

Lansdowne Oil & Gas plc

Interim results for the six months ended 30 June 2014

19 September 2014

Lansdowne Oil & Gas plc (“Lansdowne” or “the Company”) is pleased to announce its interim results for the six months ended 30 June 2014. Lansdowne is an upstream oil and gas company, focused on exploration and appraisal activities in the North Celtic Sea Basin, off the south coast of Ireland. The Company has targeted the Irish offshore shelf areas close to existing operating infrastructure for exploration, as these provide shallow water (generally less than 100 metres), and relatively low drilling costs. The Directors believe that these factors, combined with favourable fiscal terms, have the potential to deliver high value reserves.

Highlights

- In recognition of potential field extensions to the south and southeast, the Barryroe licence holders were granted a 180 km² extension to SEL 1/11.
- Providence Resources continued farm-out negotiations on behalf of the Barryroe partnership and recently confirmed that the process is “nearing completion”.
- Farm-out discussions are on-going regarding the Company’s exploration prospects.
- Cash balances at 30 June 2014 of £1.11 million (31 December 2013: £2.48 million).
- Loss for the period after tax £0.76 million (2013: loss £0.32 million).
- Loss per share 0.5 pence (2013: loss 0.2 pence).

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Lansdowne Oil and Gas plc

Results for the six months ended 30 June 2014

Chairman's Statement

During 2013, Providence Resources launched a farm-out on behalf of the Barryroe partnership and discussions with potential new partners continued throughout the first half of 2014. We remain optimistic that these will yield a positive outcome and in August this year Providence confirmed that the process is "nearing completion".

Hence, planning is underway for further drilling at Barryroe in 2015 with a view to reaching first oil by 2018. In order to achieve this, Providence envisages a staged development with Phase 1 utilising an FPSO to produce up to 30,000 b/d from the area around the 48/24-10z well. Subsequently, in Phase 2 it is anticipated that a number of fixed platforms will be installed resulting in peak output of up to 100,000 b/d.

Elsewhere in the Celtic Sea, Lansdowne has an extensive acreage portfolio in an under-explored basin and we continue to seek a partner or partners to undertake a drilling campaign with us next year. As is the case with Barryroe, this process has not progressed as fast as we would have liked but negotiations are on-going and we remain optimistic that these will result in a positive outcome.

Financial results

The Group recorded a loss after tax of £0.76 million for the first six months of 2014 versus a loss of £0.32 million in the same period in 2013.

Group operating expenses increased significantly from £0.34 million the first half of 2013 to £0.75 million this year. Much of the uplift was attributable to foreign exchange movements, which created a loss of £0.12 million in 2014 versus a gain of £0.15 million in 2013. In addition, lower levels of activity on our operated licences resulted in a £0.12 million reduction in staff costs being capitalised.

Net finance expense was £0.01 million for the current period against net finance income of £0.02 million for the prior period.

Cash balances decreased from £4.55 million on 30 June 2013 to £1.11 million on 30 June 2014. Over the same period, total equity attributable to the ordinary shareholders of the Group reduced from £25.95 million to £25.02 million.

Outlook

In recent years, Lansdowne has participated in the rejuvenation of the North Celtic Sea Basin, offshore Ireland. It has done so through the acquisition of high quality 3D seismic data and through its participation in successful appraisal drilling at Barryroe. The next phase of activity, which requires a satisfactory conclusion to our farm-out processes, will be a new drilling campaign and we remain focused on delivering this in 2015.

John Greenall

Chairman

Lansdowne Oil & Gas plc**Condensed Consolidated Income Statement
Six months ended 30 June 2014**

	<i>Unaudited</i> 6 months ended 30 June 14	<i>Unaudited</i> 6 months ended 30 June 13	<i>Audited</i> Year ended 31 Dec. 13
	£000s	£000s	£000s
Administration expenses	(746)	(342)	(984)
Operating loss	(746)	(342)	(984)
Finance income	3	18	24
Finance costs	(16)	-	(61)
Loss before tax	(759)	(324)	(1,021)
Income tax credit	-	-	211
Loss for the financial period	(759)	(324)	(810)
Loss per share (pence)			
Basic and diluted	(0.5p)	(0.2p)	(0.6p)

