



## Interim Results

Released : 14/09/2016 07:00

RNS Number : 7519J  
Chariot Oil & Gas Ld  
14 September 2016

14 September 2016

Chariot Oil & Gas Limited

("Chariot", the "Company" or the "Group")

### Interim Results

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today announces its unaudited interim results for the six-month period ended 30 June 2016.

#### Highlights during and post-period:

##### Protecting the Cash

- Strong balance sheet with US\$29.0m in cash as at 30 June 2016 and no debt.
- Cash exceeds licence commitments.
- Ongoing focus on capital discipline - rigorous tendering and further reduction in G&A through optimisation of personnel and Board.

##### Protecting the Portfolio

- Decision not to move into the next phase of exploration in Mauritania maintained Chariot's discipline in partnering to drill.
- Following evaluation of prospectivity through a low-cost reconnaissance licence, Chariot secured the Mohammedia exploration permits in Morocco.
- High margin, deep water assets remain economically robust in the lower oil price environment.
- Continuing to build the drilling inventory across the asset base.

##### Partnering

- Successful partnering with Eni in the Rabat Deep exploration permits offshore Morocco - capped carry on the RD-1 well which will drill the JP-1 prospect.

##### Capitalising on the business environment

- Seismic programmes in both Namibia and Brazil were acquired at competitive cost.

- Ongoing evaluation of new venture opportunities to further enhance the portfolio - continuing to seek out value accretive assets.

### Asset Outlook

#### Morocco:

- The RD-1 well is expected to be drilled on the JP-1 prospect in 2017. The RD-1 well will be operated by Eni, following the conclusion of the Governmental approval process and the transfer of the operatorship of Rabat Deep.
- Full evaluation of legacy 3D seismic over Mohammedia has confirmed the potential of the "LKP" group of prospects and reduced the technical risk on the high-graded LKP-1a prospect. A CPR update is underway.
- Environmental Impact Assessment ("EIA") process underway for Mohammedia in advance of acquiring 2D and 3D seismic programmes to further define prospectivity to the south of the greater LKP area.

#### Namibia:

- Early processed products of the newly acquired 2,600 km<sup>2</sup> 3D seismic in the Central blocks are of excellent quality and confirm the potential of the 085b prospect, adding to the previously developed portfolio with high-graded Prospect B and Prospect D.
- Detailed technical work ongoing on new and legacy datasets to re-define prospect and lead inventory and firm up drilling targets.
- Integration of the ION NamibiaSPAN 2D seismic survey and completion of technical studies in the Southern blocks has identified the high risk, material gas prospect AO1 with a gross mean prospective resource in excess of 10Tcf (Chariot estimate, a CPR is underway).

#### Brazil:

- Early processed products of the newly acquired 775km<sup>2</sup> 3D seismic display clear turbidite reservoir geometries.
- Detailed technical work ongoing on new and legacy datasets to define prospect and lead inventory and firm up drilling targets.

### Strategic objectives

- Target the drilling of three wells within the next two years - four prospects from within Chariot's portfolio are technically mature and drill-ready with the RD-1 well already funded through a capped carry.
- Secure partners for drilling in the Mohammedia permits in Morocco and the Southern blocks in Namibia.
- Post completion of processing and interpretation seek partners for drilling in the Central blocks in Namibia and in Brazil.

Larry Bottomley, CEO of Chariot commented:

"Chariot continues to pursue its strategy of acquiring frontier acreage, maturing the portfolio and partnering to drill to create transformational value for shareholders through the discovery of material reserves. In the reporting period, we have secured the Mohammedia exploration permits in Morocco, matured the portfolio in those permits and the Southern blocks of Namibia, acquired extensive 3D seismic programmes in Namibia and Brazil, and successfully secured a drilling partner with Eni in the Rabat Deep permits in Morocco. Capital discipline is an ongoing focus and the strength of our approach to this, which has enabled the ongoing development of our asset base, is reflected in our cash balance.

