Pennpetro Energy PLC - PPP Results for the 6 months ended 30 June 2019
Released 12:35 30-Sep-2019

RNS Number : 1745O
Pennpetro Energy PLC
30 September 2019

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Pennpetro Energy plc

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

Results for the 6 months ended 30 June 2019 (Unaudited)

Pennpetro Energy, an independent oil and gas company focusing on production in the Gonzales Oil Field in Texas, USA, announces today its financial results for the six months ended 30 June 2019.

Financial summary

- The financial results for the six months ended 30 June 2019 show a loss after tax of $929,000 (at H1 2018: loss $457,000).
- The Group's borrowings, which were non-current, at 30 June 2019 were $5,996,000 (at H1 2018: $6,021,000).
- The Group expects to generate revenue in H2 2019 from its first horizontal well and intends to use its cash balances and cashflow from oil production to fund additional development of its lease interests in Gonzales.
- During the period the Company raised net proceeds of $945k through the issue of 1,433,702 new shares.

Operational summary

- Secured increased ownership of City of Gonzales license, with working interest increasing from 75% to 100%. This translates into an uplifted interest of 4,000 MBBL and 2,000 MMcf of gas from 2,000 MBBL of oil and 1,000 MMcF of gas, of proven petroleum reserves.
- The Group's undiscounted Net Revenue Interest increases to $124,000,000 (at H1 2018: $62,000,000) as a result of the additional acquired interests, based upon most recent CPR prepared in December 2017 out to 2031 at an average price of oil of $55, non-escalated, per barrel West Texas Intermediate.
- Following disruption in pumping activities during the period, due to issues in the City of Gonzales electrical grid, operations have now resumed, leading towards commencement of production from COG#1-H.

Outlook

In line with our strategy, all our operations are in highly active plays where the economics of drilling and producing remain attractive at sub-US$30 oil prices. This highlights the success we have had in taking advantage of the prior industry downturn to accelerate the positioning of our South Texas leasehold position in favour of the Austin Chalk and Eagleford Shale. We can now add the unexpected bonus of the Buda Limestone formation reserves which we can now confidently state will increase our overall proved oil reserves, albeit we await a formal new CPR to be prepared in this regard. Pennpetro's priorities for the remainder of 2019 are focused on project delivery:

- Commence full production of the COG#1-H well
- Acquire additional land leases and carry out a 3-D seismic survey

Chairman's Statement

I am pleased to advise that, following an interruption to pumping activities, the Company has resumed steady progress towards bringing the first well COG#1-H into production. During this reporting period the Company also issued 1,433,702 new shares, raising net proceeds of $945k.

During the period under review the Company encountered electricity delivery issues due to redevelopment work required for the City of Gonzales electrical grid system within the area of the production facility, and electrical surges which caused damage to our jet pumping unit, together with various ancillary units, rendering them inoperable. All ancillary units have been replaced and a new unit incorporating anti-surge protection technologies has been successfully installed with pumping being resumed.

The testing of this infrastructure is ongoing. Test oil will be delivered into the tanks, with salt water being disposed by a daily tanker pickup from site.

Ongoing negotiations with the pumping unit supplier, Tech Flo, are ongoing with regard to the technical liability issues pursuant to this issue, as it is the Company's position that the systems supplied were inadequate to account for higher electrical currents.

The Operator, pursuant to the State of Texas petroleum reporting requirements, has formally advised the Texas Railroad Commission that the COG#1-H is completed as a producer initially to the Buda formation, with initial Buda oil having been delivered into the tanks. As we near decisions regarding the timing of the drilling of the second horizontal well, which will be located in the northern section of the leases, the Company took the decision to enable its subsidiary Nobel Petroleum USA, Inc., ("Nobel") to take over as Operator. Filings have been delivered to the Texas Railroad Commission. Current Operator management will continue to be utilised alongside the Nobel management team. In conjunction with this development, as reported recently, we have increased our interest in the City of Gonzales oilfield leases to 100% from our previous 75% holding.

Testing of the Austin Chalk horizontal formation which delivered oil over the shakers during drilling, will be initiated once a full longer-term test of the lower located Buda reservoir has been finalised. The Buda limestone reserves have never been included in our evaluation of our reserves, nor in the Competent Persons Report (CPR) that accompanied the prospectus. We are aware that the Buda has been and is currently a successful target for vertical completions in the Gonzales area. Generally, the Buda limestone formation has an EUR of between 140,000 - 175,000 bbls, and thus as now having been proved as a flowing production formation within the Company's acreage can be included within the Company's future technical evaluations and further vertical infill drilling locations on reduced spacing parameters.

