12 September 2018

Chariot Oil & Gas Limited

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

H1 2018 Results

- **Drilling Campaign commenced at zero cost with the drilling of the Rabat Deep 1 dry well, Morocco.**
- **Ocean Rig Poseidon contracted to drill Prospect S (459mmbbls gross mean prospective resource), Namibia in Q4 2018.**
- **Placing and open offer raised net US$16.5 million in Q1 2018.**
- **30 June 2018 cash position robust at US$28.4 million, no debt and all commitments fully funded.**
- **Back-in option for between 10% and 20% secured with Shell in Block C-19, Mauritania.**

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 2018.

Highlights during and post-period:

Accelerating the Portfolio at Low Cost

- Drilling campaign initiated with the Rabat Deep 1 well, Morocco, targeting the JP-1 prospect; safely drilled at zero cost to Chariot to a total depth of 3,180m in Q1 2018.
- No hydrocarbon accumulation was encountered but a thick top seal and tight, fractured carbonates in the primary Middle Jurassic target were penetrated with minor oil and gas shows. Geochemistry indicates migration from a younger source which is likely to be Cretaceous while Upper Jurassic reservoir quality sandstones and effective seal were encountered which supports the key play elements of the prospects in Mohammedia and Kenitra.
- Second well, targeting Prospect S, offshore Namibia, fully funded and due to spud Q4 2018.
- Extensive 2D and 3D seismic campaign processing and interpretation complete across the portfolio with each asset containing material prospects, follow-on potential and large running room.

Robust Financial Positioning

- Placing and open offer raised net US$16.5 million in Q1 2018 – resulting in a cash balance of US$28.4 million as at 30 June 2018 with no debt.
- Cash and liquidity significantly exceed work programme commitments.
- Successful leveraging of industry downturn to negotiate favourable rig rates with the Ocean Rig Poseidon drill ship, contracted to drill Prospect S.
- Annual cash overheads remain tightly controlled, with 2018 on track to be sub US$5 million.

Portfolio Outlook

- Seeking to build and mature the portfolio to deliver further funded drilling inventory - seismic analysis complete in Namibia, Brazil and Morocco.

Partnering

- Aim to partner across the portfolio to release funds for further drilling exploration and new ventures - Datarooms open on priority prospects in Namibia, Brazil and Morocco.

Drilling

- Looking to deliver transformational value through safe, efficient and cost effective drilling operations:

  Namibia:
    - Prospect S, due to be drilled Q4 2018 by the Ocean Rig Poseidon, has 459mmbbls of gross mean prospective resource, with a further future potential upside of 2.2Bnbbls in other prospects within the Central Blocks licence.
    - The well will be operated by Chariot, led by the in-house drilling team.

  Brazil:
    - Integrated seismic interpretation and Competent Persons Report ("CPR") completed with a large four-way dip-closed structure identified and a portfolio consisting of seven prospective reservoir targets individually ranging up to 366mmbbls.
    - A single vertical well located at Prospect 1 can penetrate the TP-1, TP-3 and KP-3 stacked targets which have a summed on-licence gross mean prospective resource of 911mmbbls.

  Morocco:
    - Integration of Rabat Deep 1 well results with proprietary 3D and 2D seismic datasets over the adjacent Kenitra and Mohammedia licences - new portfolio of prospects and leads identified. CPR initiated.
    - Drilling preparations underway for priority clastic targets (464mmbbls and 350mmbbls gross mean prospective resources respectively).

New Ventures

- Back-in option secured over the previously held C-19 block, Mauritania, with Shell offering the Company the option to back-in for a working interest of between 10% to 20% equity at a future date.
- Continue to leverage knowledge of the Atlantic margins to access further new venture opportunities, using in house screening methodology.
- Looking to prioritise the most value accretive opportunities, both from the existing portfolio and new ventures.

Larry Bottomley, CEO of Chariot commented:

"The Chariot team has worked hard to develop and balance the Company's exploration portfolio, focusing on its de-risking strategy and using its technical, commercial and strategic foresight to take advantage of the prevailing business environment. At the same time as maturing the drilling inventory and pursuing our partnering processes on priority prospects, we have focused on progressing our drilling operations to capture the optimum point of the cost cycle. Our participation in the Rabat Deep 1 well in Morocco demonstrated our ability to expose the Company and its shareholders to potentially transformational events at zero cost, and we are pleased to have secured historically low rig rates for the drilling of Prospect S, Namibia, in Q4 2018, following a successful fundraise in March.