"Our technical work over the last few years has laid the foundations of a strong company with a portfolio of assets capable of delivering transformational growth. The next phase across our portfolio is to create value with the drill bit and our aim is to partner with a target of drilling three wells within the next two years."

**Analyst Conference Call**

A conference call for research analysts will be held at 08.30am (BST) today. A recording of this conference call will be available on Chariot's website as soon as possible.

**Private Investor Call**

Management will host a conference call for private investors at 10.00am (BST) today, further details of which are on the Company website: <http://www.chariotoilandgas.com/index.php/investors/events-and-financial-calendar/>

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

For further information please contact:

<b>Chariot Oil &amp; Gas Limited</b> Larry Bottomley, CEO	<b>+44 (0)20 7318 0450</b>
<b>finnCap</b> (Nominated Adviser and Joint Broker) Matt Goode, Christopher Raggett	<b>+44 (0)20 7220 0500</b>
<b>Peel Hunt</b> (Joint Broker) Richard Crichton, Ross Allister	<b>+44 (0)20 7418 8900</b>
<b>EMC<sup>2</sup> Advisory</b> (Media Contact) Natalia Erikssen	<b>+44 (0)78 0944 0929</b>

**Chariot Oil & Gas Limited  
Chief Executive's Review**

Throughout the prevailing business environment, Chariot has continued to follow its strategy of acquiring large acreage positions in new or frontier basins with the potential for material discoveries, maturing the portfolio and developing the prospectivity of these assets and then seeking to partner to drill. Implementation has been to secure new licences, adopt a prudent approach to expenditure and ensure that there is a diverse range of opportunities within the portfolio that offer material potential in order to attract interest from the majors and large independents. These components of the strategy have all been demonstrated recently in the award of Mohammedia, the acquisition of 3D seismic data in Namibia and Brazil and partnering with Eni in Morocco.

Chariot remains cognisant of the challenges posed by the current "lower for longer" climate and continues to manage its business within these parameters. Exploration and development budgets continue to reduce across the sector and whilst these measures will ultimately have an impact on the overall supply and demand for oil, a more immediate effect has been on costs. Chariot has continued to develop its licences taking advantage of cost reductions thereby allowing the Company to progress and high grade targets for drilling throughout this volatile period.

Management maintains a longer term view on the market's appetite for high quality, material prospects. It has been this focus on accessing basins with the potential for significant discoveries which has resulted in a predominantly deeper water portfolio. At the outset, Chariot selected acreage that could be developed with current technology, in water depths of less than 2000m, with prospects that lie in normal pressure and temperature regimes and in regions unlikely to be affected by challenging metocean conditions. As a consequence, Chariot's targets will likely fall into an exploration and development cost regime that, when

combined with material resources and excellent contract terms, makes the portfolio commercially attractive.

The transformational potential of the asset base was corroborated by securing Eni as a drilling partner and operator of the Rabat Deep exploration permits in Morocco as announced in March 2016. Eni is a world-class explorer with significant success in other regions of Africa. To attract partners of the calibre and scale of both Woodside and Eni independently validates the prospectivity of this acreage and the potential economic impact of a discovery at the JP-1 prospect.

The team continues to actively manage the portfolio, looking to add acreage with the potential to deliver transformational value and in June 2016 Chariot secured the Mohammedia Offshore Exploration Permits I-III in Morocco, which are adjacent to the Rabat Deep licence. In addition to having significant potential, Chariot continues to focus on that part of the portfolio with the capacity to attract drilling partners which is both an important part of managing risk and of meeting our strategic objectives. As demonstrated by its previous relinquishments in Morocco and Namibia, Chariot has maintained this discipline by electing not to enter into the next phase of exploration for the C-19 licence in Mauritania. Whilst back cost recoveries enabled the Company to recoup its seismic costs, this decision was taken in line with corporate strategy in order to pursue those licences with the potential to attract partners to join Chariot in drilling these prospects and plays.

