Lansdowne Oil & Gas plc

Results for the year ended 31 December 2010

Lansdowne Oil & Gas, ("Lansdowne" or "the Company") is pleased to announce its preliminary results, for the year ended 31 December 2010. Lansdowne is an upstream oil and gas company, focused on exploration and appraisal opportunities offshore Ireland. The Group has targeted the Irish offshore shelf areas for exploration as these provide shallow water (generally less than 100 metres), and relatively low drilling costs and these factors, combined with favourable fiscal terms, have the potential to deliver high value reserves.

Highlights

- Amergin, Midleton and Rosscarbery exploration licences first phase extended until 31 July 2012.
- Competent Persons Report updated in February 2011.
- 10% interest in Helvick discovered oilfield acquired in asset swap deal.
- 3D seismic surveys contracted over Barryroe, Rosscarbery, Amergin and Midleton with planned start date mid June 2011.

Financial

- Loss for year £1.1 million (2009: loss £1.2 million).
- Placing of new shares completed in March 2011 raising £4.5 million net of expenses.
- Shareholder loans totalling £1.9 million converted to equity in March 2011 reducing borrowings to £0.2 million.

Contacts:

Lansdowne Oil & Gas plc		
Steve Boldy	Chief Executive Officer	+353 1 637 3934
Chris Moar	Finance Director	+44 1224 748480
finnCap		
Sarah Wharry	Corporate Finance	+44 20 7220 0567

Lansdowne Oil & Gas plc

Results for the year ended 31 December 2010

Chairman's Statement

Due to the difficult stock market conditions that prevailed in 2008 and much of 2009, we sought an extension from the Irish authorities in respect of our three Standard Exploration Licences covering Midleton, Rosscarbery and Amergin. These extensions were granted and the first phase of the licences has been extended until 31 July 2012, by which time an exploration well is required to be drilled on each licence.

Thus we have secured a balanced portfolio of oil discoveries, low and moderate risk gas prospects near existing infrastructure, and moderate risk oil prospects.

In 2010 RPS Energy ("RPS") were engaged to update our Competent Persons Report ("CPR") which was completed in February 2011 and included the Helvick oilfield in which the Group now has a 10 per cent interest following an asset swap with Providence Resources.

RPS supports the conclusion of the previous work by Providence that, although small, commercial production could be achieved at current oil prices, which could lead to first oil within two years of the project being sanctioned.

In December 2010 the Group appointed finnCap as NOMAD and Broker and in March 2011 the Group announced the placing of new ordinary shares to raise £5 million. In addition our two largest shareholders converted £1.9 million of loans into equity. Following the Placing and Loan Conversion in March 2011, the Group had cash balances of £4.7 million and loans were reduced to £250,000.

Financial Results

The Group recorded an after tax loss of £1.1 million for the year ended 31 December 2010 compared to a loss of £1.2 million for the year ended 31 December 2009.

Group operating expenses for the year were £1.0 million, compared to £1.0 million in 2009.

Net finance expense for the year was £137,000 (2009 : £165,000). There was no amortisation of warrant costs included in the current year (2009: £81,000). Interest expense on loans from shareholders amounted to £134,000 (2009: £84,000).

Total equity attributable to the shareholders of the Group has increased from £5.7 million as at 31 December 2009 to £6.1 million as at 31 December 2010.

Cash balances of £26,000 (2009: £26,000) were held at the end of the financial year.

Outlook

Following the extension of our licences we began the process of re-launching the Group which led to the successful placing in the first quarter of 2011. These new funds will be used primarily to acquire 3D seismic data over our discoveries and prospects in the Celtic Sea. The programme will start in June with the Providence Resources operated survey over the Barryroe oil discovery, and following interpretation of the data, the partners plan to move quickly to drill an appraisal well, which could commence later in 2011.

Also in the summer of 2011 Lansdowne will operate a programme to acquire 3D seismic data over the Amergin, Rosscarbery and Midleton prospects, covering an aggregate area of approximately 300 sq km. The Group will use the data to refine potential drilling locations and to mount a farm-out campaign with a view to attracting industry partners to drill wells on each of Midleton, Rosscarbery and Amergin in 2012, as required under the work programmes. It should be mentioned that the acquired data is expected to substantially reduce the risk normally associated with the drilling of exploration wells.