Well results from Rabat Deep 1 in Q1 2018 were disappointing, but the information obtained has proven key elements in Chariot's adjacent priority targets, which is anticipated to increase their chance of success and further define prospective resource potential following integrated analysis with proprietary seismic datasets.

The Company is fully funded for all remaining commitments. Datarooms are open across the matured portfolio and we look forward to the drilling of a safe, efficient and cost effective well in Prospect S, which has the potential, in the success case, to realise substantial value and expose shareholders to additional upside from the additional resource in the inventory of prospects within the licence. Concurrently, we will continue refining our broader prospect inventory and remain vigilant to value accretive opportunities."

Investor Conference Call

Investor Conference Call: Management will host a conference call for investors at 12.00 noon (BST) today, 12 September 2018. Dial in details for the call are shown below and participants should request to join the "Chariot Oil & Gas - Investor Call".

Dial in number: +44 (0)330 336 9411

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

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NOTES TO EDITORS

About Chariot

Chariot Oil & Gas Limited is an independent oil and gas exploration group. It holds licences covering two blocks in Namibia, three blocks in Morocco and four blocks in the Barreirinhas Basin offshore Brazil. All of these blocks are currently in the exploration phase.

The ordinary shares of Chariot Oil & Gas Limited are admitted to trading on AIM, a market operated by the London Stock Exchange under the symbol 'CHAR'.

Chief Executive's Review

Chariot's long term strategic focus and financial discipline has enabled it to continue in the development and progress of its assets towards drilling and in particular to capitalise on the opportunities that have arisen from a depressed rig market and the current business environment. With Prospect S fully funded, the Company's cash position is in excess of its current commitments and it continues to strive towards achieving its de-risking and opportunistic strategy throughout the portfolio, with its ultimate goal to realise the transformational potential that it has identified in its prospect inventory.

In Q1 2018 Chariot initiated its drilling programme at zero cost in Morocco, having achieved farm-outs with both Woodside and Eni at the seismic and drilling phases. Whilst the Rabat Deep 1 well results were disappointing, the information gained from the well is invaluable to de-risking the Company's neighbouring acreage, which it acquired having identified prospectivity extending from the Rabat Deep permit. Key play components are now proven for the targets in Kenitra and Mohammedia, reducing the risk on these assets at no cost to the Company. This highlights the benefit of Chariot's partnering strategy, as well as its determination to retain its subsurface evaluation in-house which enables it to capitalise on its extensive regional knowledge. Whilst partnering on assets has been harder during the industry downturn, the successful partnerships that we achieved in this acreage exemplifies the attraction of Chariot's high margin assets and we continue to seek partners across our portfolio in order to progress the investment in the drilling inventory.

However, the Company is also cognisant of the continued cautious industry activity in an improved, but uncertain business environment. Having capitalised on the impact of the economic downturn on oil services the Company acquired and processed vast amounts of seismic data at reduced rates in 2016/2017. With an increase in seismic activity suggesting a return to exploration, the Company deemed it prudent to seize the opportunity of the depressed deep-water drilling rig market whilst this window of opportunity remained open. This spurred the successful placing and open offer of a net US$16.5 million in March 2018, which provided funds to accelerate the drilling campaign and secure competitive rig rates for the operation of a second well. The Ocean Rig Poseidon was contracted in June this year, and is anticipated to arrive on location in Namibia in Q4 2018, with the drilling of Prospect S to commence shortly thereafter.

Prospect S, independently estimated as a gross mean prospective resource of 459mmbbls and a probability of geologic success of 29% by Netherland Sewell Associated Inc., is one of five dip-closed structural traps, totalling 1,758mmbbls gross mean prospective resources, that have been identified in the Upper Cretaceous turbidite clastic play fairway in the Central Blocks, Namibia. The scale of Prospect S, should the well be successful, would be transformational to the Company in itself. But it is the fact that this, and every other asset within Chariot's portfolio, has considerable follow-on potential which makes the upside in Chariot's offering particularly unique. Whilst Chariot's share of the well is fully funded, we continue to seek a partner that would liberate the Company's funds, depending on the outcome of the well, for a subsequent appraisal programme or additional exploration drilling. The drilling operations will be led by David Brecknock, our expert in-house drilling manager whose aim is to deliver a safe, efficient and cost effective well.