## **Operational Update**

### **Morocco**

**Rabat Deep** (Operator 50%; Woodside 25%; ONHYM 25%; no remaining commitments)

The key development within the portfolio over the period was partnering with Eni in the Rabat Deep permits in Morocco. This provided Chariot with a capped carry on drilling of the RD-1 well, targeting the JP-1 prospect (768mmbbls gross mean prospective resources). All non-governmental conditions precedent have been satisfied and the process is underway with the Government to transfer the operatorship to Eni at which time Chariot's equity position will be 10%.

**Mohammedia** (Operator 75%; ONHYM 25%; 2D and 3D seismic commitments)

Chariot was awarded the Mohammedia Offshore Exploration Permits I-III in June 2016. 2D and 3D seismic programmes will be conducted across this acreage in 2017. The EIA is underway and seismic tendering will commence in Q4 2016. Completion of the evaluation of the legacy 3D seismic data over these permits has confirmed the prospectivity of the LKP group of prospects with the high graded LKP-1a prospect reducing in risk. An updated CPR is underway. Chariot holds a 75% stake in this licence and will look for a partner to participate in drilling.

### **Namibia**

**Central Blocks** (Operator 65%, AziNam 20%; NAMCOR 10%; Ignitus 5%; no remaining commitments)

Chariot completed a 2,600km<sup>2</sup> 3D seismic programme in the Central blocks in February this year. This was acquired over the western flank of the licence on the outboard high, covering a number of leads which had been identified by the 2015 2D seismic survey. Early processed products are of excellent quality and confirm the potential of the 085b lead identified on the earlier 2D survey, adding to the previously developed portfolio which includes Prospect B and Prospect D. The 3D data is currently being processed and will be interpreted on receipt of the pre-stack depth migrated data. Further to completion of this work Chariot will look for an additional partner to drill.

**Southern Blocks** (Operator 85%; NAMCOR 10%; Quiver 5%; no remaining commitments)

Integration of the ION NamibiaSPAN 2D seismic survey and completion of technical studies in the Southern blocks has identified the high risk, material gas prospect AO1 with a gross mean prospective resource in excess of 10Tcf (Chariot estimate, a CPR is underway). A partnering programme has been initiated on the Southern blocks.

**Brazil** (Operator 100%; no remaining commitments)

In Brazil, Chariot completed the acquisition of approximately 775km<sup>2</sup> of 3D seismic, covering the licence area at the end of March. This data is currently being processed and will then be interpreted in-house. Early processed products display clear turbidite reservoir geometries extending from the shallow-water Chariot licences down-dip into the neighbouring block to the north which has a drilling commitment that will be an important test of the petroleum system in this part of the basin. Chariot will undertake a partnering process for drilling post completion of the interpretation of the 2016 3D seismic data.

**Financial Results**

The Group is debt free and had a cash balance of US\$29.0 million at 30 June 2016 (US\$45.5 million at 30 June 2015; US\$39.7 million at 31 December 2015).

The Group incurred a loss of US\$5.4 million for the six months ended 30 June 2016 compared to US\$4.4 million for the six months ended 30 June 2015. The increase in loss is primarily due to the relinquishment of the C-19 licence in Mauritania resulting in a US\$5.2 million impairment against previously capitalised costs. This was partly offset by a reduction in other administrative expenses and, included within finance income, an unrealised foreign exchange gain, due to the strengthening of the Brazilian Real, on cash held as security against licence work commitments.

Other administrative expenses of US\$2.0 million, which includes the costs of reducing head count announced in May 2016, are lower than last year (30 June 2015: US\$2.5 million) mainly due to the 50% reduction in Board remuneration from May 2015 combined with other cost savings.

Share-based payments charges of US\$0.4 million are lower than the US\$0.6 million incurred for the six months ended 30 June 2015 due to the vesting of historic awards of employee deferred shares.