As previously reported, Nobel Petroleum UK Limited, the Company's wholly owned subsidiary, through its US-based subsidiaries owns a portfolio of leasehold petroleum mineral interests centred on the City of Gonzales, in southeast Texas, comprising the undeveloped central portion of the Gonzales Oil Field. It is intended that this legacy structure be simplified by the transfer of the US subsidiaries direct to the Company and the removal of Nobel UK from ownership. We have written to HMRC advising that we have requested Companies House to remove Nobel UK from registry. The petroleum assets include approximately 1,000 leases covering 2,500 acres of land and contain proven oil condensates.

We have once again increased our holding in the oil asset and whereas at IPO we owned 50% of the total reserves we now own 100%. The CPR prepared in advance of the acquisition estimated that, as a result of the acquisition, Pennpetro Group would now have a Working Interest in the portfolio of petroleum mineral leases of 4,000 MBBL of oil and 2,000 MMcf of gas.

The period under review has been challenging due to a period of cessation of our pumping activities but one of real progress in our increased ownership and the Company is now well placed to capitalise on the recovery in sentiment within the US and global petroleum sectors.

We remain confident in our petroleum assets and our US operations, and the Board will continue to build upon what has been a promising and busy period for the Group.

Keith Edelman
Non-Executive Director, Chairman
30 September 2019

Executive Director's Statement

Operations
As reported in the prior period, we had begun completion operations which entailed the construction of a new tankerage farm and the Operator was pump testing to remove accumulated water from the reservoirs, while at the same time recovering oil as the oil-cut progressively increased. As reported in the Chairman's Statement, we encountered issues with the pumping unit and certain ancillary installations due to factors out of our control, namely problems associated with the electrical delivery to the production site from the City of Gonzales electricity grid which necessitated the City to overhaul its grid systems. This further resulted in the destabilization of the electrical engineering to the production facility which rendered the pumping units and certain ancillary units inoperable due to overload failures. We are in negotiations with Tech Flo, from whom the jet pumping unit was purchased, as we consider the facility supplied should not have been compromised with differing electrical inputs.

We have addressed this electrical hiatus with new built componentry incorporating anti-surge protection to both the jet pumping units and ancillary equipment. Pumping is ongoing with the removal of the built-up reservoir water during the period of pumping inactivity with a view to returning to oil deliveries and sales.

As prior reported the Operator filed formal completion certificates with the Texas Railroad Commission confirming that the COG#1-H well is being completed as an initial producer, albeit full testing is ongoing. In addition, the Operator had also filed the requisite Pooling and Divisional Orders necessary. In the context of looking forward to the drilling of the second horizontal well which is designated as COG#3H and will be located within the northern leases section, in conjunction with our increasing our ownership of the oilfield leases from 75% to 100%, we are taking steps to assume the Operatorship of the project. We have filed with the Texas Railroad Commission and wait formal transfer. Our management team will also have alongside the current Operator's management team to expand and assist our ongoing activities.

Our land management team has continued to acquire contiguous acreage. We also agreed with the City of Gonzales administration (formal council meeting approvals) to reposition certain of our petroleum leases by amending certain boundaries and at the same time we have been able to extend our drilling timelines for those particular leases by another initial twelve months. This re-programming has enabled the revisions that will be necessary for the 3-D seismic operations that we are in current discussions over. Permitting for this well is ongoing and is expected to be completed by the year's end.

Within this oil price environment, Pennpetro has emerged from the downturn as a low-cost, asset-backed US onshore oil and gas business. Subject to oil prices, market conditions and sentiment, I remain confident that we can deliver our strategy by acquiring leases in active and producing US onshore plays and proving up the reserves by drilling new wells. In furtherance of this agenda, our subsidiary Pennpetro USA Corp., with a mandate to seek out additional conventional producing petroleum assets only, which possess the ability to be upscaled with the adoption of unconventional horizontal drilling techniques, is currently examining a number of Texas opportunities in the Gulf Coast Region, where unconventional technology can be applied to conventional reservoirs in established fields which have been de-risked by prior vertical drilling. This will be fully reported on when progressed.

