance the human resources catered to win more market share by providing advanced infrastructure services, EPCM (engineering, procurement, construction and management services), SCADA, gas station refuelling equipment and technology to the customers within the unconventional gas sector in China.

Substantial high quality infrastructure assets including coal bed methane field compressors, pipeline gathering systems and an Integrated Production Facility (IPF) form the core assets of the Group and provide a reliable source of revenue on a steady basis. Quite similar to a toll road, Greka Engineering's unique business model provides it with a steady toll from Green Dragon Gas as its infrastructure is used which includes a fee for gas compression, gas transport and power utilization. The higher the utilization the higher the fee with very little incremental costs and certainly no incremental capital cost. During 2013, utilization rates were under 20% providing for significant upside which we expect will be achieved in 2014 and the years to follow.

The continued technology development resulted in us successfully installing boosters and Variable Frequency Devices at wellhead connections within the pipeline infrastructure which greatly increased the wellhead gas production. While such enhancement provides our client greater gas production, we directly benefit from earning a higher gas processing fee due to increased gas volumes. A true win-win partnership.

Our infrastructure team built an additional 0.4km trunk line and 2.35km branch line to connect 11 new wells which raised the gas processed by 84% YOY. Additionally, the Company has begun to generate incremental power to sell to unaffiliated users. Our 10MW powerplant has a utilization rate of 20% and thus we see a significant upside in third party sales which recently resulted in our first such client.

In regard to our equipment manufacturing and sales, the Company sold 101 dispensers, 11 cylinders, 24 un-loading cylinders and three 75KW well-head compressors, 2 SCADA systems for drill rigs and 1 IC card management system. The sales were in line with our expectations and to customers that are well known to us. At year end, we had a total of 107 customers.

The Year of the Snake (2013) gave us the independence to grow a business independent of Green Dragon, the Year of the Horse (2014) is providing us the opportunity to explore and acknowledge the abundance of customers that each need our purpose built leading edge technologies. The maturity of the upstream coal bed methane market is converging into the demands for our infrastructure aptitude, pressure management technologies, gas disbursement efficiencies and SCADA catered to this niche. We look forward to capitalizing on this unique niche in the years to come.

I look forward to keeping you updated on the development of Greka Engineering's market expansion and the enthusiasm with which the team of almost 100 employees is committed to capturing this unique opportunity.

Randeep S. Grewal
Chairman
10 June 2014

Consolidated Statement of Comprehensive Income

	Note	Year Ended 31 December 2013	Year Ended 31 December 2012
		US$'000	US$'000
Revenue	2	3,701	5,204
Cost of sales		(3,349)	(4,009)

Gross profit		352	1,195
Selling and distribution expenses		(224)	(181)
Administrative expenses		(1,975)	(2,328)
Other operating loss		(24)	(16)
Total administrative expenses		(2,223)	(2,525)
Loss from operations	3	(1,871)	(1,330)
Finance income	4	1	8
Finance costs	4	(3)	-
Loss before income tax		(1,873)	(1,322)
Income tax	6	71	18
Loss for the year from continuing operations		(1,802)	(1,304)
Loss from discontinuing operations, net of tax	7	(133)	(81)
Loss for the year		(1,935)	(1,385)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating of foreign operations		606	25
Total comprehensive expense for the year		(1,329)	(1,360)
Loss attributable to:			
- Owners of the Company		(1,935)	(1,385)
Total comprehensive expense attributable to:			
- Owners of the Company		(1,329)	(1,360)
Basic and diluted loss per share attributable to owners of the Company arising from:			
- Continuing operations (cents)	5	(0.44)	(0.32)
- Discontinuing operations (cents)	5	(0.03)	(0.02)
Total	5	(0.47)	(0.34)

Consolidated Statement of Financial Position

	Note	As at 31 December 2013 US$'000	As at 31 December 2012 US$'000
Assets			
Non-current assets			

Property, plant and equipment		25,407	24,503
Intangible assets		2,399	2,890
		27,806	27,393
Current assets			
Inventories		2,009	2,123
Trade and other receivables		7,623	8,470
Cash and cash equivalents		3,494	3,882
		13,126	14,475
Assets held for sale	7	1,753	1,384
Total assets		42,685	43,252
Liabilities			
Current liabilities			
Trade and other payables		5,915	41,663
Loans and borrowings	8	4,656	3,945
Current tax liabilities		13	43
		10,584	45,651
Non current liabilities			
Deferred tax liabilities		599	723
		599	723
Total liabilities		11,183	46,374
Total net assets /(liabilities)		31,502	(3,122)
Capital and reserves			
Share capital		4	-
Share premium account		35,949	-
Foreign exchange reserve		635	29
Retained deficit		(5,086)	(3,151)
Total equity/(deficit) attributable to owners of the Company		31,502	(3,122)

