

26 October 2020

**PRESIDENT ENERGY PLC**  
 ("President", "the Company" or "the Group")  
**Unaudited Interim Results for H1 2020**  
**Current trading**

President (AIM:PPC), the oil and gas upstream company with a diverse portfolio of production and exploration assets focused primarily in Latin America, announces its unaudited interim results for the six months ended 30 June 2020.

**Selected Results Summary**

All numbers in US\$ '000 unless stated	H1 2020	H1 2019	F/Y 2019
<i>Average daily production, boe</i>	2,747	2,461	2,415
<i>Average realised price per boe (US\$)</i>	31.2	54.4	49.6
<i>Revenue</i>	13,737	23,315	40,812
<i>Adjusted EBITDA</i>	1,049	7,931	11,552
<i>Free cash flow from core operations and treasury income</i>	5,916	9,750	14,535
<i>Group net debt</i>	11,342	27,731	21,674
<i>Profit after tax but before non-cash items</i>	1,779	2,956	10,749
<i>Administrative expenses US\$ per boe</i>	4.0	6.4	4.8
<i>Well operating costs US\$ per boe</i>	16.5	19.9	20.4

**Selected Current Financial Metrics**

<i>Net debt to trailing 12 month adjusted EBITDA at period end</i>	2.4x
<i>Current EV/2P ratio (US\$ per boe)</i>	1.9
<i>Proven reserves replacement since end 2017</i>	167%

**Corporate and Financial Summary**

- Trafigura, one of the largest commodity traders and logistic companies in the world, and a key offtaker, became a significant shareholder in President, now holding over 16%
- Group turnover decrease attributed to the 43% fall in realised prices in the most sudden peacetime fall in living memory
- Solid positive free cash flow from core operations (US\$2.6 million) and intelligent pro-active treasury management giving an aggregate of US\$5.9 million
- Net debt down by nearly 60% over the same period last year and 48% from the start of the year
- Third party financial borrowings now only US\$3.7 million with the balance being covenant lite, long term largest shareholder related debt which itself has been reduced by 39%
- Adjusted EBITDA\* remains positive in the face of the severe turbulent times encountered in the period
- Positive Group cash balances at period end showing the benefit of the share placing in the period
- Modest operational profit before noncash items
- Positive net profit after tax before non-cash items and after these items (comprising depletion, depreciation, amortisation, impairment, non-operating gains/losses and deferred tax) a loss largely reflecting the DDA charge of US\$5.2 million in the period
- Further cost cutting resulted in Group administration expenses down by 31% year on year with administrative expenses per barrel\* decreased by 38% over the same period

**Operational Summary**

- Average group net daily production in the period increased by 14% over the full year 2019, split 1% oil and 29% gas
- Well operating costs per boe decreased by 17% over same period last year
- A new reserves report issued showing Group proven reserves of 15 MMboe and proven and probable reserves of 26 MMboe with the more valuable Rio Negro proven and probable reserves increasing by 20% over the previous 12 months
- In Rio Negro, Argentina, since 31 December 2017, President has not only replaced all its production in the period but has increased its total proven reserves by 67% and its 2P reserves by 42%
- A new 16 km sub-surface 6" steel gas pipeline constructed in Rio Negro Province unlocking the potential of the Estancia Vieja gas field
- Even through the darkest times of the period when both prices and demand plunged to depths not envisaged by any reasonable prior planning scenario, President did not shut in any one of its wells due to inability to have its production off taken. This vindicates the management strategy of focusing on the end market for its products

- President exported oil from Argentina for the first time
- Louisiana produced normally throughout the pandemic without shut-ins. The minority 20% interest in the Jefferson Island project in Louisiana was relinquished as uneconomic in the light of depressed oil prices