This platform is one that has, at its core, the active management of all types of risk associated with the oil and gas industry. Broadly speaking development risk is managed by focusing on proven formations; execution risk is managed by participating in drilling activities alongside established industry partners and operators. Additionally, our operations offset those of major industry players, such as EOG Resources, Inc., a $67.5 billion goliath; individual well risk is managed by building a diversified portfolio of leases and wells and limiting the amount of interest the Group holds in any one well; meanwhile oil price risk is managed by focusing on areas that require relatively low oil prices to breakeven and ensuring our cost base, capital commitments and financing costs remain low, manageable and flexible.

As prior reported, EOG Resources has now also turned its full attention to the Austin Chalk formations both in Texas and its continuance into Louisiana with recent acquisitions by Conoco-Phillips, Marathon Oil Corp, alongside the recent formation of Magnolia Oil by TPG Pace Energy and EnerVest to specifically focus on the Austin Chalk, as the Austin Chalk has a higher oil content then Permian drilled completions. Gonzales County sits right in the middle of the Austin Chalk trend.

Pennpetro's Board currently comprises four Directors, who collectively have extensive international experience and a proven track record in investment, corporate finance and business acquisition, operation and development and are well placed to implement the Company's business objectives and strategy.

We believe the Company's Board and US management team is strong in terms of having the right mix of industry expertise covering all key areas of the business, including lease acquisition, geology, engineering, and finance.

Oil Price
West Texas Intermediate ("WTI") has continued its strength throughout the period under review averaging US$57.31 /bbl. The value of WTI as at 18 September 2019 was US$58.25/bbl (source: Bloomberg Markets). We will receive a premium of approximately US$5/bbl for Gonzales crude oil deliveries.

Outlook
In line with our strategy, all our operations are in highly active plays where the economics of drilling and producing remain attractive at sub-US$30 oil prices. This highlights the success we have had in taking advantage of the prior industry downturn to accelerate the positioning of our South Texas leasehold position in favour of the Austin Chalk and Eagleford Shale. To this we can now add the unexpected bonus of the Buda Limestone formation reserves which we can now confidently state will increase our overall proved oil reserves, albeit we await a formal new CPR to be prepared in this regard.

With a strategic foothold in these prolific, low-cost plays established and a proven management team in place, we will look to further expand our position in this US onshore sweet spot, as and when management considers it most advantageous to do so.

For 2019, our main City of Gonzales objectives are to commence full production of the COG#1-H well, acquire additional land leases and basis a review of legacy 2D seismic to carry out a 3-D seismic survey of our land interests. I look forward to providing updates on our progress in the year ahead.

Finally, I would like to thank the Board, management team and all our advisers for their hard work over the period under review and also to our shareholders for their continued support.

Thomas Evans
Executive Director
30 September 2019

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NOTES TO EDITORS

Pennpetro Energy is an independent oil and gas company focusing on production in the Gonzales Oil Field in Texas, USA. Shares in the company were admitted to the Official List of the London Stock Exchange by way of a Standard Listing on 21 December 2017.

Further information on the Company can be found at www.pennpetroenergy.co.uk

IMPORTANT NOTICE - FORWARD-LOOKING STATEMENTS

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and involve predictions. Forward-looking statements may and often do differ materially from actual results. In addition, even if results or developments are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. Any forward-looking statements reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth or strategies and the industry in which it operates. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance.

Strategic report and business review

To the members of Pennpetro Energy plc

Cautionary statement

This business review has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed.

The business review contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

This business review has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Pennpetro Energy plc and its subsidiary undertakings when viewed as a whole.

The Group's business model

Pennpetro's intention is to become an active independent North American development production company.

The key elements of Pennpetro's strategy for achieving this goal are:

- The creation of value through production development success and operational strengths, commencing with the Group's COGLA assets.
- Focusing on commercialisation and monetisation of oil and gas discoveries, and potentially utilising cash flows from initial projects to fund the acquisition or development of future projects.
- Active asset portfolio management.
- Positioning the Company as a competent partner of choice to maximise opportunities and value throughout the E&P lifecycle.