Looking beyond near term drilling, the Company has maintained its focus on maturing the rest of the current portfolio and was pleased to complete the analysis on its proprietary seismic data over its Brazilian assets in June 2018 – notably with the independently audited single vertical well located at Prospect 1 which can penetrate the TP-1, TP-3 and KP-3 stacked targets. These targets have a summed on-licence gross mean prospective resource of 911mmbbls. A dataroom is currently open with the aim of securing a partner to share in a drilling campaign on these newly defined targets.

With the shift in the oil and gas economic climate the Company has used its strong financial position and regional expertise to consider non-conventional structures and possible value accretive opportunities that may emerge from this improved business environment. As well as securing a back-in option post-drilling in the Southern Blocks, Namibia, in 2017, in July 2018 the team secured an option from Shell to back-in to its previously held C-19 block, Mauritania. The Company is currently considering the merits of exercising this back-in option in relation to the Company's portfolio balance, risk management and focus on capital discipline. Chariot continues to consider further potential new venture opportunities.

Key to the Company's continued ability to take advantage of low service costs and consider these new ventures is its expert in house team and continued focus on capital discipline. The Company ended the period with a cash balance of US$28.4 million, providing funds for its share of the upcoming well in Namibia, which fulfils all remaining commitments across the portfolio.

Operational Review

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

The Ocean Rig Poseidon has been contracted to drill Prospect S in Q4 2018. Prospect S has been independently audited with a gross mean prospective resource of 459mmbbls and a probability of geologic success of 29%. It is one of five new structural prospects (S, T, U, V and W) identified from the team's extensive evaluation of its 6,100 km^2 3D seismic dataset, with these prospects ranging from 283 - 459mmbbls of gross mean prospective resources. The Prospect S well has the potential to de-risk a portfolio in excess of 2 billion barrels of gross mean prospective resources. Chariot is fully funded for its share of the well and a dataroom remains open with the aim of securing a partner to progress additional drilling.

All petroleum play elements have been proven with adjacent wells encountering excellent quality, oil prone source rocks and 41º API oil. Good quality Upper Cretaceous turbidite reservoir rocks have been encountered with a nearby well having reservoir quality porosity and permeability at similar depths to Chariot's targets.

Brazil
(Operator 100%; no remaining commitments)

The Company has completed its evaluation of its proprietary 775km^2 3D seismic survey and a CPR was carried out by Netherland Sewell and Associates Inc. in Q2 2018. Seven stacked reservoir targets have been identified draped over a 200km^2 4-way dip-closed structure, with individual gross mean prospective resource ranging up to 366mmbbls. A single vertical well located at Prospect 1 can penetrate a summed gross prospective resource of 911mmbbls in the TP-1, TP-3 and KP-3 targets.

Furthermore, the portfolio contains multiple additional structural, combination and stratigraphic closures in reservoir targets in the Tertiary and Upper Cretaceous. The description of this prospect inventory has been completed ahead of anticipated third party drilling in neighbouring acreage which will test the potential of the deeper outboard basin and directly de-risk the Chariot acreage which is located within the same play fairway, but critically in an up-dip setting. A partnering process on these licences has been initiated with a dataroom open.

Morocco
Mohammedia and Kenitra (Operator 75%; ONHYM 25%; no remaining commitments)
Rabat Deep (Eni (Operator) 40%; Woodside 25%; ONHYM 25%; Chariot 10%; no remaining commitments)

In Q1 2018 the Company participated in the drilling of the Rabat Deep 1 well in the Rabat Deep licence at zero cost following farm outs to both Woodside and Eni. The well was safely drilled to a total measured depth of 3,180m to test the JP-1 prospect. The well did not encounter a hydrocarbon accumulation and as a result it was plugged and abandoned. The well targeted Jurassic carbonates that were tight with minor oil and gas shows. Subsequent geochemical analysis of well samples indicates migration from a younger source rock which is likely to be of Cretaceous-age. In addition, Upper Jurassic reservoir quality sandstones and thick and effective seal rocks were penetrated above the primary carbonate target, which supports the key play elements of the prospects in the Mohammedia and Kenitra permits.