Net cash outflow from operating activities before changes in working capital of US\$2.0 million is lower than the US\$2.3 million for the six months ended 30 June 2015 due to cost savings in other administrative expenses.

Capitalised exploration costs in the period of US\$14.3 million (30 June 2015: US\$6.3 million) were funded by existing cash and working capital movements.

**Outlook**

Creating value through the drill bit remains Chariot's core strategic objective. Over the past few years, Chariot has focused on both portfolio maturation and risk management to position itself for the longer term and this has resulted in what is developing into a diverse and extensive drilling inventory. The additional 3D seismic data acquired in Namibia and Brazil offers the opportunity to broaden this inventory further to look to continue to attract industry partners to join Chariot in testing these material prospects and plays.

With four drill-ready prospects in the portfolio and a well carry secured, Chariot looks forward to building on these foundations and the aim, in conjunction with partners, is to drill three wells in the next two years. Chariot has both a team with experience in accessing high quality acreage and partnering on seismic and wells and has built a portfolio of assets with the potential to create transformational value. We look forward to continuing to execute on the strategy.

**Larry Bottomley**  
**Chief Executive Officer**

13 September 2016

## **Chariot Oil & Gas Limited**

### **Independent review report to Chariot Oil & Gas Limited**

#### **Introduction**

We have been engaged by the company to review the set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statement and the related notes.

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 set of financial statements.

#### **Directors' responsibilities**

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

#### **Our responsibility**

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

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### **Scope of review**

We conducted our review in accordance with the 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 enquiries, 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 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 set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

*BDO LLP*

*Chartered Accountants*

*London*

*United Kingdom*

*13 September 2016*

*BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).*

**Chariot Oil & Gas Limited**

**Consolidated statement of comprehensive income for the six months ended 30 June 2016**

		Six months ended 30 June 2016	Six months ended 30 June 2015	Year ended 31 December 2015
	Notes	US\$000 Unaudited	US\$000 Unaudited	US\$000 Audited
Share based payments		(428)	(607)	(1,104)
Provision against inventory		-	-	(6,559)
Impairment of exploration asset	4	(5,173)	-	-
Other administrative expenses		(2,012)	(2,483)	(4,357)
<b>Total operating expenses</b>		<b>(7,613)</b>	<b>(3,090)</b>	<b>(12,020)</b>
<b>Loss from operations</b>		<b>(7,613)</b>	<b>(3,090)</b>	<b>(12,020)</b>
Finance income		2,298	704	1,303
Finance expense		-	(1,849)	(3,943)
<b>Loss for the period before taxation</b>		<b>(5,315)</b>	<b>(4,235)</b>	<b>(14,660)</b>
Tax expense		(62)	(154)	(244)
<b>Loss for the period and total comprehensive loss for the period attributable to equity owners of the parent</b>		<b>(5,377)</b>	<b>(4,389)</b>	<b>(14,904)</b>
<b>Loss per ordinary share attributable to the equity holders of the parent - basic and diluted</b>	<b>3</b>	<b>US\$(0.02)</b>	<b>US\$(0.02)</b>	<b>US\$(0.06)</b>