Summary results for the 2019 interim financial period

A summary of the key financial results is set out in the table below:

	Half year ended 30 Jun 2019 $'000	Full year ended 31 Dec 2018 $'000	Half year ended 30 Jun 2018 $'000
Revenue	**-**	-	-
Operating expenses	**(645)**	(595)	(321)
Operating loss	**(645)**	(595)	(321)
Finance income	-	273	-
Finance costs	**(284)**	(467)	(136)
Loss before tax	**(929)**	(789)	(457)
Taxation	**-**	-	-
Loss for the period	**(929)**	(789)	(457)

Interest
The net interest cost for the Group for the period was $0.3m (2018: $0.1m).

Loss before tax
Loss before tax for the period was $0.9m (2018: $0.5m).

Taxation
Taxation charge was $nil for the period (2018: $nil).

Earnings per share
Basic and diluted earnings per share for the period were 1.29c loss (2018: 0.64c loss).

Financial position
The Group's balance sheet as at 30 June 2019 can be summarised as set out in the table below:

	Assets	Liabilities	Net assets
	£'m	£'m	£'m
	$'000	$'000	$'000
Non-current assets	5,499	-	5,499
Current assets and liabilities	814	(142)	672
Loans and provisions	-	(5,996)	(5,996)
Total as at 30 June 2019	**6,313**	**(6,138)**	**175**
Total as at 31 December 2018	5,977	(6,002)	(25)
Total as at 30 June 2018	6,385	(6,128)	257

Cash flow
Net cash inflow for 2019 was $nil (2018: $nil).

Consolidated Income Statement

For the six months ended 30 June 2019

Continuing operations	Notes	**Unaudited Half year ended 30 Jun 2019 $'000**	Audited Full year ended 31 Dec 2018 $'000	Unaudited Half year ended 30 Jun 2018 $'000
Revenue		**-**	-	-
Cost of sales		**-**	-	-
Gross profit		**-**	-	-
Operating expenses		**(645)**	(595)	(321)
Operating loss		**(645)**	(595)	(321)
Finance income		**-**	273	-
Finance expense		**(284)**	(467)	(136)
Loss before income tax		**(929)**	(789)	(457)
Taxation		**-**	-	-
Loss for the period attributable to the owners of the Company		**(929)**	(789)	(457)
Loss per share attributable to owners of the Company				
From continuing operations:				
Basic & diluted (cents per share)	**2**	**(1.29)**	(1.11)	(0.64)

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2019

	Unaudited Half year ended 30 Jun 2019 $'000	Audited Full year ended 31 Dec 2018 $'000	Unaudited Half year ended 30 Jun 2018 $'000
Loss for the period	**(929)**	(789)	(457)
Other comprehensive income			
Items that may be subsequently reclassified as profit or loss			
Currency translation differences	**4**	(27)	(16)
Total comprehensive loss for the year attributable to the owners of the Company	**(925)**	(816)	(473)

Consolidated Balance Sheet

As at 30 June 2019

	Notes	**Unaudited 30 Jun 2019 $'000**	Audited 31 Dec 2018 $'000	Unaudited 30 Jun 2018 $'000
Non-current assets				
Property, plant & equipment	**3**	**1,335**	1,280	1,267
Intangible assets	**4**	**4,163**	4,007	2,597
Total non-current assets		**5,498**	5,287	3,864

Current assets				
Trade and other receivables		**345**	524	1,703
Short term investments		**470**	166	796
Cash		**-**	-	22
Total current assets		**815**	690	2,521
Total assets		**6,313**	5,977	6,385
Equity and liabilities				
Share capital	**5**	**927**	908	908
Share premium	**5**	**1,551**	625	625
Convertible reserve		**6,022**	6,022	6,022
Reorganisation reserve		**(6,578)**	(6,578)	(6,578)
Foreign exchange reserve		**(3)**	(7)	4
Share based payment reserve		**240**	60	-
Retained losses		**(1,984)**	(1,055)	(724)
Total equity		**175**	(25)	257
Non-current liabilities				
Borrowings		**5,996**	5,863	6,021
Total non-current liabilities		**5,996**	5,863	6,021
Current liabilities				
Trade and other payables		**142**	139	107
Total current liabilities		**142**	139	107
Total Equity and Liabilities		**6,313**	5,977	6,385

