

Lansdowne Oil & Gas plc

("Lansdowne or the "Company")

Interim results for the period from 23 December 2005 to 30 June 2006

Lansdowne, the Irish focused oil and gas exploration company, announces unaudited interim results for the period from 23 December 2005 to 30 June 2006.

Financial Highlights

- Raised £750,000 through a private placing in February 2006
- Raised £1.6 million before expenses through placing and admission to AIM on 21 April 2006
- Funds will be applied to complete work programme on Celtic Sea prospects
- Funds remaining at end June £1.6 million

Operational highlights

- February 2006 - Four Celtic Sea Licensing Options extended to year end 2006
- Celtic Sea work programme of reprocessing 388km of 2D seismic and purchase of additional 560km of 2005 2D data successfully completed
- Farm-out campaign underway

Post Interim Period

- Inishbeg well (in which Lansdowne has a 19.25 per cent. carried interest) drilled in Donegal – dry. Remaining potential of Donegal acreage under evaluation.

Johnny Greenall, Chairman of Lansdowne, commented:

"During the first half of 2006 we have launched Lansdowne as a new oil and gas exploration and appraisal company, targeting the Celtic Sea and Donegal Basin. We completed our placing and admission to AIM in April, since when we have completed the technical evaluation of our Celtic Sea properties, and are actively seeking to farm-out these opportunities.

In the Donegal Basin, off the northwest of Ireland, the Inishbeg exploration well was drilled in August 2006, and was plugged and abandoned as a dry hole. Whilst this was a disappointing outcome, we were fully carried through this well, and are working with our partners to integrate the results with our previous work to determine the remaining potential on the Licence.

In the Celtic Sea, Island Oil and Gas plc announced the Old Head gas discovery on acreage adjacent to our East Kinsale Licensing Option. We believe that this discovery reduces the risk profile of our acreage and we are enthusiastic about the potential of our Celtic Sea acreage, which includes both oil and gas prospects".

Enquiries:

Lansdowne Oil & Gas

Steve Boldy, Chief Executive Officer
Chris Moar, Finance Director

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Chairman's Statement

Since our admission to AIM in April we have successfully completed further technical work on our Celtic Sea acreage and are now concentrating on farming out our interests in that area.

Financial Results

The loss for the period under review, both before and after taxation was £166,000. This is entirely in line with expectations and leaves the Company with £1.6 million of cash as at 30 June, 2006. The cash position is unaffected by the drilling of the Donegal well as Lansdowne's interest in that project was carried.

Exploration and Appraisal Activity

Donegal Basin

The Inishbeg Prospect (in which Lansdowne has a 19.25 per cent interest) was drilled in August 2006 by the 13/12-1 well and was plugged and abandoned as a dry hole.

Data from the well is in the process of being integrated with previous work to determine the remaining potential of the Licence and future plans. This work is not expected to be finalised until the end of the year.

Celtic Sea

In February 2006 the Irish Authorities granted extensions to the end of 2006 to all four Licensing Options held by Lansdowne in the Celtic Sea:

- | | | |
|---------|-----------------|-------------------------|
| • 03/2 | Midleton | Lansdowne 100 per cent. |
| • 03/5 | Seven Heads Oil | Lansdowne 74 per cent. |
| • 03/6 | Rosscarbery | Lansdowne 77 per cent. |
| • 03/10 | East Kinsale | Lansdowne 100 per cent. |

In the period between February and August 2006 additional evaluation work was carried out comprising:

- purchase and integration of 560km of 2D seismic data acquired in 2005;
- reprocessing of 388km of older 2D seismic data;
- AVO modelling of key wells to better understand how gas charge might affect seismic response; and
- additional engineering studies on possible development options for Seven Heads oil.

This work has improved our understanding of the prospects and now that this phase of evaluation work has been completed, a farm-out campaign has commenced. Our objective, with large interests in all of the Licensing Options, is to reduce our interest in return for a carry through drilling programme to test the prospects.

In July 2006, Island Oil and Gas plc announced that the 49/23-1 Old Head well, drilled some 2km from the boundary with the East Kinsale Licensing Option (in which Lansdowne owns 100 per cent.) was a gas discovery, with an estimated 90 to 120 BCF GIIP.

This result is very encouraging, because it both confirms that our strategy of targeting exploration for gas in Lower Cretaceous reservoirs in the vicinity of the existing Kinsale Head infrastructure is a potentially viable one and reduces the risk profile of the prospects on our acreage.

Outlook

Our immediate aim is to farm-out our Celtic Sea acreage, with the objective of at least one exploration well being drilled on our acreage next year.

We remain optimistic about the potential offshore Ireland and the fact that a number of new companies have entered the sector this year, indicates we are not alone in this view.

