

Thursday 26 September 2013

Lansdowne Oil & Gas plc

Interim Results for the Six Months Ended 30 June 2013

Lansdowne Oil & Gas plc, the North Celtic Sea focussed, oil and gas exploration company, is pleased to announce its interim results for the six months to 30 June 2013.

Operational highlights

- **Barryroe Oil Field (Lansdowne 20%)**
 - Competent Persons Report (“CPR”) resource audit completed on Basal Wealden oil reservoir by Netherland Sewell & Associates Inc (“NSAI”)
 - Financial Update by NSAI on Barryroe CPR completed on Basal Wealden oil reservoir
 - Total gross audited on-block 2C recoverable resources of 346 mmboe

- **Exploration developments**
 - Seismic inversion fluid anomalies identified as gas bearing Greensand reservoirs in the Midleton and SE Rosscarbery prospects
 - Additional fluid anomaly identified as possible gas-bearing Upper Wealden reservoirs in Main Rosscarbery prospect
 - Conceptual Development Study of Midleton gas prospect and Amergin oil prospect completed demonstrating commercially robust projects

- **Outlook**
 - Farm-out discussions on Amergin, Midleton and Rosscarbery prospects and environmental impact assessment screening studies underway for drilling in 2014
 - Providence led farm-out process is underway for Barryroe

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Chairman's Statement

The first half of 2013 saw the completion of a new Competent Persons Report on the Barryroe Oil Field, which was carried out by Netherland Sewell and Associates. Their work endorsed the previous estimates calculated by the Operator, Providence Resources, and indicates that Barryroe has the potential to be a truly significant oil field, with gross 2C resources close to 350 MMBOE.

Barryroe lies in shallow water depth of only around 100m off the south coast of Ireland and the additional economic modelling work carried out by Netherland Sewell yielded attractive valuation figures, with a read through value for Lansdowne's 20% interest estimated to be of the order of \$675 million.

Clearly work remains to be done to move the project forward to approach such a valuation and we expect to progress this through the farm-out process that Providence is undertaking, on behalf of the Barryroe partnership.

On our exploration prospects the additional seismic inversion work that we completed earlier this year, yielded promising results. We believe this has further de-risked the prospects and has been helpful in our ongoing discussions with potential farminees.

The focus for the remainder of the year will be to conclude farm-out agreements on both Barryroe and our exploration portfolio.

In June this year, Chris Moar stepped down from the Lansdowne Board, having served as Finance Director since the company's flotation in April 2006 and on behalf of the Board and shareholders we thank him for his sterling efforts over this period.

This week we have announced the appointment of Jeffery Auld to the Lansdowne Board as an independent non-executive director and I am delighted to welcome him. His extensive experience in upstream oil and gas commercial activities will augment the skill set of the Board and we look forward to working with him in the next phase of the Company's development.

Financial results

The Group recorded a loss after tax of £324,000 for the first six months of 2013 compared to a loss of £621,000 for the first six months of 2012.

Group operating expenses for the first half of 2013 were £342,000 compared to operating expenses of £574,000 for the first six months of 2012.

Net finance income was £18,000 for the current period against net finance expense of £47,000 for the prior period.

Cash balances at 30 June 2013 were £4.547 million (30 June 2012: £719,000).

Total equity attributable to the ordinary shareholders of the Group has increased from £17.3 million as at 30 June 2012 to £25.9 million as at 30 June 2013.

Outlook

With 20% of an increasingly valuable oil field in Barryroe, and further de-risked, shallow water, near-infrastructure oil and gas exploration prospects, your Board looks to the future with confidence.

John Greenall
Chairman

Lansdowne Oil & Gas plc
Condensed Consolidated Income Statement
Six months ended 30 June 2013

	<i>Unaudited</i> 6 months ended 30 June 13	<i>Unaudited</i> 6 months ended 30 June 12	<i>Audited</i> Year ended 31 December 12
	£000s	£000s	£000s
Administration expenses	(342)	(574)	(991)
Disposal of intangible assets	-	-	(29)
Operating loss	(342)	(547)	(1,020)
Finance income	18	3	13
Finance costs	-	(50)	(140)
Loss before tax	(324)	(621)	(1,147)
Income tax credit	-	-	53
Loss for the financial period	(324)	(621)	(1,094)
Loss per share (pence)			
Basic and diluted	(0.2p)	(0.5p)	(0.9p)

Lansdowne Oil & Gas plc
Consolidated Statement of Comprehensive Income
Six months ended 30 June 2013

	<i>Unaudited</i> 6 months ended 30 June 13 £000s	<i>Unaudited</i> 6 months ended 30 June 12 £000s	<i>Audited</i> Year ended 31 December 12 £000s
Loss for the Period	(324)	(621)	(1,094)
Currency translation differences	(142)	6	53
	_____	_____	_____
Total comprehensive loss for the period	(466)	(615)	(1,041)
	_____	_____	_____

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Financial Position
As at 30 June 2013