**Chariot Oil & Gas Limited****Consolidated statement of changes in equity for the six months ended 30 June 2016**

	Share capital	Share premium	Contributed equity	Share based payment reserve	Foreign exchange reserve	Retained deficit	Total attributable to equity holders of the parent
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
<b>For the six months ended 30 June 2016 (unaudited)</b>							
<b>As at 1 January 2016</b>	<b>4,811</b>	<b>339,654</b>	<b>796</b>	<b>4,280</b>	<b>(1,241)</b>	<b>(200,049)</b>	<b>148,251</b>
Loss and total comprehensive loss for the period	-	-	-	-	-	(5,377)	(5,377)
Share based payments	-	-	-	428	-	-	428
Transfer of reserves due to issue of LTIPS	46	644	-	(690)	-	-	-
<b>As at 30 June 2016</b>	<b>4,857</b>	<b>340,298</b>	<b>796</b>	<b>4,018</b>	<b>(1,241)</b>	<b>(205,426)</b>	<b>143,302</b>
<b>For the six months ended 30 June 2015 (unaudited)</b>							
<b>As at 1 January 2015</b>	<b>4,779</b>	<b>338,348</b>	<b>796</b>	<b>4,514</b>	<b>(1,241)</b>	<b>(185,145)</b>	<b>162,051</b>
Loss and total comprehensive loss for the period	-	-	-	-	-	(4,389)	(4,389)
Share based payments	-	-	-	607	-	-	607
<b>As at 30 June 2015</b>	<b>4,779</b>	<b>338,348</b>	<b>796</b>	<b>5,121</b>	<b>(1,241)</b>	<b>(189,534)</b>	<b>158,269</b>
<b>For the year ended 31 December 2015 (audited)</b>							



<b>As at 1 January 2015</b>	<b>4,779</b>	<b>338,348</b>	<b>796</b>	<b>4,514</b>	<b>(1,241)</b>	<b>(185,145)</b>	<b>162,051</b>
Loss and total comprehensive loss for the year	-	-	-	-	-	(14,904)	(14,904)
Share based payments	-	-	-	1,104	-	-	1,104
Transfer of reserves due to issue of LTIPS	32	1,306	-	(1,338)	-	-	-
<b>As at 31 December 2015</b>	<b>4,811</b>	<b>339,654</b>	<b>796</b>	<b>4,280</b>	<b>(1,241)</b>	<b>(200,049)</b>	<b>148,251</b>

**Chariot Oil & Gas Limited**  
**Consolidated statement of financial position as at 30 June 2016**

	Notes	30 June 2016 US\$000 Unaudited	30 June 2015 US\$000 Unaudited	31 December 2015 US\$000 Audited
<b>Non-current assets</b>				
Exploration and appraisal costs	4	117,545	106,067	108,438
Property, plant and equipment		40	204	62
<b>Total non-current assets</b>		<b>117,585</b>	<b>106,271</b>	<b>108,500</b>
<b>Current assets</b>				
Trade and other receivables		1,850	1,432	1,306
Inventory		938	7,462	938
Cash and cash equivalents	5	29,036	45,521	39,713
<b>Total current assets</b>		<b>31,824</b>	<b>54,415</b>	<b>41,957</b>
<b>Total assets</b>		<b>149,409</b>	<b>160,686</b>	<b>150,457</b>
<b>Current liabilities</b>				
Trade and other payables		6,107	2,417	2,206
<b>Total current liabilities</b>		<b>6,107</b>	<b>2,417</b>	<b>2,206</b>
<b>Total liabilities</b>		<b>6,107</b>	<b>2,417</b>	<b>2,206</b>
<b>Net assets</b>		<b>143,302</b>	<b>158,269</b>	<b>148,251</b>
<b>Capital and reserves attributable to equity holders of the parent</b>				
Share capital	6	4,857	4,779	4,811
Share premium		340,298	338,348	339,654
Contributed equity		796	796	796
Share based payment reserve		4,018	5,121	4,280
Foreign exchange reserve		(1,241)	(1,241)	(1,241)
Retained deficit		(205,426)	(189,534)	(200,049)
<b>Total equity</b>		<b>143,302</b>	<b>158,269</b>	<b>148,251</b>