Consolidated Statement of Changes in Equity

	Share capital US$'000	Share premium US$'000	Foreign exchange reserve US$'000	Retained deficit US$'000	Total US$'000
At 1 January 2012	-	-	4	(1,766)	(1,762)
Loss for the year	-	-	-	(1,385)	(1,385)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
- Exchange difference on translation of foreign operations	-	-	25	-	25
Total comprehensive income/(expense)			25	(1,385)	(1,360)

for the year					
At 31 December 2012	-	-	29	(3,151)	(3,122)
Loss for the year	-	-	-	(1,935)	(1,935)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
- Exchange difference on translation of foreign operations	-	-	606	-	606
Total comprehensive income/(expense) for the year	-	-	606	(1,935)	(1,329)
New issue of ordinary shares	4	-	-	-	4
Capital contribution — waiver of amounts owed to Green Dragon Gas Ltd.	-	35,949	-	-	35,949
At 31 December 2013	4	35,949	635	(5,086)	31,502

The following describes the nature and purpose of each reserve within owners' equity.

- Share capital: Amount subscribed for share capital at nominal value.
- Share premium: Amount subscribed for share capital in excess of nominal value, including capital contributions
- Foreign exchange reserve: Foreign exchange differences arising on translating the results, assets and liabilities of foreign operations into the reporting currency.
- Retained deficit: Cumulative net gains and losses recognized in profit or loss.

Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2013 US$'000	Year ended 31 December 2012 US$'000
Operating activities			
Loss before income tax		(1,873)	(1,322)
Loss before tax from discontinuing operations		(133)	(81)
		(2,006)	(1,403)
Adjustments for:			
Depreciation		1,120	923
Amortisation of other intangible assets		494	495
Loss on disposal of property, plant and equipment		-	70
Finance income		(1)	(8)
Finance costs		3	-
Operating cash flows before changes in working capital		(390)	77
Movement in inventories		114	(736)
Movement in trade and other receivables		847	(1,745)
Movement in trade and other payables		260	18,449
Cash generated from operations after working capital changes		831	16,045
Income tax payment		(83)	(72)

Net cash generated from operating activities	**748**	**15,973**
Investing activities		
Payments for purchase of property, plant and equipment	(1,827)	(18,349)
Loan advanced	-	(4000)
Interest received	1	8
Net cash used in investing activities	**(1,826)**	**(22,341)**
Financing activities		
Proceeds of short term loan	656	3,945
Finance costs paid	(3)	-
Net cash from financing activities	**653**	**3,945**
Net decrease in cash and cash equivalents	(425)	(2,423)
Cash and cash equivalents at the beginning of the year	3,882	6,348
	3,457	3,925
Effect of foreign exchange rate changes	37	(43)
Cash and cash equivalents at end of year	**3,494**	**3,882**

Abridged notes to the financial information for the year ended 31 December 2013

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with IFRSs as adopted by the European Union, that are effective for accounting periods beginning on or after 1 January 2013. The principal accounting policies adopted in the preparation of the financial statements are set out in the Group's full annual report and accounts for the year ended 31 December 2013.

2. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers ("CODMs") that are used to make strategic decisions.

The Group reports its operations as two reportable segments: gas equipment sales and the provision of contract infrastructure services in the People's Republic of China (the "PRC"). The division of the engineering and technology operations into two reportable segments is reflective of how the CODMs manage the business.

The accounting policies of the reportable segments are the same as those described in the summary of principal accounting policies (see Note 1). We evaluate the performance of our operating segments based on revenues from external customers and segmental profits.

Year Ended 31 December 2013

	Gas equipment sales	Infrastructure services	Intercompany	Consolidated from continuing operations
	US$'000	US$'000	US$'000	US$'000
Revenue	2,423	1,400	(122)	3,701
Cost of sales	(1,818)	(1,649)	118	(3,349)
Gross profit/(loss)	605	(249)	(4)	352

As at 31 December 2013

	Gas equipment sales US$'000	Infrastructure services US$'000	Transportation Services (Discontinued Operations) US$'000	Intercompany US$'000	Consolidated US$'000
Segment assets	7,702	33,685	1,753	(455)	42,685
Segment liabilities	10,033	37,471	-	(36,321)	11,183

Year Ended 31 December 2012

	Gas equipment sales US$'000	Infrastructure services US$'000	Intercompany US$'000	Consolidated from continuing operations US$'000
Revenue	2,605	2,707	(108)	5,204

As at 31 December 2012

	Gas equipment sales US$'000	Infrastructure services US$'000	Transportation Services (Discontinued Operations) US$'000	Intercompany US$'000	Consolidated US$'000
Segment assets	11,146	50,713	1,384	(19,991)	43,252
Segment liabilities	16,953	68,919	-	(39,498)	46,374

Gas equipment sales represent the net invoiced value of gas equipment sales provided to 63 (2012:56) customers for the year. Infrastructure services represent sales to wholly owned subsidiaries of the Green Dragon Gas group and the Greka Drilling Limited group.