I would once again like to thank our major shareholders, LC Capital and SeaEnergy PLC, for their support through some very difficult times. Through the programme we are planning this year and next, there is a real chance of creating substantial value for all shareholders.

John Greenall
Chairman

Lansdowne Oil & Gas plc
Consolidated Balance Sheet
As at 31 December 2010

	Note	**2010 Audited £'000**	2009 Audited £'000
Assets			
Non- current assets			
Goodwill and other intangible assets	4	**10,194**	9,369
Property, plant & equipment		**-**	4
		10,194	9,643
Current Assets			
Trade and other receivables		**22**	11
Cash at bank and on hand		**26**	26
		48	37
Liabilities			
Current Liabilities			
Trade and other payables		**(1,365)**	(786)
Borrowings	5	**(1,391)**	(1,770)
Net Current Liabilities		**(2,708)**	(2,519)
Non-Current Liabilities			
Deferred income tax liabilities		**(1,421)**	(1,421)
Net Assets		**6,065**	5,703
Shareholders' Equity			
Share capital	6	**2,685**	1,756
Share premium	6	**7,672**	7,153
Other reserves		**70**	85
Accumulated deficit		**(4,362)**	(3,291)
Total Equity		**6,065**	5,703

Lansdowne Oil & Gas plc
Consolidated Income Statement
For the year ended 31 December 2010

	Note	2010 Audited £'000	2009 Audited £'000
Administrative expenses		**(1,002)**	(1,023)
Operating loss		**(1,002)**	(1,023)
Finance costs		**(137)**	(165)
Loss before income tax		**(1,139)**	(1,188)
Income tax expense		**-**	(2)
Loss for the year		**(1,139)**	(1,190)
Loss per share			
Basic and diluted	3	**(2.9p)**	(3.4)p

All activities relate to continuing operations.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2010

	2010 £'000	2009 £'000
Loss for the year	**(1,139)**	(1,190)
Currency translation differences	**(15)**	(46)
Total comprehensive loss for the year	**(1,154)**	(1,236)

Lansdowne Oil & Gas plc
Consolidated Statement of Changes in Equity
For the years ended 31 December

	Share capital £'000	Shares to be issued £'000	Share premium £'000	Other reserves £'000	Accumulated deficit £'000	Total equity £'000
Year ended 31 December 2009						
At 1 January 2009	**1,636**	**1,150**	**6,123**	**131**	**(2,125)**	**6,915**
Loss for the financial year	-	-	-	-	(1,190)	(1,190)
Currency translation difference	-	-	-	(46)	-	(46)
Total comprehensive income for the year	-	-	-	(46)	(1,190)	(1,236)
Share based payments charge	-	-	-	-	24	24
Issues of new shares – gross consideration (note 6)	120	(1,150)	1,030	-	-	-
At 31 December 2009	1,756	-	7,153	85	(3,291)	5,703
Year ended 31 December 2010						
At 1 January 2010	**1,756**	**-**	**7,153**	**85**	**(3,291)**	**5,703**
Loss for the financial year	-	-	-	-	(1,139)	(1,139)
Currency translation difference	-	-	-	(15)	-	(15)
Total comprehensive income for the year	-	-	-	(15)	(1,139)	(1,154)
Share based payments charge	-	-	-	-	68	68
Issues of new shares – gross consideration (note 6)	176	-	35	-	-	211
Issue of new shares – debt conversion (note 6)	753	-	484	-	-	1,237
At 31 December 2010	**2,685**	**-**	**7,672**	**70**	**(4,362)**	**6,065**

Lansdowne Oil & Gas plc
Consolidated Statement of Cash Flows
For the year ended 31 December 2010