Lansdowne Oil & Gas plc
Consolidated Statement of Comprehensive Income
Six months ended 30 June 2014

	<i>Unaudited</i> 6 months ended 30 June 14 £000s	<i>Unaudited</i> 6 months ended 30 June 13 £000s	<i>Audited</i> Year ended 31 Dec. 13 £000s
Loss for the Period	(759)	(324)	(810)
Currency translation differences	118	(142)	(62)
	_____	_____	_____
Total comprehensive loss for the period	(641)	(466)	(872)
	_____	_____	_____

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Financial Position
As at 30 June 2014

	<i>Unaudited</i> 30 June 14 £000s	<i>Unaudited</i> 30 June 13 £000s	<i>Audited</i> 31 Dec. 13 £000s
Assets			
Non-Current Assets			
Intangible assets	27,582	26,321	27,217
Property, plant and equipment	-	1	1
	<hr/> 27,582	<hr/> 26,322	<hr/> 27,218
Current Assets			
Trade and other receivables	137	57	146
Cash and cash equivalents	1,115	4,547	2,478
	<hr/> 1,252	<hr/> 4,604	<hr/> 2,624
Total Assets	<hr/> 28,834	<hr/> 30,926	<hr/> 29,842
Equity & Liabilities			
Shareholders' Equity			
Share capital	7,027	7,027	7,027
Share premium	25,273	25,273	25,273
Currency translation reserve	174	(24)	56
Share-based payment reserve	860	739	803
Accumulated deficit	(8,317)	(7,070)	(7,556)
Total Equity	<hr/> 25,017	<hr/> 25,945	<hr/> 25,603
Non-Current Liabilities			
Deferred income tax liabilities	1,053	1,263	1052
Provision for liabilities	<hr/> 197	<hr/> -	<hr/> 197
	1,250	1,263	1,249
Current Liabilities			
Trade and other payables	2,567	3,718	2,990
	<hr/> 2,567	<hr/> 3,718	<hr/> 2,990
Total Liabilities	<hr/> 3,817	<hr/> 4,981	<hr/> 4,239
Total Equity and Liabilities	<hr/> 28,834	<hr/> 30,926	<hr/> 29,842

Lansdowne Oil & Gas plc
Consolidated Statement of Cash flows
Six months ended 30 June 2014

	<i>Unaudited</i> 6 months ended	<i>Unaudited</i> 6 months ended	<i>Audited</i> Year ended
	30 June 2014	30 June 2013	31 December
	£000s	£000s	2013
			£000s
Cash flows from operating activities			
Cash from operations	(1,014)	(501)	(1,674)
Net finance expense/(income)	13	(18)	3
	<hr/>	<hr/>	<hr/>
Net cash from operating activities	(1,001)	(519)	(1,671)
Cash flows from investing activities			
Interest received	3	18	24
Acquisition of intangible exploration assets	(365)	(501)	(1,397)
	<hr/>	<hr/>	<hr/>
Net cash from investing activities	(1,363)	(483)	(1,373)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	-	-	-
Repayment of borrowings	-	-	-
Interest paid	-	-	-
Interest received	-	-	-
	<hr/>	<hr/>	<hr/>
Net cash generated from financing activities	-	-	-
Net (decrease)/increase in cash and cash equivalents	(1,363)	(1,002)	3,044
Cash and cash equivalents at start of period	2,478	5,549	5,549
Effect of exchange rate fluctuations on cash held	-	-	(27)
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period	1,115	4,547	2,478
	<hr/>	<hr/>	<hr/>

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Changes in Equity
Six months ended 30 June 2013