The extensive data collected from the well has been used to calibrate the Company's existing seismic data sets to integrate these well results into our understanding of the prospectivity of the surrounding area. The 3D seismic data acquired and processed in 2017 by Chariot in Kenitra and Mohammedia has now been interpreted and additional prospectivity has been identified in the Upper Jurassic clastic play whose components were demonstrated in the Rabat Deep 1 well. A CPR is in preparation on the prospects identified on these data with a partnering process initiated and drilling preparations underway for priority clastic targets.

New Ventures

In recognition of the expertise and knowledge developed by the Chariot technical team and the potential contribution they can make through this expertise, we recently announced that Shell has offered the Company a back-in option for a working interest of between 10% to 20% equity in its previously held C-19 block, Mauritania, subject to the customary regulatory approval by the Mauritanian Ministry of Petroleum, Energy and Mines. The Company is currently considering the merits of exercising this back-in option right and will up-date the market following any decision taken.

This C-19, Mauritania, back-in option, and the Southern Blocks, Namibia, back-in option secured in 2017, provide the Company optionality to further the drilling inventory beyond its current portfolio using legacy knowledge and understanding from its extensive seismic campaigns and evaluation. This knowledge will continue to be used for further new venture opportunities on a case by case basis.

Financial Review

The Group is debt free and had a cash balance of US$28.4 million at 30 June 2018 (US$21.7 million at 30 June 2017; US$15.2 million at 31 December 2017).

The equity fundraise, which completed in Q1 2018, raised an additional net US$16.5 million providing funding for the drilling of Prospect S, due to spud in Q4 2018.

Overhead costs remain tightly controlled with other administrative expenses of US$1.5 million (30 June 2017: US$1.4 million), which is broadly consistent with the comparative period and a significant reduction on historic periods.

In the prior year the relinquishment of the Southern Blocks offshore Namibia resulted in a US$51.3 million non-cash impairment against previously capitalised costs.

Share-based payments charges of US$0.5 million are higher than the US$0.3 million incurred for the six months ended 30 June 2017 due to the grant of deferred share awards.

The finance income and expense net loss of US$0.1 million (30 June 2017: net gain US$0.1 million) comprises interest on cash and foreign exchange movements on non-US$ cash.

Outlook

In the near term, the team is focused on delivering safe, efficient and cost effective drilling operations in Namibia. At the same time it will continue its partnering processes across the portfolio with the aim of securing further funding for drilling and continue to use information from its wells to mature the broader drilling inventory. Datarooms are open on priority targets with drilling preparations underway in Chariot's operated assets in Morocco in preparation of securing a drilling partner.

It will also continue to use its strategic foresight and extensive knowledge of the Atlantic margin to consider additional value-accretive opportunities to secure the longevity of the follow-on potential of the Company's portfolio beyond the current objectives.

Larry Bottomley
Chief Executive Officer

11 September 2018

Independent review report to Chariot Oil & Gas Limited

Introduction

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 2018 which comprises 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 explanatory 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 condensed set of consolidated 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 condensed set of consolidated 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 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 Financial Reporting Council 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 (UK) 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 2018 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

11 September 2018

Chariot Oil & Gas Limited
Consolidated statement of comprehensive income for the six months ended 30 June 2018

	Notes	Six months ended 30 June 2018 US$000 Unaudited	Six months ended 30 June 2017 US$000 Unaudited	Year ended 31 December 2017 US$000 Audited
Share based payments		(507)	(345)	(875)
Impairment of exploration asset	4	-	(51,307)	(51,307)
Other administrative expenses		(1,521)	(1,360)	(3,370)
Total operating expenses		(2,028)	(53,012)	(55,552)
Loss from operations		**(2,028)**	**(53,012)**	**(55,552)**
Finance income		158	92	195
Finance expense		(256)	(46)	(36)
Loss for the period before taxation		**(2,126)**	**(52,966)**	**(55,393)**
Tax expense		(12)	(23)	(25)
Loss for the period and total comprehensive loss for the period attributable to equity owners of the parent		**(2,138)**	**(52,989)**	**(55,418)**
Loss per ordinary share attributable to the equity holders of the parent – basic and diluted	**3**	**US$(0.01)**	**US$(0.20)**	**US$(0.21)**

Chariot Oil & Gas Limited

Consolidated statement of changes in equity for the six months ended 30 June 2018

