Lansdowne Oil & Gas plc

Interim results

For the six months ended 30 June 2017

27 September 2017

Lansdowne Oil & Gas plc ("Lansdowne" or "the Company") is pleased to announce its interim results for the six months ended 30 June 2017. 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

Barryroe Oil Field

- In July the Barryroe partners (Lansdowne 20%) were granted an extension to the duration of Standard Exploration Licence 1/11 (SEL 1/11) which contains the Barryroe oil field.
    - Two year extension of the First Phase of Standard Exploration Licence 1/11, to July 2019
    - Further two year extension of overall terms of Standard Exploration Licence 1/11, to July 2021
    - Extension work programme includes the evaluation of newly reprocessed 3D seismic data together with an assessment of the Jurassic and Triassic exploration potential of the licence area.
- Throughout the first half of the year, Providence Resources ("Providence"), which holds 80% of Barryroe, continued farm-out negotiations on behalf of the Barryroe partnership and discussions are continuing with a number of parties who are active in the dataroom.
- **Standard Exploration Licence 4/07**
    - Post well studies confirmed the Midleton gas discovery was considered too small to be commercial
    - Following a comprehensive review, it was concluded that none of the other prospective structures on the acreage were attractive enough to offer drillable targets and the Licence was relinquished with effect from 31 December 2016.
- In the second quarter of 2017, the Company entered into a Loan Agreement for GBP 350,000 with its major shareholder Brandon Hill Capital Limited. A coupon of 12% per annum will be applied only to those funds drawn by the Company. The Loan is unsecured and is repayable in full on 28 June 2018. The Company received an initial GBP 100,000 under this agreement in the first half of 2017. Undrawn amounts on the loan are sufficient to fund the Company to the end of Q1 2018 and Brandon Hill Capital have confirmed their potential willingness to increase the size of the loan, should it be required, pending the ongoing farmout discussions.
- The LC Master Fund Loan has been further extended to 1 July 2018.
- Action was also taken to further reduce overhead costs.
- Cash balances at 30 June 2017 of £0.03 million (31 December 2016: £0.17 million).
- Loss for the period after tax of £0.14 million (full year to 31 December 2016: loss £1.24 million).
- Loss per share of 0.03 pence (full year to 31 December 2016: loss 0.4 pence).

For further information please contact:

Lansdowne Oil & Gas plc	+353 1 495 9259
Steve Boldy	
Cantor Fitzgerald	+44 (0) 20 7894 7000
Sarah Wharry	
David Porter	
Beaufort Securities	+44 (0) 20 7382 8300
Jon Belliss	

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Chairman's Statement

2017 has continued to be very difficult for the E&P sector. The partial recovery of the oil price has stalled on a number of occasions, although it is worth noting this week we have witnessed Brent reach a level not seen since June 2015.

Faced with this difficult macro-environment, despite continued interest, as yet, we have not concluded a farm-out deal on our flagship Barryroe asset.

Yet with the continued support of our major shareholders; Lampe Conway and Brandon Hill we have managed to navigate this awkward period with minimal dilution, leaving all Lansdowne shareholders in a position to still capitalise in the future.

Lansdowne has also cut costs wherever possible resulting in office, staff and administration costs, being reduced by more than 50%.

Financial results

The Group recorded a loss after tax of £0.14 million for the first six months of 2017 compared to a loss of £0.52 million for the first six months of 2016.

Group operating expenses for the first half of 2017 were £0.09 million compared to operating expenses of £0.42 million for the first six months of 2016.

Net finance expense was £0.06 million for the current period against net finance expense of £0.1 million for the first six months of 2016.

Cash balances at 30 June 2017 were £0.03 million (31 December 2016: £0.17 million).

Total equity attributable to the ordinary shareholders of the Group has decreased from £12.9 million as at 30 June 2016 to £12.3 million as at 30 June 2017.

Outlook

On a more positive note and looking forward:

We retain a 20% interest in the Barryroe oilfield, which contains an independently assessed 2C resource net to Lansdowne of 58 mmboe in the Basal Wealden and 9.8 mmboe in the Middle Wealden , with significant upside potential. The economics of the field remain very robust , not just at current oil prices, but at prices considerably lower (down to around $30/bbl).

We have secured a two year extension to the Barryroe Licence, such that the first term now continues through to July 2019 and the overall term of the licence through to July 2021.

As the saying goes 'it is an ill wind that blows nobody any good' and the fall in the oil price has brought about a dramatic reduction in costs across the industry, which is of particular note for Barryroe, rig and drilling costs are around half of those prevailing when we drilled the 48/24-10z appraisal well.

To test the market, in August Providence issued an Expression of Interest to the rig market for the provision of an offshore rig for the drilling of a one firm plus one option well programme on Barryroe. The timing suggested was second half 2018 to first half 2019 and the initial response from the market indicated good availability and attractive prices.

More recently Providence have announced, that whilst farm-out discussions are continuing, they have decided to advance appraisal drilling at Barryroe and have commenced the well planning and permitting process. Accordingly, Lansdowne shareholders can be heartened that activity at Barryroe should increase significantly in 2018, by one way or another, which offers a clear pathway to create value in a gradually rising oil price environment.

Lansdowne is continuing to review its options regarding funding its participation in this programme.