### Current trading

- Management reports show average Group monthly revenue for the first two months of Q3 2020 ran at the rate of US\$2.635 million a substantial increase compared to the US\$1.47 million per month average for Q2 of this year
- President is currently drilling its second well in the two well programme in the Rio Negro Province, Argentina, where we are the only company to have drilled since the pandemic started
- The first well of this programme, Las Bases-1001 was drilled on time and budget. The well has been successfully tested and is expected to be placed on production by the end of November with an initial gas production rate of 100,000 m<sup>3</sup>/d (588 boepd)
- The second well, Estancia Vieja North-x1, is an exploration well. Drilling continues and preliminary results should be available by mid-November
- Although overshadowed by the new drilling, the workover campaign in the Rio Negro Province continues with generally positive results. A review of all the results will be announced once the present cycle of work comes to an end at or near the end of this year. In the interim it is estimated that an additional 75,000 m<sup>3</sup>/d (440 boepd) of new gas production arising from this work will be able to be placed into production by the end of November ie at the same time as Las Bases LB-1001 comes on stream
- President continues its focus on reducing costs with the objective of further reducing its operational expenses next year
- The Louisiana low cost production remains stable, positive cash generative and has not been materially affected by the Hurricane season in that part of the world with no operational shutdowns
- Farm out discussions in relation to the Pirity Concession, Paraguay are continuing with a national oil company with a view to drilling an exploration well at the Delray complex of prospects next year. President's internal resource estimate for that complex is 230 million barrels of Pmean original oil in place
- President, on current trading, estimates average production for the full year to end 2020 to be in the range 2,800 to 3,000 boepd with an approximate split of 70% oil and 30% gas

### Commenting on today's announcement, Peter Levine, Chairman said:

"President has, in the first half of 2020, traded through the hardest and most sudden global peacetime crisis in a century. Notwithstanding this, the Group has weathered the turbulence and is in a fit and solid financial and trading shape

"Despite the difficulties, President has delivered a positive adjusted EBITDA and free cash generation from core operations and finance income. The results reflect President's resilience and resourcefulness, together with the focus on conventional onshore production and its recognition of the importance of securing the end market for its production

"The concentration on our core businesses, margins and the strategic decision taken to pro-actively materially reduce debt in times of sustained lower prices have resulted in a sound financial and trading platform on which sustained growth can be developed. In particular it would be wrong to overlook the organic potential of our producing and exploration portfolio.

"Especially in this most challenging of years, I would like to express my thanks and appreciation to our loyal and hard-working employees for their dedication and substantial efforts in times of great personal stress and hardship. I have been truly humbled by their efforts.

"Finally my sincere gratitude also extends to both our major shareholder Trafigura for their close support with whom we look forward to continued cooperation and growing our strategic partnership, as well as those shareholders who have remained supportive in these challenging times."

**Peter Levine**

**Executive Chairman**

**26 October 2020**

*\* Adjusted EBITDA means Operating Profit before depreciation, depletion and amortisation, adjusted for non-cash share-based expenses and certain non-recurring items. Non-recurring items include workovers and a discretionary staff bonus award in 2019.*

*\* Current Enterprise Value (EV) is calculated by taking the market value of shares in issue at current US\$ fx rates and adding the value of net debt.*

*\* Cost per boe metrics are adjusted for costs management consider are exceptional and non-recurring in nature*

*\* Free cash flow from core operations is defined in the 2019 Annual Report. The treasury income which has been included is the exchange (losses)/gains on cash and cash equivalents as detailed in the Consolidated Statement of Cashflows*

**The 2020 Interim Report and Financial Statements will be made available at [www.presidentenergyplc.com](http://www.presidentenergyplc.com)**

### Investor Meet

President Energy Plc is pleased to announce that Peter Levine (Chairman) and Rob Shepherd (Group FD) will provide a live presentation on unaudited Interim results for H1 2020 via the Investor Meet Company platform on Monday 26th October 2020 at 11:00am.

The Company is committed to ensuring that there are appropriate communication structures for all elements of its shareholder base so that its strategy, business model and performance are clearly understood.

- The online presentation is open to all existing and potential shareholders.
- Questions can be submitted pre-event via your IMC dashboard or at any time during the live presentation via the "Ask a Question" function. Although the Company may not be in a position to answer every question it receives, it will address the most prominent within the confines of information already disclosed to the market. Responses to the Q&A from the live presentation will be published at the earliest opportunity on the Investor Meet Company platform.

- Investor feedback can also be submitted directly to management post-event to ensure the Company can understand the views of all elements of its shareholder base.