Consolidated statement of changes in equity

For the six months ended 30 June 2019

	Share capital	Share premium	Convertible reserve	Share based payment reserve	Re-organisation reserve	Foreign exchange reserve	Retained losses	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2018	**908**	**625**	**6,022**	**-**	**(6,578)**	**20**	**(266)**	**731**
Loss for the period	-	-	-	-	-	-	(457)	(457)
Currency translation differences	-	-	-	-	-	(16)	-	(16)
Total comprehensive loss for the period	-	-	-	-	-	(16)	(457)	(473)
Balance at 30 June 2018	**908**	**625**	**6,022**	**-**	**(6,578)**	**4**	**(723)**	**258**
Loss for the period	-	-	-	-	-	-	(332)	(332)
Currency translation differences	-	-	-	-	-	(11)	-	(11)
Total comprehensive loss for the period	-	-	-	-	-	(11)	(332)	(343)
Share based payments	-	-	-	60	-	-	-	60
Balance at 31 December 2018	**908**	**625**	**6,022**	**60**	**(6,578)**	**(7)**	**(1,055)**	**(25)**
Loss for the period	-	-	-	-	-	-	(929)	(929)
Currency translation differences	-	-	-	-	-	4	-	4
Total comprehensive loss for the period	-	-	-	-	-	4	(929)	(925)
Shares issued	19	1,002	-	-	-	-	-	1,021
Cost of shares issued	-	(76)	-	-	-	-	-	(76)
Share based payments	-	-	-	180	-	-	-	180
Balance at 30 June 2019	**927**	**1,551**	**6,022**	**240**	**(6,578)**	**(3)**	**(1,984)**	**175**

Consolidated Cash Flow Statement

For the six months ended 30 June 2019

	Unaudited Half year ended 30 Jun 2019 $'000	Audited Full year ended 31 Dec 2018 $'000	Unaudited Half year ended 30 Jun 2018 $'000
Cash flows from operating activities			
Loss for the period	**(929)**	(789)	(457)
Adjustment for:			
Depreciation	**1**	3	-
Amortisation	**45**	100	55
Unrealised foreign exchange	**4**	(183)	-

Finance income	**-**	(273)	-
Finance costs	**284**	467	136
Share based payment charge	**180**	60	-
(Increase)/decrease in receivables	**(13)**	(169)	(219)
Increase/(decrease) in payables	**(47)**	(71)	(103)
Interest paid	**(102)**	(196)	(136)
Net cash used in operating activities	**(577)**	(1,051)	(724)
Cash flows from investing activities			
Purchase of development expenditure	**(8)**	(750)	(481)
Purchase of property, plant & equipment	**(56)**	(56)	-
Short-term investments	**(304)**	1,906	1,277
Net cash used in investing activities	**(368)**	1,100	796
Cash flows from financing activities			
Shares issued	**1,021**	-	-
Cost of shares issued	**(76)**	-	-
(Repayment)/proceeds from borrowings	**-**	(71)	(72)
Net cash generated from financing activities	**945**	(71)	(72)
Net increase/(decrease) in cash and cash equivalents	**-**	(22)	-
Cash and cash equivalents brought forward	**-**	22	22
Exchange gain on cash and cash equivalents	**-**	-	-
Cash and cash equivalents carried forward	**-**	-	22

General Information

The Consolidated Financial Statements of Pennpetro Energy plc ("the Company") consists of the following companies (together "the Group"):

Pennpetro Energy plc	UK registered company
Nobel Petroleum UK Limited	UK registered company
Nobel Petroleum USA Inc	US registered company
Nobel Petroleum LLC	US registered company
Pennpetro USA Corp	US registered company

The Company is a public limited company which is listed on the standard market of the London Stock Exchange and incorporated and domiciled in England and Wales. Its registered office address is First Floor, 88 Whitfield Street, London, W1T 4EZ.

The Group is an oil and gas developer with assets in Texas, United States. The Company's US-based subsidiaries own a portfolio of leasehold petroleum mineral interests centred on the City of Gonzalez, in southeast Texas, comprising the undeveloped central portion of the Gonzales Oil Field.

Responsibility statement

Each of the Directors of the Company confirms that to the best of his or her knowledge:

a. the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";

b. the half year report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);

c. the half year report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein.

Summary of significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

The changes in accounting policy set out below will also be reflected in the Group's consolidated financial statements for the year ended 31 December 2019, if any.

1. New standards, interpretations and amendments effective from 1 January 2019

There are no material adjustments required to be made to the Group's consolidated financial statements as a result of the application of IFRS 16 from 1 January 2019.