Viscount Torrington

Chairman

Lansdowne Oil & Gas plc

Condensed Consolidated Income Statement and Statement of Comprehensive Income
Six months ended 30 June 2017

	Unaudited **6 months ended 30 June '17**	*Unaudited* **6 months ended 30 June '16**	*Audited* **Year ended 31 Dec. '16**
	£000s	**£000s**	**£000s**
Administration expenses	(87)	(419)	(665)
Impairment of intangible assets	-	-	-
Operating loss	**(87)**	**(419)**	**(665)**
Finance costs	(57)	(97)	(571)
Loss before tax	**(144)**	**(516)**	**(1,236)**
Income tax credit	-	-	-
Loss for the financial period	**(144)**	**(516)**	**(1,236)**
Other Comprehensive Income	-	-	-
Total comprehensive loss for the financial period	**(144)**	**(516)**	**(1,236)**
Loss per share (pence)			
Basic and diluted	(0.03p)	(0.3p)	(0.4p)

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Financial Position
As at 30 June 2017

	Unaudited 30 June '17 £000s	*Unaudited* 30 June '16 £000s	*Audited* 31 Dec. '16 £000s
Assets			
Non-Current Assets			
Intangible assets	14,495	14,536	14,399
Current Assets			
Trade and other receivables	26	838	38
Cash and cash equivalents	31	828	165
	57	1,666	203
Total Assets	**14,552**	**16,202**	**14,602**
Equity & Liabilities			
Shareholders' Equity			
Share capital	11,571	11,271	11,571
Share premium	25,126	25,100	25,126
Currency translation reserve	59	59	59
Share-based payment reserve	923	923	923
Accumulated deficit	(25,330)	(24,466)	(25,186)
Total Equity	12,349	12,887	12,493
Non-Current Liabilities			
Provision for liabilities	275	250	261
Current Liabilities			
Trade and other payables	303	1,937	261
Shareholder loan	1,625	1,128	1,587
Total Liabilities	2,203	3,315	2,109
Total Equity and Liabilities	**14,552**	**16,202**	**14,602**

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Cash flows
Six months ended 30 June 2017

	Unaudited **6 months ended 30 June '17 £000s**	*Unaudited* **6 months ended 30 June '16 £000s**	*Audited* **Year ended 31 Dec. '16 £000s**
Cash flows from operating activities			
Loss for the period	(144)	(516)	(1,236)
Adjustments for:			
Interest payable and similar charges	57	102	571
(Increase)/decrease in trade and other receivables	12	(746)	54
(Decrease) in trade and other payables	(63)	(236)	(1,913)
Net cash used in operating activities	**(138)**	**(1,396)**	**(2,524)**
Cash flows from investing activities			
Acquisition of intangible exploration assets	(96)	(201)	(64)
Net cash from investing activities	**(234)**	**(201)**	**(64)**
Cash flows from financing activities			
Proceeds from the issue of share capital	-	2,105	3,363
Proceeds from new loan	**100**	-	-
Repayment of loan	-	-	(930)
Net cash from financing activities	**100**	**2,105**	**2,433**
Net (decrease)/increase in cash and cash equivalents	**(134)**	**508**	**(155)**
Cash and cash equivalents at start of period	165	320	320
Cash and cash equivalents at end of period	**31**	**828**	**165**

Lansdowne Oil & Gas plc
Condensed Consolidated Statement of Changes in Equity
Six months ended 30 June 2017

	Share Capital £000s	Share Premium £000s	Other Reserves £000s	Retained Losses £000s	Total £000s
Unaudited					
At 1 January 2016	**8,087**	**25,247**	**982**	**(23,950)**	**10,366**
Loss for the period	-	-	-	(516)	(516)
Total comprehensive loss for the period	-	-	-	**(516)**	**(516)**
Issue of new shares	**3,184**	-	-	-	3,184
Cost of share issues	-	**(147)**	-	-	(147)
At 30 June 2016	**11,271**	**25,100**	**982**	**(24,466)**	**12,887**
Audited					
At 1 January 2016	**8,087**	**25,247**	**982**	**(23,950)**	**10,366**
Loss for the period	-	-	-	(1,236)	(1,236)
Total comprehensive loss for the period	-	-	-	**(1,236)**	**(1,236)**
Issue of new shares	3,484				3,484
Cost of share issues	-	(121)	-	-	(121)
At 31 December 2016	**11,571**	**25,126**	**982**	**(25,186)**	**12,493**
Unaudited					
At 1 January 2017	**11,571**	**25,126**	**982**	**(25,186)**	**12,493**
Loss for the period	-	-	-	(144)	(144)
Total comprehensive loss for the period	-	-	-	**(144)**	**(144)**
At 30 June 2017	**11,571**	**25,126**	**982**	**(25,330)**	**12,349**

Notes to the Interim Condensed Financial Statements

1. Basis of Presentation

Accounting Policies

The interim financial information for the six months ended 30 June 2017 has been prepared on the basis of the accounting policies which were adopted in the 2016 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 2017 and the comparative results for the six months to 30 June 2016 are unaudited. The comparative amounts for the year ended 31 December 2016 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 2016, 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 an auditor's report which was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. It did, however, contain an emphasis of matter over the going concern basis of preparation for the Group financial statements.

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.

	Unaudited **6 months ended 30 June '17 £000s**	***Unaudited*** **6 months ended 30 June '16 £000s**	***Audited*** **Year ended 31 Dec. '16 £000s**
Loss per share for loss from continuing operations attributable to the equity holders of the Company			
- basic and diluted	**(0.03p)**	**(0.3p)**	**(0.4p)**
The calculations were based on the following information:			
Loss attributable to equity holders of the Company	(144)	(516)	(1,236)
Weighted average number of ordinary shares In issue – basic and diluted	510,164,394	186,101,994	334,116,800

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 all periods reported, 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 2017, intangible assets totalled £14.5 million (30 June 2016: £14.5 million), all of which relates to Ireland. Movements in the period relate to additional spend on the licence areas of £0.01 million.

5. 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.