**Chariot Oil & Gas Limited**  
**Consolidated cash flow statement for the six months ended 30 June 2016**

	Six months ended 30 June 2016 US\$000 Unaudited	Six months ended 30 June 2015 US\$000 Unaudited	Year ended 31 December 2015 US\$000 Audited
<b>Operating activities</b>			
Loss for the period before taxation	(5,315)	(4,235)	(14,660)
Adjustments for:			
Finance income	(2,298)	(704)	(1,303)
Finance expense	-	1,849	3,943
Depreciation	23	153	301
Share based payments	428	607	1,104
Provision against inventory	-	-	6,559
Impairment of exploration asset	5,173	-	-
<b>Net cash outflow from operating activities before changes in working capital</b>	<b>(1,989)</b>	<b>(2,330)</b>	<b>(4,056)</b>
(Increase) / decrease in trade and other receivables	(586)	70	(20)
Increase / (decrease) in trade and other payables	1,144	(622)	(705)
Increase in inventories	-	(19)	(70)
<b>Cash outflow from operating activities</b>	<b>(1,431)</b>	<b>(2,901)</b>	<b>(4,851)</b>
Tax payment	(67)	(164)	(276)
<b>Net cash outflow from operating activities</b>	<b>(1,498)</b>	<b>(3,065)</b>	<b>(5,127)</b>
<b>Investing activities</b>			
Finance income	616	708	1,306
Payments in respect of property, plant and equipment	(1)	(15)	(21)
Farm-in proceeds	-	1,731	1,866
Payments in respect of intangible assets	(11,484)	(5,471)	(7,850)
<b>Net cash outflow used in investing activities</b>	<b>(10,869)</b>	<b>(3,047)</b>	<b>(4,699)</b>
<b>Net decrease in cash and cash equivalents in the period</b>	<b>(12,367)</b>	<b>(6,112)</b>	<b>(9,826)</b>
<b>Cash and cash equivalents at start of the period</b>	<b>39,713</b>	<b>53,482</b>	<b>53,482</b>
Effect of foreign exchange rate changes on cash and cash equivalent	1,690	(1,849)	(3,943)
<b>Cash and cash equivalents at end of the period</b>	<b>29,036</b>	<b>45,521</b>	<b>39,713</b>

**Chariot Oil & Gas Limited**  
**Notes to the interim financial statements for the six months ended 30 June 2016**

**1. Accounting policies**

***Basis of preparation***

The interim financial statements have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU.

The interim financial information has been prepared using the accounting policies which were applied in the Group's statutory financial statements for the year ended 31 December 2015. The Group has not adopted IAS 34: Interim Financial Reporting in the preparation of the interim financial statements.

There has been no impact on the Group of any new standards, amendments or interpretations that have become effective in the period. The Group has not early adopted any new standards, amendments or interpretations.

**2. Financial reporting period**

The interim financial information for the period 1 January 2016 to 30 June 2016 is unaudited but was the subject of an independent review carried out by the Company's auditors, BDO LLP. The financial statements also incorporate the unaudited figures for the interim period 1 January 2015 to 30 June 2015 and the audited figures for the year ended 31 December 2015.

The financial information contained in this interim report does not constitute statutory accounts as defined by sections 243-245 of the Companies (Guernsey) Law 2008.

The figures for the year ended 31 December 2015 are not the Group's full statutory accounts for that year. The auditors' report on those accounts was unqualified, did not contain references to matters to which the auditors drew attention by way of emphasis and did not contain a statement under section 263 (3) of the Companies (Guernsey) Law 2008.

**3. Loss per share**

The calculation of the basic earnings per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	<b>Six months ended 30 June 2016</b>	<b>Six months ended 30 June 2015</b>	<b>Year ended 31 December 2015</b>
Loss for the period US\$000	(5,377)	(4,389)	(14,904)
Weighted average number of shares	264,581,961	262,294,113	263,131,736
<b>Loss per share, basic and diluted*</b>	<b>US\$(0.02)</b>	<b>US\$(0.02)</b>	<b>US\$(0.06)</b>

\*Inclusion of the potential ordinary shares would result in a decrease in the loss per share and, as such, is considered to be anti-dilutive. Consequently a separate diluted loss per share has not been presented.