	Note	2010 Audited £'000	2009 Audited £'000
Cash flows from operating activities			
Cash used in operations	7	**(112)**	(839)
Income taxes paid		**-**	(2)
Net finance expense		**137**	165
Net cash used in operating activities		**25**	(676)
Cash flows from investing activities			
Acquisition of intangible exploration assets		**(606)**	(102)
Net cash used in investing activities		**(606)**	(102)
Cash flows from financing activities			
Proceeds of issue of share capital		**211**	-
Proceeds from borrowings (note 5)		**963**	770
Repayment of borrowings		**(500)**	-
Interest paid		**(90)**	-
Net cash generated by financing activities		**584**	770
Effect of exchange rate fluctuations on cash held		**(3)**	-
Net decrease in cash and cash equivalents		**-**	(8)
Opening cash and cash equivalents		**26**	34
Closing cash and cash equivalents		**26**	26

Lansdowne Oil & Gas plc
Notes to the Financial Information
For the year ended 31 December 2010

1. Basis of Presentation

The consolidated financial information is presented in Sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated. It has been prepared on the basis of the IFRS accounting policies to be adopted in the financial statements for the year ended 31 December 2010.

The Directors have prepared the results 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 Group and Company have been successful in raising funds of £4.5 million (net) through a Placing of 20,000,000 new ordinary shares and at the same time converting shareholder loans to equity, in order to progress the development of the exploration licences held, and to meet commitments and overheads for planned activities over the next 12 months. This additional funding will allow the Company to conduct further appraisal and 3D seismic surveys in order to enhance the drilling prospects and value of the interests held.

The Directors consider that 3D seismic surveys over the prospects in the licences held will assist the development on the Company's portfolio of licences by reducing the risk currently assigned to these prospects and assisting in identifying drilling targets. Following the completion of the planned 3D seismic studies, the Company intends to progress the development of the licences held and will need to raise additional funding at this time. The Directors believe that the Company has a number of available funding options; the Company could carry out a farm out campaign with a view to attracting industry partners to drill wells, or the Company has the option of issuing new equity. The Company retains the financial support of its main shareholders, if required, in order to allow the Company time to evaluate these future requirements in the best interest of the Company and its shareholders.

The Directors believe that at the date of these financial statements there exists a material uncertainty regarding whether or not the Company will be able to raise the required future funding to progress the development of the licences held, which may cast significant doubt upon the ability of the Company to continue as a going concern and therefore to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making inquiries and considering all the relevant factors, the Directors are of the opinion that the results from the 3D seismic surveys will be positive and that longer term funding options are achievable based on recent discussions with a number of interested parties.

If for any reason the uncertainty described above cannot be successfully resolved, the going concern basis may no longer be appropriate. The financial information does not include any adjustments that would result if the Group and Company was unable to continue as a going concern.

Although this material uncertainty exists, the Directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future and have therefore concluded that it is appropriate to adopt the going concern basis in preparing this financial information.

The figures and financial information for the year ended 2010 do not constitute the statutory financial statements for that year under section 435 of the Companies Act 2006. The auditors report will contain reference to the significant uncertainties disclosed above. The 2009 comparatives are derived from the statutory accounts for 2009 which have been delivered to the Registrar of Companies and received an unqualified audit report containing an emphasis of matter paragraph relating to going concern and did not contain a statement under the Companies Act 2006, s498(2) or (3).

2. Segmental Reporting

The Directors believe that the Group has only one reportable operating segment, which is the exploration of oil and gas reserves in Ireland. All operations are classified as continuing. The Chief Operating Decision Maker monitors the operating results of its operating segments separately for the purpose of making decisions and performance assessment. Segment performance is evaluated based on operating profit or loss and is reviewed consistently with operating profit or loss in the consolidated financial statements.

3. Loss per Ordinary Share

The loss for the year was wholly from continuing operations.

	Year ended 31 December (pence per share)	
	2010	2009
Loss per share arising from continuing operations attributable to the equity holders of the Company		
- basic and diluted	**(2.9)**	(3.4)

The calculations were based on the following information.

Loss attributable to equity holders of the Company	**(£1,139,000)**	(£1,190,000)
Weighted average number of shares in issue - basic and diluted	**38,930,669**	34,883,718

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 two classes of dilutive potential ordinary shares; share options and share warrants. As a loss was incurred for both 2010 and 2009 the issue of new shares would have been antidilutive.