Investors can sign up to Investor Meet Company for free and add to meet President via: <https://www.investormeetcompany.com/president-energy-plc/register-investor>

Investors who have already registered and added to meet the Company will be automatically invited.

This announcement contains inside information for the purposes of article 7 of Regulation 596/2014.

## Notes to Editors

President Energy is an oil and gas company listed on the AIM market of the London Stock Exchange (PPC.L) primarily focused in Argentina, with a diverse portfolio of operated onshore producing and exploration assets. The Company has independently assessed 1P reserves in excess of 15 MMboe and 2P reserves of more than 26 MMboe.

The Company has operated interests in the Puesto Flores and Estancia Vieja, Puesto Prado and Las Bases Concessions, and Angostura contract area in Rio Negro Province, Argentina and in the Puesto Guardian Concession, in the Noreste Basin in NW Argentina. The Company is focused on growing production in the near term in Argentina. Alongside this, President Energy has cash generative production assets in Louisiana, USA and further significant exploration and development opportunities through its acreage in Paraguay and Argentina.

President Energy's second largest shareholder is Trafigura, one of the leading commodity and logistics companies in the World, with operations and a refinery in Argentina. The Company is actively pursuing development / acquisition of high-quality production and assets capable of delivering positive cash flows and shareholder returns. With a strong institutional base of support and an in-country management teams, President Energy has world class standards of corporate governance, environmental and social responsibility.

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## Glossary of terms

Boe(pd)	Barrels of oil equivalent (per day)
Bopd	Barrels of oil per day
DDA	Depletion, depreciation and amortisation
EV	Enterprise value meaning market capitalisation plus debt
MMbbls	Million barrels of oil
MMboe	Million barrels of oil equivalent
MMBtu	Million British Thermal Units (gas)
M <sup>3</sup> /d	Cubic metres of production of gas or oil per day (as the case may be)

## Condensed Consolidated Statement of Comprehensive Income

### Six months ended 30 June 2020

	Note	6 months to 30 June 2020 (Unaudited) US\$000	6 months to 30 June 2019 (Unaudited) US\$000	Year to 31 Dec 2019 (Audited) US\$000
<b>Continuing Operations</b>				
<b>Revenue</b>		13,737	23,315	40,812
<b>Cost of sales</b>				
Depletion, depreciation & amortisation		(5,142)	(4,332)	(10,412)
Other cost of sales		(11,461)	(13,891)	(26,892)
Total cost of sales	3	<u>(16,603)</u>	<u>(18,223)</u>	<u>(37,304)</u>
<b>Gross profit/(loss)</b>		(2,866)	5,092	3,508
Administrative expenses	4	(1,988)	(2,866)	(4,367)
<b>Operating profit / (loss) before</b>				

<b>impairment charge and non-operating gains / (losses)</b>		<u>(4,854)</u>	<u>2,226</u>	<u>(859)</u>
Presented as:				
Adjusted EBITDA		1,049	7,931	11,552
Non-recurring items		<u>(368)</u>	<u>(1,201)</u>	<u>(1,649)</u>
EBITDA excluding share options		681	6,730	9,903
Depreciation, depletion & amortisation		<u>(5,207)</u>	<u>(4,347)</u>	<u>(10,529)</u>
Share based payment expense		<u>(328)</u>	<u>(157)</u>	<u>(233)</u>
Operating profit / (loss)		<u>(4,854)</u>	<u>2,226</u>	<u>(859)</u>
Impairment charge	5	(125)	-	(88,160)
Non-operating gains /(losses)	6	62	33	(337)
<b>Profit/(loss) after impairment and non- operating gains and (losses)</b>		<u>(4,917)</u>	<u>2,259</u>	<u>(89,356)</u>
Finance income	7	3,604	221	641
Finance costs	7	<u>(2,178)</u>	<u>(2,231)</u>	<u>(4,847)</u>
<b>Profit / (loss) before tax</b>		<u>(3,491)</u>	<u>249</u>	<u>(93,562)</u>
<b>Income tax (charge)/credit</b>				
Current tax income tax (charge)/credit		-	-	4
Deferred tax being a provision for future taxes		<u>(544)</u>	<u>(1,607)</u>	<u>5,281</u>
Total income tax (charge)/credit		<u>(544)</u>	<u>(1,607)</u>	<u>5,285</u>
<b>Profit/(loss) for the period from continuing operations</b>		<u>(4,035)</u>	<u>(1,358)</u>	<u>(88,277)</u>
<b>Other comprehensive income</b>				
- Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		-	-	-
<b>Total comprehensive profit/(loss) for the period attributable to the equity holders of the Parent Company</b>		<u>(4,035)</u>	<u>(1,358)</u>	<u>(88,277)</u>
<b>Earnings/ (loss) per share from continuing operations</b>		US cents	US cents	US cents
Basic earnings/ (loss) per share	8	<u>(0.32)</u>	<u>(0.12)</u>	<u>(7.90)</u>
Diluted earnings / (loss) per share	8	<u>(0.32)</u>	<u>(0.12)</u>	<u>(7.90)</u>

## Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	Note	30 June 2020 (Unaudited) US\$000	30 June 2019 (Unaudited) US\$000	31 Dec 2019 (Audited) US\$000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible exploration and evaluation assets	9	55,657	104,027	55,750
Goodwill		705	705	705
Property, plant and equipment	9	<u>50,913</u>	<u>93,945</u>	<u>54,092</u>
		<u>107,275</u>	<u>198,677</u>	<u>110,547</u>
Deferred tax		1,244	1,726	1,248
Other non-current assets		<u>102</u>	<u>351</u>	<u>351</u>
		<u>108,621</u>	<u>200,754</u>	<u>112,146</u>
<b>Current assets</b>				
Trade and other receivables	10	4,387	13,756	6,498
Inventory		-	-	28
Cash and cash equivalents		<u>3,614</u>	<u>197</u>	<u>895</u>
		<u>8,001</u>	<u>13,953</u>	<u>7,421</u>
<b>TOTAL ASSETS</b>		<u>116,622</u>	<u>214,707</u>	<u>119,567</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	11	8,481	22,927	24,770
Borrowings	12	<u>1,488</u>	<u>4,236</u>	<u>2,462</u>
		<u>9,969</u>	<u>27,163</u>	<u>27,232</u>
<b>Non-current liabilities</b>				
Trade and other payables	11	2,533	625	1,697
Long-term provisions		5,883	4,507	5,520
Borrowings	12	<u>13,468</u>	<u>23,692</u>	<u>20,107</u>
Deferred tax		<u>1,564</u>	<u>8,390</u>	<u>1,024</u>
		<u>23,448</u>	<u>37,214</u>	<u>28,348</u>
<b>TOTAL LIABILITIES</b>		<u>33,417</u>	<u>64,377</u>	<u>55,580</u>
<b>EQUITY</b>				
Share capital		35,506	24,353	24,465
Share premium		257,863	245,304	245,692
Translation reserve		(50,240)	(50,240)	(50,240)
Profit and loss account		(167,381)	(76,427)	(163,346)
Other reserve		7,457	7,340	7,416

<b>TOTAL EQUITY</b>	<u>83,205</u>	<u>150,330</u>	<u>63,987</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>116,622</u>	<u>214,707</u>	<u>119,567</u>

