

Lansdowne Oil & Gas plc

Interim results for the six months ended 30 June 2015

24 September 2015

Lansdowne Oil & Gas plc (“Lansdowne” or “the Company”) is pleased to announce its interim results for the six months ended 30 June 2015. 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.

First half highlights

- In the first quarter of 2015, the Company secured an additional £2.9 million of funding by way of a placing and loan note.
- In April 2015, the Company launched a strategic review to ensure that all opportunities for maximising value for shareholders are considered.
- Throughout the first half of the year, Providence Resources continued farm-out negotiations on behalf of the Barryroe partnership (Lansdowne 20%).
- Cash balances at 30 June 2015 of £0.55 million (31 December 2014:£0.28 million).
- Loss for the period after tax £0.55 million (2014: loss £0.76 million).
- Loss per share 0.4 pence (2014: loss 0.5 pence).

Subsequent Events

- The Midleton exploration well, located on Standard Exploration Licence (SEL) 4/07 in which the Company holds a 20% interest, spudded in July and completed in August. The well targeted gas in the shallow Lower Cretaceous Greensand and Upper Wealden reservoirs. Through a farm-out arrangement, it was funded 100% by PSE Kinsale Energy Limited (KEL), which operated the well. Gas was discovered in the Greensand but the volumes were considered sub-commercial and the well was plugged and abandoned.
- A 50% relinquishment of the areas held in SEL 5/07 (Rosscarbery) and SEL 5/08 (Amergin) was made on 31 July 2015. The main prospects were retained and efforts continue to farm-out for drilling.

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Interim results for the six months ended 30 June 2015

Chairman's Statement

The collapse of the oil price in the fourth quarter of 2014 and its continued weakness has had a dramatic impact on the fortunes of small oil and gas exploration and production companies such as Lansdowne.

Our strategy has been to acquire exploration and appraisal properties, add value through additional technical work including the acquisition of 3D seismic data, and then to farm-out for a carry through the drilling phase. Unfortunately, the final part of this process has become extremely challenging as larger companies have reacted to the deterioration in the external environment by cutting their discretionary spending across the board.

Nevertheless, towards the end of last year we successfully negotiated the farm-out of SEL 4/07 to PSE Kinsale Energy Limited (KEL), which acquired an 80% interest in the Licence in return for agreeing to pay the cost of an exploration well. Designated 49/11-3, this was drilled on the Midleton gas prospect and was completed in August of this year.

Good quality reservoirs were found in the Greensand and Upper Wealden formations of the Lower Cretaceous and gas was present in the former. Unfortunately, the volumes were not considered commercial and the well was plugged and abandoned, which was very disappointing. Post well evaluation studies are continuing and the results will be integrated to assess the impact on the other gas prospects in the portfolio.

Regarding Barryroe, Providence Resources is continuing the farm-out process on behalf of the partnership. Lansdowne has a 20% stake in this oilfield that has the potential to be a truly significant asset. Indeed, its gross 2C resources have been independently estimated at 339 MMBOE.

Barryroe lies only some 70km offshore, in shallow water (c.100m) and the reservoir is at relatively shallow depth (c.2,300m), resulting in projected low operational costs. This combined with the attractive fiscal regime, results in robust economics, even at the current depressed oil price. An independent assessment of the field undertaken in 2013, when rig rates and other costs were much higher than is the case currently, estimated combined capital and operating costs of a little over US\$30/bbl.

The Amergin oil prospect is located in SEL 5/08, where Lansdowne holds a 100% interest. It contains multiple reservoir targets, some of which have been found to be oil bearing in the nearby Barryroe field. If successful, we believe Amergin also would be a commercially attractive project at the current oil price and there is the potential for considerable synergy with activity at Barryroe.

In terms of financing, in March we secured access to £2.9 million of additional funding in order to satisfy our share of the settlement of the costs associated with the litigation with Transocean and to provide ongoing working capital requirements. Of this, £1.04 million came from a placing of new shares, while £1.86 million came from issuing a senior secured loan note to our largest shareholder, LC Capital Master Fund.

In April we announced a decision to launch a strategic review, to ensure that we explore all avenues for maximising value for shareholders. This process is continuing.

Financial results

The Group recorded a loss after tax of £0.55 million for the first six months of 2015 compared to a loss of £0.76 million for the first six months of 2014.

Group operating expenses for the first half of 2014 were £0.51 million compared to operating expenses of £0.75 million for the first six months of 2014.

Net finance expense was £0.04 million for the current period against net finance expense of £0.02 million for the prior period.

Cash balances at 30 June 2015 were £0.55 million (31 December 2014: £0.28 million).