	Share capital US$000	Share premium US$000	Contributed equity US$000	Share based payment reserve US$000	Foreign exchange reserve US$000	Retained deficit US$000	Total attributable to equity holders of the parent US$000
For the six months ended 30 June 2018 (unaudited)							
As at 1 January 2018	**4,881**	**340,743**	**796**	**4,472**	**(1,241)**	**(261,988)**	**87,663**
Total comprehensive loss for the period	-	-	-	-	-	(2,138)	(2,138)
Issue of capital	1,355	16,258	-	-	-	-	17,613
Issue costs	-	(1,085)	-	-	-	-	(1,085)
Share based payments	-	-	-	507	-	-	507
Transfer of reserves due to issue of share awards	3	26	-	(29)	-	-	-
As at 30 June 2018	**6,239**	**355,942**	**796**	**4,950**	**(1,241)**	**(264,126)**	**102,560**
For the six months ended 30 June 2017 (unaudited)							
As at 1 January 2017	**4,874**	**340,633**	**796**	**3,714**	**(1,241)**	**(206,570)**	**142,206**
Loss and total comprehensive loss for the period	-	-	-	-	-	(52,989)	(52,989)
Share based payments	-	-	-	345	-	-	345
Transfer of reserves due to issue of share awards	2	42	-	(44)	-	-	-
As at 30 June 2017	**4,876**	**340,675**	**796**	**4,015**	**(1,241)**	**(259,559)**	**89,562**

For the year ended 31 December 2017 (audited)							
As at 1 January 2017	**4,874**	**340,633**	**796**	**3,714**	**(1,241)**	**(206,570)**	**142,206**
Loss and total comprehensive loss for the year	-	-	-	-	-	(55,418)	(55,418)
Share based payments	-	-	-	875	-	-	875
Transfer of reserves due to issue of share awards	7	110	-	(117)	-	-	-
As at 31 December 2017	**4,881**	**340,743**	**796**	**4,472**	**(1,241)**	**(261,988)**	**87,663**

Chariot Oil & Gas Limited
Consolidated statement of financial position as at 30 June 2018

	Notes	30 June 2018 US$000 Unaudited	30 June 2017 US$000 Unaudited	31 December 2017 US$000 Audited
Non-current assets				
Exploration and appraisal costs	4	74,383	70,889	72,770
Property, plant and equipment		128	52	133
Total non-current assets		**74,511**	**70,941**	**72,903**
Current assets				
Trade and other receivables		1,076	1,507	1,328
Inventory		645	480	480
Cash and cash equivalents	5	28,369	21,651	15,233
Total current assets		**30,090**	**23,638**	**17,041**
Total assets		**104,601**	**94,579**	**89,944**
Current liabilities				
Trade and other payables		2,041	5,017	2,281
Total current liabilities		**2,041**	**5,017**	**2,281**
Total liabilities		**2,041**	**5,017**	**2,281**
Net assets		**102,560**	**89,562**	**87,663**
Capital and reserves attributable to equity holders of the parent				
Share capital	6	6,239	4,876	4,881
Share premium		355,942	340,675	340,743
Contributed equity		796	796	796
Share based payment reserve		4,950	4,015	4,472
Foreign exchange reserve		(1,241)	(1,241)	(1,241)
Retained deficit		(264,126)	(259,559)	(261,988)
Total equity		**102,560**	**89,562**	**87,663**