4. Goodwill and Other Intangible Assets

	Exploration / appraisal assets	Goodwill	Total
	£'000	**£'000**	**£'000**
Year ended 31 December 2009			
Opening net book amount at 1 January 2009	8,244	1,421	9,665
Additions	102	-	102
Exchange differences	(128)	-	(128)
Closing net book amount at 31 December 2009	8,218	1,421	9,639
Year ended 31 December 2009			
Opening net book amount at 1 January 2010	**8,218**	**1,421**	**9,639**
Additions	**606**	**-**	**606**
Exchange differences	**(51)**	**-**	**(51)**
Closing net book amount at 31 December 2010	**8,773**	**1,421**	**10,194**

Oil and gas project expenditures, including geological, geophysical and seismic costs, are accumulated as intangible fixed assets prior to the determination of commercial reserves. At 31 December 2010, intangible fixed assets totalled £8.8 million (2009 £8.2 million), all of which relate to Ireland.

An annual impairment review is carried out in respect of goodwill. The Group commissioned an update of its Competent Persons Report which was completed in Febraury 2011. The Directors are satisfied that no impairment adjustment is required.

5. Borrowings

	2010	2009
	£'000	£'000
Loans from shareholders	**1,391**	1,770
	1,391	1,770

2007 Loan facilities

The Company drew down a total of £1 million during 2008 under Loan agreements dated 29 November 2007 between the Company and K Anderson, and LC Capital Master Fund Limited.

All amounts due to LC Capital Master Fund Limited under this facility were settled by the issue of shares on 16 December 2010.

All amounts due to K Anderson under this facility were settled in cash on 22 December 2010.

2009 Loan facilities
In February 2009 the Company entered into a new loan agreement with one of its principal shareholders, LC Capital Master Fund, Ltd ("LC"), pursuant to which LC agreed to provide Lansdowne with a loan facility of up to £0.5 million (the "2009 Facility").

By way of security for this Facility the Company granted legal charges in favour of LC over the Company's shareholdings in its wholly owned subsidiaries, Lansdowne Celtic Sea Limited and Milesian Oil & Gas Limited.

On 16 December 2010 the Company allotted and issued new ordinary shares in the share capital of the Company to LC at a subscription price of 9 pence per share to satisfy the repayment of £111,715 due by the Company pursuant to the 2009 loan facility.

LC also agreed to extend the facility to an amount of £1.6 million to provide for repayment of the K Anderson 2007 facility and to provide additional short term working capital.

On 7 March 2011 the Company conditionally agreed to convert part of the amount outstanding in respect of the facility by the issue of 5,131,909 new Ordinary Shares. The conversion became unconditional following a General Meeting of shareholders on 23 March 2011.

The remainder of the facility, amounting to £248,396 at that date including accrued interest, will remain outstanding and LC Capital has agreed to extend the date of maturity of the LC Capital Loan to 8 July 2011.

2010 Convertible Loan Facility

No amounts remained outstanding under this facility at the balance sheet date (see note 6).

6. Share capital and premium

	Number of shares (thousands)	Ordinary Shares £'000	Shares to be issued £'000	Share premium £'000	Total £'000
At 1 January 2009	32,711	1,636	1,150	6,123	8,909
3 February 2009	2,396	120	(1,150)	1,030	-
At 31 December 2009	35,107	1,756	-	7,153	8,909
23 April 2010	3,520	176	-	35	211
6 October 2010	3,980	199	-	40	239
16 December 2010	11,088	554	-	444	998
At 31 December 2010	**53,695**	**2,685**	**-**	**7,672**	**10,357**

The Shareholders passed a Special Resolution on 23 July 2010 amending the Articles of Association by deleting the amount of Authorised Share Capital and removing the maximum number of Ordinary Shares that may be allotted. All Ordinary Shares have a fair value of 5pence per share. All issued shares are fully paid.

On 23 April 2010 Thomas Anderson, Non-Executive Director and shareholder, agreed to: (i) subscribe £211,200 for 3,520,000 new ordinary shares in the Company ("Ordinary Shares") at a price of 6 pence per Ordinary Share (the "Initial Subscription"); and (ii) enter into a convertible loan agreement with the Company ("Convertible Loan Agreement") for £238,800. Under the terms of the Convertible Loan Agreement, the full amount of the facility (£238,800) was capable of conversion (together with all accrued interest) into Ordinary Shares at the price of 6 pence per Ordinary Share (the "Conversion Right"), subject to the Company receiving the requisite shareholder authorities (the "Shareholder Authorities") at its 2010 Annual General Meeting ("AGM") and compliance with the AIM Rules.