**4. Exploration and appraisal costs**

	<b>Six months</b>	<b>Six months</b>	<b>Year</b>

	ended 30 June 2016	ended 30 June 2015	ended 31 December 2015
	US\$000	US\$000	US\$000
<b>Balance brought forward</b>	<b>108,438</b>	<b>101,251</b>	<b>101,251</b>
Additions	14,280	6,256	8,627
Farm-in proceeds	-	(1,440)	(1,440)
Impairment	(5,173)	-	-
<b>Net book value</b>	<b>117,545</b>	<b>106,067</b>	<b>108,438</b>

As at 30 June 2016 the net book values of the five cost pools are Central Blocks offshore Namibia US\$49.0m (31 December 2015: US\$44.5m), Southern Blocks offshore Namibia US\$50.6m (31 December 2015: US\$50.1m), Mauritania US\$Nil (31 December 2015: US\$4.9m), Morocco US\$4.6m (31 December 2015: US\$4.1m) and Brazil US\$13.3m (31 December 2015: US\$4.8m).

Farm-in proceeds are in relation to the farm-out of 25% of the Rabat Deep Offshore permits I-IV, Morocco, to a wholly owned subsidiary of Woodside Petroleum Limited, which completed on 23 December 2014.

As announced on 16 June 2016 the Company has elected not to enter into the First Renewal Phase of the C-19 licence in Mauritania causing an impairment of US\$5.2m.

## 5. Cash and cash equivalents

As at 30 June 2016 the cash balance of US\$29.0m (31 December 2015: US\$39.7m) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	30 June 2016	30 June 2015	31 December 2015
	US\$000	US\$000	US\$000
Brazilian licences	8,709	9,093	7,216
Mauritanian licence	-	611	611
Moroccan licences	2,750	1,400	2,900
Namibian 2714B licence	300	300	300
	<b>11,759</b>	<b>11,404</b>	<b>11,027</b>

The funds are freely transferrable but alternative collateral would need to be put in place to replace the cash security.

## 6. Share capital

	Allotted, called up and fully paid					
	At 30 June 2016	At 30 June 2016	At 30 June 2015	At 30 June 2015	At 31 December 2015	At 31 December 2015
	Number	US\$000	Number	US\$000	Number	US\$000
Ordinary shares of 1p each	267,247,191	4,857	262,294,113	4,779	264,274,904	4,811

Details of the Ordinary shares issued during the six month period to 30 June 2016 are given in the table below:

Date	Description	Price US\$	No of shares
1 January 2016	Opening Balance		264,274,904
7 June 2016	Issue of shares as part of LTIP	0.34	337,663

7 June 2016	Issue of shares as part of LTIP	0.14	778,475
7 June 2016	Issue of shares as part of LTIP	0.26	695,653
7 June 2016	Issue of shares as part of LTIP	0.33	41,666
7 June 2016	Issue of shares as part of LTIP	1.25	13,334
7 June 2016	Issue of shares as part of LTIP	0.50	35,772
7 June 2016	Issue of shares as part of LTIP	0.13	50,542
7 June 2016	Issue of shares as part of LTIP	0.24	127,876
21 June 2016	Issue of shares as part of LTIP	0.50	114,904
21 June 2016	Issue of shares as part of LTIP	0.33	133,333
21 June 2016	Issue of shares as part of LTIP	0.14	109,375
21 June 2016	Issue of shares as part of LTIP	0.11	186,254
21 June 2016	Issue of shares as part of LTIP	0.18	231,885
21 June 2016	Issue of shares as part of LTIP	0.20	80,000
21 June 2016	Issue of shares as part of LTIP	0.12	35,555
<b>30 June 2016</b>			<b>267,247,191</b>

The ordinary shares have a nominal value of 1p. The share capital has been translated at the historic rate at the date of issue, or, in the case of the LTIP, the date of grant.

This information is provided by RNS  
The company news service from the London Stock Exchange

END

IR VXLFFQKFFBBF