Total equity attributable to the ordinary shareholders of the Group has decreased from £25.02 million as at 30 June 2014 to £24.87 million as at 30 June 2015.

Outlook

Whilst market conditions remain extremely challenging, we have faith in our portfolio of assets in the shallow water Celtic Sea and continue to believe it can deliver good returns even in the current low oil price environment. I would like to thank all our shareholders for their continued support, but would especially like to place on record our thanks to LC Capital Master Fund.

We will continue with our current strategy and with our strategic review process, with a view to exploring all options for maximising value for shareholders.

John Greenall

Chairman

Lansdowne Oil & Gas plc**Condensed Consolidated Income Statement
Six months ended 30 June 2015**

| | <i>Unaudited</i> 6 months ended 30 June 15 | <i>Unaudited</i> 6 months ended 30 June 14 | <i>Audited</i> Year ended 31 Dec. 14 |
|--------------------------------------|--|--|--|
| | £000s | £000s | £000s |
| Administration expenses | (514) | (746) | (1,302) |
| Operating loss | (514) | (746) | (1,302) |
| Finance income | - | 3 | 3 |
| Finance costs | (36) | (16) | (21) |
| Loss before tax | (550) | (759) | (1,320) |
| Income tax credit | - | - | - |
| Loss for the financial period | (550) | (759) | (1,320) |
| Loss per share (pence) | | | |
| Basic and diluted | (0.4p) | (0.5p) | (0.9p) |

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Comprehensive Income
Six months ended 30 June 2015

| | <i>Unaudited</i> 6 months ended 30 June 15 £000s | <i>Unaudited</i> 6 months ended 30 June 14 £000s | <i>Audited</i> Year ended 31 Dec. 14 £000s |
|--|--|--|--|
| Loss for the Period | (550) | (759) | (1,320) |
| Currency translation differences | - | 118 | 3 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive loss for the period | (550) | (641) | (1,317) |
| | <hr/> | <hr/> | <hr/> |

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Financial Position
As at 30 June 2015

| | <i>Unaudited</i> 30 June 15 £000s | <i>Unaudited</i> 30 June 14 £000s | <i>Audited</i> 31 Dec. 14 £000s |
|-------------------------------------|--|--|--|
| Assets | | | |
| Non-Current Assets | | | |
| Intangible assets | 27,485 | 27,582 | 27,151 |
| | <hr/> 27,485 | <hr/> 27,582 | <hr/> 27,151 |
| Current Assets | | | |
| Trade and other receivables | 197 | 137 | 197 |
| Cash and cash equivalents | 546 | 1,115 | 276 |
| | <hr/> 743 | <hr/> 1,252 | <hr/> 473 |
| Total Assets | <hr/> 28,228 <hr/> | <hr/> 28,834 <hr/> | <hr/> 27,624 <hr/> |
| Equity & Liabilities | | | |
| Shareholders' Equity | | | |
| Share capital | 8,065 | 7,027 | 7,027 |
| Share premium | 25,247 | 25,273 | 25,273 |
| Currency translation reserve | 59 | 174 | 59 |
| Share-based payment reserve | 923 | 860 | 894 |
| Accumulated deficit | (9,425) | (8,317) | (8,876) |
| Total Equity | <hr/> 24,869 | <hr/> 25,017 | <hr/> 24,377 |
| Non-Current Liabilities | | | |
| Deferred income tax liabilities | 1,053 | 1,053 | 1,052 |
| Provision for liabilities | 227 | 197 | 217 |
| | <hr/> 1,280 | <hr/> 1,250 | <hr/> 1,269 |
| Current Liabilities | | | |
| Trade and other payables | 2,079 | 2,567 | 1,978 |
| | <hr/> 2,079 | <hr/> 2,567 | <hr/> 1,978 |
| Total Liabilities | <hr/> 3,359 | <hr/> 3,817 | <hr/> 3,247 |
| Total Equity and Liabilities | <hr/> 28,228 <hr/> | <hr/> 28,834 <hr/> | <hr/> 27,624 <hr/> |