2. Earnings per share

Basic and diluted

Earnings per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

	Half year ended 30 Jun 2019	(Audited) Full year ended 31 Dec 2018	Half year ended 30 Jun 2018
Loss attributable to equity holders of the Company ($'000)	**(929)**	(789)	(457)
Weighted average number of shares in issue (Number '000)	**71,977**	70,900	70,900
Earnings per share (cents)	**(1.29)**	(1.11)	(0.64)

3. Property, plant and equipment

<u>**Cost**</u>	**Petroleum (Mineral Leases) $**	**Office Equipment $**	**Total $**
At 1 January 2018	**1,219,215**	**11,683**	**1,230,898**
Additions	40,702	-	40,702
Currency translation	-	(327)	(327)
At 30 June 2018	**1,259,917**	**11,356**	**1,271,273**
Additions	15,680	-	15,680
Currency translation	-	(213)	(213)
At 31 December 2018	**1,275,597**	**11,143**	**1,286,740**

Additions	56,406	-	56,406
Currency translation	-	25	25
At 30 June 2019	**1,332,003**	**11,168**	**1,343,171**
<u>**Accumulated Depreciation and Impairment**</u>			
At 1 January 2018	**-**	**4,251**	**4,251**
Charge for the period	-	1,460	1,460
Currency translation	-	(201)	(201)
At 30 June 2018	**-**	**5,510**	**5,510**
Charge for the period	-	1,447	1,447
Currency translation	-	(131)	(131)
At 31 December 2018	**-**	**6,826**	**6,826**
Charge for the period	-	1,411	1,411
Currency translation	-	(37)	(37)
At 30 June 2019	**-**	**8,200**	**8,200**
<u>**Net Book Amount**</u>			
At 1 January 2018	**1,219,215**	**7,432**	**1,226,647**
At 30 June 2018	**1,259,917**	**5,846**	**1,265,763**
At 31 December 2018	**1,275,597**	**4,317**	**1,279,914**
At 30 June 2019	**1,332,003**	**2,968**	**1,334,971**

4. Intangible assets

	Drilling costs $	Loan arrangement fees $	Total $
<u>**Cost**</u>			
At 1 January 2018	**1,908,751**	**270,339**	**2,179,090**
Additions	477,920	-	477,920
At 30 June 2018	**2,386,671**	**270,339**	**2,657,010**
Additions	272,553	-	272,553
Add: Reclassification from other receivables	1,183,017	-	1,183,017
At 31 December 2018	**3,842,241**	**270,339**	**4,112,580**
Additions	8,430	-	8,430
Add: Reclassification from other receivables	192,085	-	192,085
At 30 June 2019	**4,042,756**	**270,339**	**4,313,095**
<u>**Amortisation**</u>			
At 1 January 2018	**-**	**5,557**	**5,557**
Amortisation charge for the year	-	54,518	54,518
At 30 June 2018	**-**	**60,075**	**60,075**
Amortisation charge for the year	-	45,057	45,057
At 31 December 2018	**-**	**105,132**	**105,132**
Amortisation charge for the year	-	45,056	45,056
At 30 June 2019	**-**	**150,188**	**150,188**
<u>**Net Book Amount**</u>			
At 1 January 2018	**1,908,751**	**264,782**	**2,173,533**
At 30 June 2018	**2,386,671**	**210,264**	**2,596,935**
At 31 December 2018	**3,842,241**	**165,207**	**4,007,448**
At 30 June 2019	**4,042,756**	**120,151**	**4,162,907**

5. Share capital and premium

	Ordinary shares			Share premium		
Group	**Number of shares**	**Value £**	**Value $**	**Value £**	**Value $**	**Total $**
At 1 January 2018	**70,900,000**	**709,000**	**908,404**	**472,400**	**625,504**	**1,533,908**
At 30 June 2018	**70,900,000**	**709,000**	**908,404**	**472,400**	**625,504**	**1,533,908**
At 31 December 2018	**70,900,000**	**709,000**	**908,404**	**472,400**	**625,504**	**1,533,908**

Share issue	1,433,702	14,337	18,558	774,198	1,002,136	1,020,694
Issue costs	-	-	-	(59,100)	(76,500)	(76,500)
At 30 June 2019	**72,333,702**	**723,337**	**926,962**	**1,187,498**	**1,551,140**	**2,478,102**

END

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