**Consolidated profit and loss account
for the period ended 30 June 2006**

	Period to 30 June 2006 (unaudited) £'000
Administrative expenses	<u>(183)</u>
Loss before interest and taxation	(183)
Net interest receivable	<u>17</u>
Loss on ordinary activities before taxation	(166)
Tax on loss on ordinary activities	<u>-</u>
Retained loss for the financial period	<u><u>(166)</u></u>
Loss per ordinary share – basic and fully diluted	3 <u><u>(1.1)p</u></u>

**Consolidated group balance sheet
as at 30 June 2006**

	Note	At 30 June 2006 (unaudited) £'000
Fixed assets		
Intangible assets		<u>1,529</u>
Current Assets		
Debtors: amounts falling due within one year		106
Cash at bank and in hand	4	<u>1,581</u>
		1,687
Creditors: amounts falling due within one year		<u>(495)</u>
Net current liabilities		<u>1,192</u>
Net assets		<u><u>2,721</u></u>
Capital and reserves		
Called up share capital		1,041
Share premium account		1,846
Profit and loss account		<u>(166)</u>
Equity shareholders' funds		<u><u>2,721</u></u>

**Consolidated cash flow statement
for the period ended 30 June 2006**

	Note	Period to 30 June 2006 (unaudited) £'000
Net cash outflow from operating activities	4(a)	<u>(148)</u>
Net cash inflow from returns on investments and servicing of finance		<u>1</u>
Net cash outflow for capital expenditure and financial investment		<u>(9)</u>
Net cash outflow before financing		(156)
Financing		
Issue of share capital		<u>1,737</u>
Net cash inflow from financing		<u>1,737</u>
Increase in cash	4(b)	<u><u>1,581</u></u>

Notes to the Interim Statement

1. Basis of presentation

The interim financial information for the period ended 30 June 2006 is unaudited, but has been prepared on the basis of accounting policies expected to be adopted in the financial statements for the period ended 31 December 2006. This interim financial information does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

This report relates to the period which commenced on incorporation on 23 December 2005 and ended on 30 June 2006.

2. Segmental Reporting

The Company has one business segment which is exploration for oil and gas. It operates in the Irish Republic.

3. Loss per share

Basic and fully diluted loss per share

The calculation of basic loss per share is based on the loss for the financial period of £166,000 and 15,269,448 ordinary shares being the weighted average number of ordinary shares in issue during the period.

4. Notes to Consolidated Cash Flow Statement

(a) Reconciliation of operating loss to net cash flow from continuing operating activities

	Period to 30 June 2006 Unaudited £'000
Operating loss	(183)
Decrease in debtors	(40)
Increase in creditors	75
	<hr/>
Net cash outflow from continuing operating activities	(148)

(b) Reconciliation of net cash flow to movements in net funds

	Period to 30 June 2006 Unaudited £'000
Increase in cash	1,581
Net funds at start of period	<hr/> -
Net funds at end of period	<hr/>1,581
Represented by:	
Cash at bank and in hand	<hr/> 1,581
	<hr/> 1,581

(c) **Analysis of changes in net funds**

	At start £'000	Cash flow £'000	At end £'000
Cash at bank	-	1,581	1,581
	-	1,581	1,581

5. Acquisitions

(a) Donegal Exploration Limited

On 5 January 2006, the group acquired the entire issued share capital of Ramco Donegal Limited for a consideration of £365,000. The consideration was satisfied by the issue of 5,713,043 ordinary shares of £0.05 each in the capital of Lansdowne Oil & Gas plc. On 18 January 2006, Ramco Donegal Limited changed its name to Donegal Exploration Limited.

The group has used acquisition accounting to account for the purchase.

There were no significant profit and loss account items from 1 January 2006 to the date of acquisition, 5 January 2006. The loss on ordinary activities for the year ended 31 December 2006 was £17,000. The assets and liabilities acquired are set out below:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Intangible fixed assets	64	410	474
Debtors	18	-	18
Creditors	(127)	-	(127)
	(45)	410	365

Satisfied by:

Ordinary shares of Lansdowne Oil & Gas plc	365
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(b) Lansdowne Celtic Sea Limited

On 5 January 2006, the group acquired the entire issued share capital of Lansdowne Celtic Sea Limited from a subsidiary of Ramco Energy plc for £100. The net assets acquired were £1.

(c) Celtic Sea assets

On 13 February 2006, Lansdowne Oil & Gas plc issued 12,286,957 ordinary shares of £0.05 each in its capital to satisfy the £785,000 consideration for the acquisition by Lansdowne Celtic Sea Limited of certain assets and Ramco's interests in the East Kinsale, Middleton, Rosscarbery and Seven Heads Oil Licensing Options.

6. Dividends

The directors do not recommend paying a dividend for the six months ended 30 June 2006.

7. Copies of the interim report

Copies of this interim report will be posted to all of the Company's shareholders of the Company shortly. Further copies can be obtained from the Company secretary, Lansdowne Oil & Gas plc, 62 Queen Road, Aberdeen AB15 47E.