3. LOSS FROM OPERATIONS

Loss from continuing operations is stated after charging:

	2013 US$'000	**2012 US$'000**
Auditor's remuneration	58	-
Staff costs	1,486	1,526
Depreciation of property, plant and equipment	1,120	923
Amortisation of intangible assets	494	495
Operating lease expense (property)	150	605
Loss on disposal of property, plant and equipment	-	71
Foreign exchange losses	-	7

4. FINANCE INCOME / EXPENSES

	2013 US$'000	**2012 US$'000**
Bank interest income	1	8
Bank interest expense	**3**	**-**

5. LOSS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2013	2012
Numerators	**US$'000**	**US$'000**
Loss for the year		
-Continuing operations	(1,802)	(1,304)
-Discontinuing operations	(133)	(81)
Loss for the purpose of basic and diluted loss per share	(1,935)	(1,385)
Denominators		
Number of shares used in basic and diluted loss calculations	409,622,133	409,622,133
Basic and diluted loss per share (cents)		
- Continuing operations	(0.44)	(0.32)
- Discontinuing operations	(0.03)	(0.02)

There were no potentially dilutive instruments in 2013 and 2012. The basic and diluted loss per share are equal as the Company has no dilutive instruments. There have been no shares or potentially dilutive instruments issued between year-end and the date these financial statements were approved. The 2013 year loss per share and 2012 comparative is calculated as if the shares legally issued during 2013 had been in issue since 1 January 2012.

6. TAXATION

	2013 US$'000	2012 US$'000
Current tax		
Charges for current year	53	106
Deferred tax liabilities		
Movement in deferred tax	(124)	(124)
Income tax credit	(71)	(18)

The reasons for the difference between the actual tax charge for the years presented and the standard rate of corporation tax in the PRC, as the primary operating environment, applied to the loss for the years presented are as follows:

	2013 US$'000	2012 US$'000
Loss before income tax (including discontinued activities)	(2,006)	(1,403)
Expected tax credit based on the standard rate of corporation tax in the PRC of 25% (2012: 25%)	(502)	(351)
Effect of:		
Tax losses not recognized	431	333
Income tax	(71)	(18)

The Company is incorporated in the Cayman Islands and is not subject to income tax. The primary operating companies are incorporated in the PRC and are subject to 25% tax rates.

7. ASSETS HELD FOR SALE / DISCONTINUING OPERATIONS

The strategy of the Group is to develop its engineering and technology operations. In order to focus on the delivery of this strategy, prior to the demerger from Green Dragon Gas Ltd, during 2012 one of the Company's subsidiaries agreed a proposal to sell its non-core transportation operations to subsidiaries being retained within the Green Dragon Gas Ltd group following the demerger. Subsequently, it entered a legal agreement with Green Dragon Gas Limited on 1 July 2013 to dispose of motor vehicles and equipment for $1,753,357 of cash consideration in line with the previously agreed proposals. Notwithstanding the period that has elapsed between meeting the requirements for classification as assets held for sale, the Group remains committed to the disposal and expects it completion in due course. The completion of the transaction is subject to obtaining necessary legislative approvals.

The following are the totals for the major classes of assets relating to the Group's transportation operation at the end of the reporting period:

	2013	2012
	US$'000	US$'000
Motor vehicles	1,733	1,347
Fixtures, fittings and equipment	17	34
Plant and machinery	3	3
	1,753	1,384

The increase in assets held for sale refers to additional assets acquired during 2013 included within the disposal group.

The loss on discontinuing operations in the Consolidated Statement of Comprehensive Income can be analysed, as follows:

	2013	2012
	US$'000	US$'000
Transportation service revenue	589	712
Cost of sales	(553)	(793)
Administrative expenses	(169)	-
Loss before and after taxation	(133)	(81)

The Consolidated Statement of Cash Flows contains the following elements related to discontinuing operations:

	2013	2012
	US$'000	US$'000
Net cash flows attributable to operating activities	(133)	(81)
Net cash flows attributable to investing activities	(482)	(20)
Net cash flows attributable to financing activities	-	-

The discontinued operations and assets held for sale are classified within the transportation services segment in Note 2.

8. LOANS AND BORROWINGS

	2013	**2012**
	US$'000	**US$'000**

Loans and borrowings	4,656	3,945

On 11 April 2012, GTIG, Greka Integrated Products, Henan Boao Trading Co Limited and Aowei International (H.K.) Co., Limited (Aowei HK) entered into a loan agreement, pursuant to which Henan Boao Trading Co Limited made available a loan facility in the amount of the RMB equivalent of US$4,000,000. The facility is fully drawn and is repayable on demand but is matched by a US$4,000,000 receivable.

Included within loans and borrowings is a bank loan of US$656,000 (2012: nil) which is secured by buildings and structures with a book value of US$1,265,000 (2012:US$1,260,000).

9. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information for the years ended 31 December 2013 and 31 December 2012 set out in this announcement does not constitute the Group's statutory financial information but is extracted from the Company's audited financial statements for those years. The auditors have reported on the full accounts for both periods and their reports were unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports.

10. ANNUAL REPORT

The Company's Annual Report and copies of this announcement will be available in due course on the Company's website at www.grekaengineering.com and from the office of the Company's nominated adviser, Smith & Williamson Corporate Finance Limited at 25 Moorgate, London EC2R 6AY, United Kingdom.