### Condensed Consolidated Statement of Changes in Equity

	Share capital	Share premium	Translation reserve	Profit and loss account	Other reserve	Total
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
<b>Balance at 1 January 2019</b>	<u>23,654</u>	<u>240,904</u>	<u>(50,240)</u>	<u>(75,069)</u>	<u>7,183</u>	<u>146,432</u>
Share-based payments	-	-	-	-	157	157
Debt conversion	130	907	-	-	-	1,037
Issue of ordinary shares	569	3,985	-	-	-	4,554
Cost of issue	-	(492)	-	-	-	(492)
<b>Transactions with owners</b>	<u>699</u>	<u>4,400</u>	<u>-</u>	<u>-</u>	<u>157</u>	<u>5,256</u>
Loss for the period	-	-	-	(1,358)	-	(1,358)
Exchange differences on translation	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,358)</u>	<u>-</u>	<u>(1,358)</u>
<b>Balance at 30 June 2019</b>	<u>24,353</u>	<u>245,304</u>	<u>(50,240)</u>	<u>(76,427)</u>	<u>7,340</u>	<u>150,330</u>
Share-based payments	-	-	-	-	76	76
Issue of ordinary shares	-	1	-	-	-	1
Cost of issue	-	-	-	-	-	-
Debt conversion	-	(1)	-	-	-	(1)
Subscription	<u>112</u>	<u>388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
<b>Transactions with owners</b>	<u>112</u>	<u>388</u>	<u>-</u>	<u>-</u>	<u>76</u>	<u>576</u>
Loss for the period	-	-	-	(86,919)	-	(86,919)
Exchange differences on translation	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,919)</u>	<u>-</u>	<u>(86,919)</u>
<b>Balance at 1 January 2020</b>	<u>24,465</u>	<u>245,692</u>	<u>(50,240)</u>	<u>(163,346)</u>	<u>7,416</u>	<u>63,987</u>
Share-based payments	-	-	-	-	41	41
Offer of shares	2,603	2,213	-	-	-	4,816
Costs of issue	-	(434)	-	-	-	(434)
Debt conversion	3,344	3,869	-	-	-	7,213
Subscriptions issued in settlement	4,490	6,010	-	-	-	10,500
Cost of issue	<u>604</u>	<u>513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,117</u>
<b>Transactions with owners</b>	<u>11,041</u>	<u>12,171</u>	<u>-</u>	<u>-</u>	<u>41</u>	<u>23,253</u>
Loss for the period	-	-	-	(4,035)	-	(4,035)
Exchange differences on translation	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,035)</u>	<u>-</u>	<u>(4,035)</u>
<b>Balance at 30 June 2020</b>	<u>35,506</u>	<u>257,863</u>	<u>(50,240)</u>	<u>(167,381)</u>	<u>7,457</u>	<u>83,205</u>

### Condensed Consolidated Statement of Cash Flows

#### Six months ended 30 June 2020

	6 months to 30 June 2020 (Unaudited) US\$000	6 months to 30 June 2019 (Unaudited) US\$000	Year to 31 Dec 2019 (Audited) US\$000
<b>Cash flows from operating activities - (Note 13)</b>			
Cash generated/(consumed) by operations	2,903	6,749	21,487
Interest received	69	102	184
Taxes paid	-	-	4
	<u>2,972</u>	<u>6,851</u>	<u>21,675</u>
<b>Cash flows from investing activities</b>			
Expenditure on exploration and evaluation assets	(32)	(77)	(263)
Expenditure on development and production assets (excluding increase in provision for decommissioning)	(5,990)	(8,002)	(12,628)

Expenditure on decommissioning costs	-	(280)	(283)
Proceeds from asset sales	30	19	52
Acquisition & licence extension in Argentina	(165)	(1,135)	(2,395)
Release of bond with state authorities	249	-	-
USA acquisition	(158)	-	-
	<u>(6,066)</u>	<u>(9,475)</u>	<u>(15,517)</u>

#### Cash flows from financing activities

Proceeds from issue of shares (net of expenses)	4,882	4,062	4,563
Loan drawdown	856	1,948	3,407
Repayment of borrowings	(2,194)	(3,081)	(9,900)
Payment of loan interest and fees	(644)	(1,875)	(4,036)
Repayment of obligations under leases	(359)	(242)	(719)
	<u>2,541</u>	<u>812</u>	<u>(6,685)</u>

Net increase/(decrease) in cash and cash equivalents	(553)	(1,812)	(527)
Opening cash and cash equivalents at beginning of year	895	1,970	1,970
Exchange (losses)/gains on cash and cash equivalents	3,272	39	(548)
<b>Closing cash and cash equivalents</b>	<u>3,614</u>	<u>197</u>	<u>895</u>

## Notes to the Half-Yearly Financial Statements

### Six months ended 30 June 2020

#### 1 Nature of operations and general information

President Energy PLC and its subsidiaries' (together "the Group") principal activities are the exploration for and the evaluation and production of oil and gas.