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Cash flows
Six months ended 30 June 2015

| | <i>Unaudited</i> 6 months ended 30 June 2015 £000s | <i>Unaudited</i> 6 months ended 30 June 2014 £000s | <i>Audited</i> Year ended 31 Dec. 2014 £000s |
|---|--|--|--|
| Cash flows from operating activities | | | |
| Cash from operations | (419) | (1,014) | (2,268) |
| Net finance expense | 11 | 13 | (2) |
| | <hr/> | <hr/> | <hr/> |
| Net cash from operating activities | (408) | (1,001) | (2,270) |
| Cash flows from investing activities | | | |
| Interest received | - | 3 | 3 |
| Acquisition of intangible exploration assets, net | (334) | (365) | 66 |
| | <hr/> | <hr/> | <hr/> |
| Net cash from investing activities | (742) | (1,363) | (2,201) |
| Cash flows from financing activities | | | |
| Proceeds from issuance of ordinary shares | 1,012 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Net cash generated from financing activities | 1,012 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Net increase/(decrease) in cash and cash equivalents | 270 | (1,363) | (2,201) |
| Cash and cash equivalents at start of period | 276 | 2,478 | 2,478 |
| Effect of exchange rate fluctuations on cash held | - | - | (1) |
| | <hr/> | <hr/> | <hr/> |
| Cash and cash equivalents at end of period | 546 | 1,115 | 276 |
| | <hr/> | <hr/> | <hr/> |

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Changes in Equity
Six months ended 30 June 2015

| | Share Capital | Share Premium | Other Reserves | Retained Losses | Total |
|---|--------------------------|--------------------------|---------------------------|----------------------------|---------------|
| | £000s | £000s | £000s | £000s | £000s |
| 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 |
| Audited | | | | | |
| At 1 January 2014 | 7,027 | 25,273 | 56 | (6,753) | 25,603 |
| Loss for the period | - | - | - | (1,320) | (1,320) |
| Currency translation difference | - | - | 3 | - | 3 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | 7,027 | 25,273 | 59 | (8,073) | 24,286 |
| Share based payments charge | - | - | - | 91 | 91 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2014 | 7,027 | 25,273 | 59 | (7,982) | 24,377 |
| Unaudited | | | | | |
| At 1 January 2015 | 7,027 | 25,273 | 59 | (7,982) | 24,377 |
| Loss for the period | - | - | - | (550) | (550) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | 7,027 | 25,273 | 59 | (8,532) | 23,827 |
| Issue of new shares | 1,038 | (26) | - | - | 1,012 |
| Share based payment charge | - | - | - | 30 | 30 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 June 2015 | 8,065 | 25,247 | 59 | (8,502) | 24,869 |

Notes to the Interim Condensed Financial Statements

1. Basis of Presentation

Accounting Policies

The interim financial information for the six months ended 30 June 2015 has been prepared on the basis of the accounting policies which were 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 2015 and the comparative results for the six months to 30 June 2014 are unaudited. The comparative amounts for the year ended 31 December 2014 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 2014, 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.

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. The Directors have carried out a detailed assessment of the Group's current and prospective exploration activity, its relationship with the holder of its loan note and cash flow projections and it is on this basis that the directors consider it appropriate to prepare this interim financial information on a going concern basis. This interim financial information does not include any adjustment that would result from the going concern basis of preparation being inappropriate.

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 15 £000s | <i>Unaudited</i> 6 months ended 30 June 14 £000s | <i>Audited</i> Year ended 31 Dec. 14 £000s |
|--|--|--|--|
| Loss per share for loss from continuing operations attributable to the equity holders of the Company | | | |
| - basic and diluted | (0.4p) | (0.5p) | (0.9p) |
| The calculations were based on the following information: | | | |
| Loss attributable to equity holders of the Company | (550) | (759) | (1,320) |
| Weighted average number of ordinary shares | | | |
| In issue – basic and diluted | 153,582,061 | 140,540,159 | 140,540,159 |

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. 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 2015, intangible assets totalled £27.5 million (30 June 2014: £27.6 million), all of which relates to Ireland. Movements in the period relate to additional spend on the licence areas of £ 0.3 million.

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

| | <i>Unaudited</i> 6 months ended 30 June 15 £000s | <i>Unaudited</i> 6 months ended 30 June 14 £000s | <i>Audited</i> Year ended 31 Dec 14 £000s |
|--|--|--|---|
| Loss before tax for the period | (550) | (759) | (1,320) |
| Adjustments for: | | | |
| Equity settled share-based payments | 30 | 57 | 91 |
| Unrealised foreign exchange losses | - | 118 | 5 |
| | ----- | ----- | ----- |
| Operating cash flows before movements in working capital | (520) | (584) | (1,224) |
| | ----- | ----- | ----- |
| Change in trade and other receivables | - | (9) | (51) |
| Change in trade and other payables | 101 | (421) | (993) |
| | ----- | ----- | ----- |
| | (419) | (1,014) | (2,268) |
| | ----- | ----- | ----- |

6. Related Party Transactions

On 10th March 2015, the Company issued a loan note to the value of £1,862,318 to LC Capital Master Fund Limited, a significant shareholder of the Company. There were no other related party transactions entered into by the Group during the period.

7. Copies of the Interim Report

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