	<i>Unaudited</i> 30 June 13 £000s	<i>Unaudited</i> 30 June 12 £000s	<i>Audited</i> 31 December 12 £000s
Assets			
Non-Current Assets			
Intangible assets	24,900	21,436	24,399
Property, plant and equipment	1	1	1
Goodwill	1,421	1,421	1,421
	<hr/> 26,322	<hr/> 22,858	<hr/> 25,821
Current Assets			
Trade and other receivables	57	2,198	101
Cash and cash equivalents	4,547	719	5,549
	<hr/> 4,604	<hr/> 2,917	<hr/> 5,650
Total Assets	<hr/> 30,926 <hr/>	<hr/> 25,775 <hr/>	<hr/> 31,471 <hr/>
Equity & Liabilities			
Shareholders' Equity			
Share capital	7,027	6,118	7,027
Share premium	25,273	16,736	25,273
Other reserves	(24)	59	118
Accumulated deficit	(6,331)	(5,662)	(6,070)
Total Equity	<hr/> 25,945	<hr/> 17,251	<hr/> 26,348
Non-Current Liabilities			
Deferred income tax liabilities	1,263	1,316	1,263
	<hr/> 1,263	<hr/> 1,316	<hr/> 1,263
Current Liabilities			
Trade and other payables	3,718	7,035	3,860
Borrowings	-	173	-
	<hr/> 3,718	<hr/> 7,208	<hr/> 3,860
Total Liabilities	<hr/> 4,981	<hr/> 8,524	<hr/> 5,123
Total Equity and Liabilities	<hr/> 30,926 <hr/>	<hr/> 25,775 <hr/>	<hr/> 31,471 <hr/>

Lansdowne Oil & Gas plc
Consolidated Statement of Cash flows
Six months ended 30 June 2013

	<i>Unaudited</i> 6 months ended 30 June 2013 £000s	<i>Unaudited</i> 6 months ended 30 June 2012 £000s	<i>Audited</i> Year ended 31 December 2012 £000s
Cash flows from operating activities			
Cash generated by (used in) operations	(501)	(435)	1,111
Net finance expense/(income)	(18)	47	127
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Net cash generated by (used in) operating activities	(519)	(388)	1,238
Cash flows from investing activities			
Interest received	18	3	13
Acquisition of intangible exploration assets	(501)	(2,111)	(8,063)
Acquisition of property, plant and equipment	-	-	-
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Net cash used in investing activities	(483)	(2,108)	(8,050)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	-	-	9,446
Repayment of borrowings	-	-	(173)
Interest paid	-	-	(114)
Interest received	-	-	-
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Net cash generated from financing activities	-	-	9,159
Net (decrease)/increase in cash and cash equivalents	(1,002)	(2,496)	2,347
Cash and cash equivalents at start of period	5,549	3,228	3,228
Effect of exchange rate fluctuations on cash held	-	(13)	(26)
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Cash and cash equivalents at end of period	4,547	719	5,549
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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 2012	6,118	16,736	65	(5,076)	17,843
Loss for the period	-	-	-	(621)	(621)
Currency translation differences	-	-	(6)	-	(6)
Total comprehensive income for the period	-	-	(6)	(621)	(627)
Share based payment charge	-	-	-	35	35
At 30 June 2012	6,118	16,736	59	(5,662)	17,251
Audited					
At 1 January 2012	6,118	16,736	65	(5,076)	17,843
Loss for the period	-	-	-	(1,094)	(1,094)
Currency translation difference	-	-	53	-	53
Total comprehensive income for the period	6,118	16,736	118	(6,170)	16,802
Issue of new shares – gross consideration	909	9,091	-	-	10,000
Cost of share issues	-	(554)	-	-	(554)
Share based payments charge	-	-	-	100	100
At 31 December 2012	7,027	25,273	118	(6,070)	26,348
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)
Total comprehensive income for the period	-	-	(142)	(324)	(466)
Share based payment charge	-	-	-	63	63
At 30 June 2013	7,027	25,273	(24)	(6,331)	25,945

Notes to the Interim Condensed Financial Statements

1. Basis of Presentation

Accounting Policies

The interim financial information for the six months ended 30 June 2012 has been prepared on the basis of the accounting policies which will be adopted in the 2013 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 2013 and the comparative results for the six months to 30 June 2012 are unaudited. The comparative figures for the year ended 31 December 2012 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 2012, 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 2012.

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 13 £000s	<i>Unaudited</i> 6 months ended 30 June 12 £000s	<i>Audited</i> Year ended 31 Dec 12 £000s
Loss per share for loss from continuing operations attributable to the equity holders of the Company			
- basic and diluted	(0.2p)	(0.5p)	(0.9p)
The calculations were based on the following information.			
Loss attributable to equity holders of the Company	(324)	(621)	(1,094)
Weighted average number of ordinary shares			
In issue – basic and diluted	140,540,159	122,358,159	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.

Notes to the Interim Condensed Financial Statements (continued)

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 2013, intangible assets totalled £24.9 million (30 June 2012: £21.5 million), all of which relates to Ireland. Movements in the period relate to additional spend on the licence areas of £ 0.5 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 13 £000s	<i>Unaudited</i> 6 months ended 30 June 12 £000s	<i>Audited</i> Year ended 31 Dec 12 £000s
Loss before tax for the period	(324)	(621)	(1,147)
Adjustments for:			
Equity settled share-based payment transactions	63	35	100
Unrealised foreign exchange losses	(142)	87	53
Disposal of intangible	-	-	29
Operating cash flows before movements in working capital	(403)	(499)	(965)
Change in trade and other receivables	44	(14)	(65)
Change in trade and other payables	(142)	78	2,141
	(501)	(435)	1,111

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.