President Energy PLC is the Group's ultimate parent company. It is incorporated and domiciled in England. The Group has onshore oil and gas production and reserves in Argentina and the USA. The Group also has onshore exploration assets in Paraguay and Argentina. The address of President Energy PLC's registered office is Carrwood Park, Selby Road, Leeds, LS15 4LG. President Energy PLC's shares are listed on the Alternative Investment Market of the London Stock Exchange.

These condensed consolidated interim financial statements (the interim financial statements) have been approved for issue by the Board of Directors on 25th October 2020. The financial information for the year ended 31 December 2019 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the six months ended 30 June 2020 and 30 June 2019 was neither audited nor reviewed by the auditor. The Group's statutory financial statements for the year ended 31 December 2019 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006

#### 2 Basis of preparation

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019, which have been prepared under IFRS as adopted by the European Union.

These financial statements have been prepared under the historical cost convention, except for any derivative financial instruments which have been measured at fair value. The accounting policies adopted in the 2020 interim financial statements are the same as those adopted in the 2019 Annual report and accounts.

## Notes to the Half-Yearly Financial Statements

### Six months ended 30 June 2020 - continued

	6 months to 30 June 2020 (Unaudited) US\$000	6 months to 30 June 2019 (Unaudited) US\$000	Year to 31 Dec 2019 (Audited) US\$000
<b>3 Cost of Sales</b>			
Depreciation	5,142	4,332	10,412
Royalties & production taxes	2,839	4,730	7,481
Well operating costs	<u>8,622</u>	<u>9,161</u>	<u>19,411</u>
	<u>16,603</u>	<u>18,223</u>	<u>37,304</u>
<b>4 Administrative expenses</b>			
Directors and staff cost	1,348	2,399	3,655
Share-based payments	328	157	233
Depreciation	65	15	117
Other	<u>247</u>	<u>295</u>	<u>362</u>
	<u>1,988</u>	<u>2,866</u>	<u>4,367</u>
<b>5 Impairment credit / (charge)</b>			
DP1002 well in Argentina (PP&E)	-	-	216
Puesto Guardian in Argentina (PP&E)	-	-	(39,913)
Purity Licence in Paraguay (Intangible)	-	-	(48,463)
Jefferson Island in USA (Intangible)	<u>(125)</u>	<u>-</u>	<u>-</u>
	<u>(125)</u>	<u>-</u>	<u>(88,160)</u>
<b>6 Non-operating gains / (losses)</b>			
Reversal of provision for doubtful taxes	-	-	(236)
Arising on lease modifications	32	-	-

Other (gains) / losses	30	33	(101)
	<u>62</u>	<u>33</u>	<u>(337)</u>
<b>7 Finance income &amp; costs</b>			
Interest income	69	102	184
Exchange gains	3,535	119	457
<b>Finance income</b>	<u>3,604</u>	<u>221</u>	<u>641</u>
Interest & similar charges	2,178	2,231	4,847
Exchange losses	-	-	-
<b>Finance costs</b>	<u>2,178</u>	<u>2,231</u>	<u>4,847</u>
<b>8 Earnings / (loss) per share</b>			
Net profit / (loss) for the period attributable to the equity holders of the Parent Company	(4,035)	(1,358)	(88,277)
	Number	Number	Number
	'000	'000	'000
Weighted average number of shares in issue	<u>1,262,087</u>	<u>1,126,561</u>	<u>1,116,944</u>
Earnings /(loss) per share	US cents	US cents	US cents
Basic	(0.32)	(0.12)	(7.90)
Diluted	<u>(0.32)</u>	<u>(0.12)</u>	<u>(7.90)</u>