The Shareholder Authorities were received at the AGM and the Conversion Right became exercisable by Mr Anderson. Following the publication of the Company's 2010 Interim Results Mr Anderson exercised his conversion rights and accordingly the Company allotted and issued 3,980,000 new ordinary shares of 5 pence each on 6 October 2010 in settlement of the Convertible Loan Agreement.

On 16 December 2010 the Company allotted and issued 7,710,890 new ordinary shares in the share capital of the Company to Lampe Conway Capital Master Fund Limited ("LC") at a subscription price of 9 pence per share to satisfy: (i) the repayment in full of £591,009 being the principal and interest due by the Company pursuant to the loan facility provided to the Company by LC on 29 November 2007 ("the 2007 Facility"), and (ii) the repayment of £102,971 due by the Company pursuant to the loan facility provided to the Company by LC on 6 February 2009 ("the 2009 Facility"). The Company also allotted and issued of 3,377,367 new ordinary shares in the capital of the Company to Ramco Hibernia Limited ("RHL") at a subscription price of 9 pence per share, to satisfy the repayment of £304,000 of amounts due by the Company to RHL's parent SeaEnergy PLC.

7. Reconciliation of loss before income tax to cash used in operations.

	2010	2009
	£'000	£'000
Loss before income tax	**(1,139)**	(1,188)
Adjustments for:		
Depreciation of property, plant & equipment	**4**	1
Equity settled share-based payment transactions	**68**	(1)
Unrealised foreign exchange gains	**36**	82
Operating cash flows before movements in working capital	**(1,031)**	(1,106)
Change in trade and other receivables	**(11)**	47
Change in trade and other payables	**930**	220
Cash used in operations	**(112)**	(839)

8. Post Balance Sheet Events

On 7 March 2011 the Company announced that it had conditionally raised £5 million before expenses, by the placing (the "Placing") for cash of 20,000,000 new ordinary shares of £0.05 each ("Ordinary Shares") (the "Placing Shares") at 25 pence per Ordinary Share (the "Issue Price").

Certain of the Company's directors and their connected persons participated in the Placing. Stephen Boldy subscribed for 20,000 Placing Shares and is interested in 52,660 Ordinary Shares. Viscount Torrington subscribed for 100,000 Placing Shares and is interested in 105,880 shares.

In addition, LC Capital Master Fund, Ltd ("LC Capital") subscribed for 2,092,652 Placing Shares in the Placing. Steven Lampe has a non-beneficial interest in 23,330,236 Ordinary Shares, representing 28.63 per cent. of the Company's enlarged issued share capital, held by LC Capital and Lampe Conway and Co. LLC. Steven Lampe is a managing member of Lampe Conway and Co. LLC, which is the investment manager of LC Capital.

The Company and its lenders agreed to convert (i) part of the amount outstanding in respect of a loan provided to the Company by LC Capital (the "LC Capital Loan"); and (ii) the full amount of borrowings due by the Company to SeaEnergy PLC , by the issue of 7,791,743 new Ordinary Shares and, together with the Placing Shares, being the "New Ordinary Shares") at the Issue Price (the "Loan Conversion").

The remainder of the LC Capital Loan, amounting to £248,396, including accrued interest, remains outstanding and LC Capital has agreed to extend the date of maturity of the LC Capital Loan to 8 July 2011.

The Placing and Loan Conversion became unconditional after shareholder approval was obtained at a General Meeting of the Company held on 23 March 2011 and Admission to listing of the New Ordinary Shares on AIM was effected on 24 March 2011.

9. Accounts

Copies of the annual accounts for the year ended 31 December 2010 will be sent to shareholders shortly and will be available from the Company's office at Britannia House, Endeavour Drive, Arnhall Business Park, Westhill, Aberdeenshire and the Company's website www.lansdowneoilandgas.com.