	Share Capital	Share Premium	Other Reserves	Retained Losses	Total
	£000s	£000s	£000s	£000s	£000s
Unaudited					
At 1 January 2013	7,027	25,273	118	(6,070)	26,348
Loss for the period	-	-	-	(324)	(324)
Currency translation differences	-	-	(142)	-	(142)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	7,027	25,273	(24)	(6,394)	(25,710)
Share based payment charge	-	-	-	63	63
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2013	7,027	25,273	(24)	(6,331)	25,945
Audited					
At 1 January 2013	7,027	25,273	118	(6,070)	26,348
Loss for the period	-	-	-	(810)	(810)
Currency translation difference	-	-	(62)	-	(62)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	7,027	25,273	56	(6,880)	25,476
Share based payments charge	-	-	-	127	127
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	7,027	25,273	56	(6,753)	25,603
Unaudited					
At 1 January 2014	7,027	25,273	56	(6,753)	25,603
Loss for the period	-	-	-	(759)	(759)
Currency translation differences	-	-	118	-	118
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	7,027	25,273	174	(7,512)	24,962
Share based payment charge	-	-	-	55	55
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2014	7,027	25,273	174	(7,457)	25,017

Notes to the Interim Condensed Financial Statements

1. Basis of Presentation

Accounting Policies

The interim financial information for the six months ended 30 June 2014 has been prepared on the basis of the accounting policies which will be adopted in the 2014 Annual Report and Accounts, and IAS 34, "Interim Financial Reporting".

The interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The results for the six months to 30 June 2014 and the comparative results for the six months to 30 June 2013 are unaudited. The comparative figures for the year ended 31 December 2013 do not constitute the statutory financial statements for that year. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRSs as adopted by the European Union. Those financial statements have been delivered to the Registrar of Companies and include the auditor's report which was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. They did, however, contain an emphasis of matter over the going concern basis of preparation for the Group. Therefore, this interim statement should be read with due regard to the uncertainties described within note 1 of the financial statements for the year ended 31 December 2013.

Going concern

The Directors have prepared the interim financial information on the going concern basis which assumes that the Group and Company and its subsidiaries will continue in operational existence for the foreseeable future.

2. Segmental Analysis

The Group has only one reportable business segment, which is the exploration for oil and gas reserves in Ireland. All operations are classified as continuing.

3. Loss per share

The loss for the period was wholly from continuing operations.

	<i>Unaudited</i> 6 months ended 30 June 14 £000s	<i>Unaudited</i> 6 months ended 30 June 13 £000s	<i>Audited</i> Year ended 31 Dec. 13 £000s
Loss per share for loss from continuing operations attributable to the equity holders of the Company			
- basic and diluted	(0.5p)	(0.2p)	(0.6p)
The calculations were based on the following information:			
Loss attributable to equity holders of the Company	(759)	(324)	(810)
Weighted average number of ordinary shares			
In issue – basic and diluted	140,540,159	140,540,159	128,535,058

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has one class of dilutive potential

ordinary shares – share options. As a loss was recorded for both periods the issue of new shares would have been anti-dilutive.

4. Goodwill and other Intangible Assets

Oil and gas project expenditures, including geological, geophysical and seismic costs are accumulated as intangible assets prior to the determination of commercial reserves. At 30 June 2014, intangible assets totalled £27.6 million (30 June 2013: £24.9 million), all of which relates to Ireland. Movements in the period relate to additional spend on the licence areas of £ 0.4 million. Goodwill at 30 June 2013 and 2012 amounted to £1.4 million.

5. Reconciliation of loss for the period to net cash used in Operating Activities

	<i>Unaudited</i> 6 months ended 30 June 14 £000s	<i>Unaudited</i> 6 months ended 30 June 13 £000s	<i>Audited</i> Year ended 31 Dec 13 £000s
Loss before tax for the period	(759)	(324)	(1,021)
Adjustments for:			
Equity settled share-based payments	57	63	127
Unrealised foreign exchange losses	118	(142)	(62)
Operating cash flows before movements in working capital	<u>(584)</u>	<u>(403)</u>	<u>(956)</u>
Change in trade and other receivables	(9)	44	(45)
Change in trade and other payables	(421)	(142)	(673)
	<u>(1,014)</u>	<u>(501)</u>	<u>(1,674)</u>

6. Related Party Transactions

There were no related party transactions entered into by the group during the period.

7. Copies of the Interim Report

Copies of the interim report can be obtained from the Company Secretary, Lansdowne Oil & Gas plc, 6 Northbrook Road, Ranelagh, Dublin 6 and from the Company's website www.lansdowneoilandgas.com.