**Notes to the Half-Yearly Financial Statements**  
**Six months ended 30 June 2020 - continued**

**9 Non-current assets**

	E&E Assets US\$000	Property Plant and Equipment US\$000	Total US\$000
<b>Cost</b>			
At 1 January 2019	146,024	124,646	270,670
Additions	77	4,829	4,906
Right of use assets (IFRS16)	-	1,346	1,346
At 30 June 2019	<u>146,101</u>	<u>130,821</u>	<u>276,922</u>
Additions	186	5,533	5,719
Acquisition of licence in Argentina	-	136	136
Right of use assets (IFRS16)	-	670	670
Disposals	-	(97)	(97)
At 1 January 2020	<u>146,287</u>	<u>137,063</u>	<u>283,350</u>
Additions	32	1,194	1,226
Acquisition in USA	-	172	172
Right of use assets (IFRS16)	-	662	662
At 30 June 2020	<u>146,319</u>	<u>139,091</u>	<u>285,410</u>
<b>Depreciation/Impairment</b>			
At 1 January 2019	42,074	32,529	74,603
Charge for the period	-	4,347	4,347
At 30 June 2019	<u>42,074</u>	<u>36,876</u>	<u>78,950</u>
Impaired	48,463	39,913	88,376
Charge for the period	-	6,182	6,182
At 1 January 2020	<u>90,537</u>	<u>82,971</u>	<u>173,508</u>
Impaired	125	-	125
Charge for the period	-	5,207	5,207
At 30 June 2020	<u>90,662</u>	<u>88,178</u>	<u>178,840</u>
<b>Net Book Value 30 June 2020</b>	<u>55,657</u>	<u>50,913</u>	<u>106,570</u>
<b>Net Book Value 30 June 2019</b>	<u>104,027</u>	<u>93,945</u>	<u>197,972</u>
<b>Net Book Value 31 December 2019</b>	<u>55,750</u>	<u>54,092</u>	<u>109,842</u>

**Notes to the Half-Yearly Financial Statements**  
**Six months ended 30 June 2020 - continued**

	30 June 2020 (Unaudited) US\$000	30 June 2019 (Unaudited) US\$000	31 Dec 2019 (Audited) US\$000
<b>10 Trade and other receivables</b>			
Trade and other receivables	4,219	13,649	6,135
Prepayments	168	107	363
	<u>4,387</u>	<u>13,756</u>	<u>6,498</u>
<b>11. Trade and other payables</b>			
Current			
Trade and other payables	7,755	22,448	14,797
Current portion of leases	726	479	652
Current portion of contract liability	-	-	9,321
	<u>8,481</u>	<u>22,927</u>	<u>24,770</u>
Non-current			
Non-current trade and other payables	1,444	-	-
Non-current portion of leases	1,089	625	864
Non-current portion of contract	-	-	-

liability	-	-	833
	<u>2,533</u>	<u>625</u>	<u>1,697</u>
Total carrying value	<u>11,014</u>	<u>23,552</u>	<u>26,467</u>
<b>12 Borrowings</b>			
Current			
Bank loan	<u>1,488</u>	<u>4,236</u>	<u>2,462</u>
	1,488	4,236	2,462
Non-Current			
IYA Loan	<u>11,074</u>	<u>19,373</u>	<u>18,083</u>
Bank loan	<u>2,394</u>	<u>4,319</u>	<u>2,024</u>
	<u>13,468</u>	<u>23,692</u>	<u>20,107</u>
Total carrying value of borrowings	<u>14,956</u>	<u>27,928</u>	<u>22,569</u>

**Notes to the Half-Yearly Financial Statements**  
**Six months ended 30 June 2020 - continued**

**13 Reconciliation of operating profit to net cash outflow from operating activities**

	6 months to 30 June 2020 (Unaudited) US\$000	6 months to 30 June 2019 (Unaudited) US\$000	Year to 31 Dec 2019 (Audited) US\$000
<b>Profit/(loss) from operations before taxation</b>	(3,491)	249	(93,562)
Interest on bank deposits	(69)	(102)	(641)
Interest payable and loan fees	2,178	2,153	4,847
Depreciation and impairment of property, plant and equipment	5,207	4,347	10,529
Impairment charge	125	-	88,160
Gain on non-operating transaction	(62)	(33)	337
Share-based payments	328	157	233
Foreign exchange difference	(3,535)	(119)	-
<b>Operating cash flows before movements in working capital</b>	<u>681</u>	<u>6,652</u>	<u>9,903</u>
(Increase)/decrease in receivables	1,999	(3,427)	3,592
(Increase)/decrease in inventory	28	84	56
(Decrease)/increase in payables	195	3,440	7,936
<b>Net cash generated by/(used in) operating activities</b>	<u>2,903</u>	<u>6,749</u>	<u>21,487</u>

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