Chariot Oil & Gas Limited

Consolidated cash flow statement for the six months ended 30 June 2018

	Six months ended 30 June 2018 US$000 Unaudited	Six months ended 30 June 2017 US$000 Unaudited	Year ended 31 December 2017 US$000 Audited
Operating activities			
Loss for the period before taxation	(2,126)	(52,966)	(55,393)
Adjustments for:			
Finance income	(158)	(92)	(195)
Finance expense	256	46	36
Depreciation	28	11	26
Share based payments	507	345	875
Impairment of exploration asset	-	51,307	51,307
Net cash outflow from operating activities before changes in working capital	**(1,493)**	**(1,349)**	**(3,344)**
Decrease in trade and other receivables	195	621	861
(Decrease) / increase in trade and other payables	(597)	141	183
(Increase) / decrease in inventories	(165)	458	458
Cash outflow from operating activities	**(2,060)**	**(129)**	**(1,842)**
Tax payment	(12)	(30)	(32)
Net cash outflow from operating activities	**(2,072)**	**(159)**	**(1,874)**
Investing activities			
Finance income	155	88	189
Payments in respect of property, plant and equipment	(23)	(28)	(123)
Farm-in proceeds	-	3,000	3,000
Payments in respect of intangible assets	(1,196)	(6,225)	(10,944)
Net cash outflow used in investing activities	**(1,064)**	**(3,165)**	**(7,878)**
Financing activities			
Issue of ordinary share capital	17,613	-	-
Issue costs	(1,085)	-	-
Net cash inflow from financing activities	**16,528**	**-**	**-**
Net increase / (decrease) in cash and cash equivalents in the period	**13,392**	**(3,324)**	**(9,752)**
Cash and cash equivalents at start of the period	**15,233**	**25,021**	**25,021**
Effect of foreign exchange rate changes on cash and cash equivalent	(256)	(46)	(36)
Cash and cash equivalents at end of the period	**28,369**	**21,651**	**15,233**

Notes to the interim financial statements for the six months ended 30 June 2018

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 2017. 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 2018 to 30 June 2018 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 2017 to 30 June 2017 and the audited figures for the year ended 31 December 2017.

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 2017 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.

	Six months ended 30 June 2018	**Six months ended 30 June 2017**	**Year ended 31 December 2017**
Loss for the period US$000	(2,138)	(52,989)	(55,418)
Weighted average number of shares	319,017,446	268,471,719	268,595,921
Loss per share, basic and diluted*	**US$(0.01)**	**US$(0.20)**	**US$(0.21)**

*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

	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
	US$000	US$000	US$000
Balance brought forward	**72,770**	**119,730**	**119,730**
Additions	1,613	5,466	7,347
Farm-in proceeds	-	(3,000)	(3,000)
Impairment	-	(51,307)	(51,307)
Net book value	**74,383**	**70,889**	**72,770**

As at 30 June 2018 the net book values of the three cost pools are Central Blocks offshore Namibia US$51.1 million (31 December 2017: US$50.5 million), Morocco US$8.4 million (31 December 2017: US$7.8 million) and Brazil US$14.9 million (31 December 2017: US$14.5 million).

Farm-in proceeds are in relation to the completion of the farm-out of 40% of the Rabat Deep Offshore permits I-VI, Morocco, to a wholly owned subsidiary of Eni, which was announced on 9 January 2017.

On 29 August 2017 the Company announced that it had elected not to enter into the First Renewal Exploration Period of the Southern Blocks offshore Namibia causing an impairment of US$51.3 million.

As at 12 September 2018 the Company had capital commitments in respect of the Namibian well operations which are expected to occur in Q4 2018. These commitments are fully funded from existing cash balances.

5. Cash and cash equivalents

As at 30 June 2018 the cash balance of US$28.4 million (31 December 2017: US$15.2 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	30 June 2018	30 June 2017	31 December 2017
	US$000	US$000	US$000
Brazilian licences	-	101	-
Moroccan licences	3,550	7,250	7,550
Namibian licence	-	300	-
	3,550	**7,651**	**7,550**

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

In August 2018 bank guarantees totaling US$2.8 million in respect of the Moroccan licences were released.

6. Share capital

	Allotted, called up and fully paid					
	At 30 June 2018	At 30 June 2018	At 30 June 2017	At 30 June 2017	At 31 December 2017	At 31 December 2017
	Number	US$000	Number	US$000	Number	US$000
Ordinary shares of 1p each	365,611,685	6,239	268,522,457	4,876	268,873,197	4,881

Details of the Ordinary shares issued during the six month period to 30 June 2018 are given in the table below:

Date	Description	Price US$	No of shares
1 January 2018	**Opening Balance**		**268,873,197**
28 March 2018	Issue of shares at £0.13 in Placing and Open Offer	0.18	96,494,701
8 June 2018	Issue of share award	0.12	27,500
8 June 2018	Issue of share award	0.20	13,750
8 June 2018	Issue of share award	0.11	11,140
8 June 2018	Issue of share award	0.11	139,042
8 June 2018	Issue of share award	0.20	8,334
8 June 2018	Issue of share award	0.11	44,021
30 June 2018			**365,611,685**

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.