

22 August 2011

SIRIUS PETROLEUM PLC

(“Sirius” or the “Company”)

Interim Results for the six month period ended 30 June 2011

Sirius (AIM:SRSP), the oil and gas exploration and development company announces its interim results for the six months ended 30 June 2011.

Summary

- Significant progress made on potential oil and gas assets acquisitions
- Development of trading business – completed sale of first cargo of Fuel Oil since the period end
- Strengthened board with appointment of oil & gas specialist Ed Johnson as Commercial Director

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Chairman’s Statement

I am pleased to present my first report as Chairman of Sirius, covering the six month period to 30 June 2011. This has been a period of significant progress on both the assessment of potential oil and gas asset acquisitions and the development of an oil trading business. We have also strengthened the board of directors (the “Board”) through the appointment of Ed Johnson and I am delighted to welcome Ed to the Board. Ed joins us as Commercial director and will work with the Board in its assessment of potential projects but also has been charged with the task of building the management team required to control and monitor our oil field projects on a day-to-day basis as soon as we commence first operations.

Oil field projects

Having identified a number of attractive oil field assets we are undertaking the work necessary to assess the technical data on the fields and determine the economics of each project. We will make an announcement as appropriate once we have selected our preferred first target and entered into an agreement to develop the asset.

Trading activities

In regards to our trading activities, the Company is pleased to announce it has commenced trading activities and completed the sale of a cargo of Fuel Oil (Premium Motor Spirit) which has generated a net profit in excess of \$140,000 since the period end. Following the successful completion of this trade, the Company intends to import cargos of increasing size and on a more frequent basis to generate a reliable income stream. Whilst the Company has deliberately made a small and cautious start to this activity, we look forward to developing this business activity into a significant revenue stream

Results

As these results pre-date our first revenues reported above, they represent the costs of developing our strategy, reviewing potential marginal field opportunities and setting the structure for oil trading activities. Cash costs incurred in the half year amounted to \$4,785,000 which include certain costs of the aborted Ke transaction and the Company’s re-admission to AIM as an investing company earlier this year. The vast majority of these costs are non-recurring in nature with normal overheads, net of sundry income amounting to \$804,000, which is in line with expectations. During the period the Company benefitted from the recovery of \$600,000 which had been advanced to Del Sigma and which had previously been written off. The results include a non-cash charge of \$6,239,000 for

share based payments which is an accounting adjustment relating to warrants and options issued by the Company to directors, Strand Hanson, Corvus and EMMEF. Taking these items together the Company recorded a loss for the period of \$10,303,000 (5 month period to 30 June 2010: \$828,000) giving a loss per share of 01.63c (2010: 0.16c). The Company's cash reserves remain strong with funds available as cash at bank or on short term deposit amounting approximately \$3.9million at 30 June 2011

During the period the Company issued a total of 220,898,610 new ordinary shares of 0.25p each and now has 741,726,330 shares in issue. Sirius does not hold any shares in treasury and hence the total number of voting rights in the Company is 741,726,330 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Service Authority's Disclosure and Transparency Rules.

Jack Pryde

Chairman

22 August 2011

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2011

	Note	6 months to 30/06/2011 Unaudited \$000	5 months to 30/06/2010 Unaudited \$000	17 months ended 31/12/2010 Audited \$000
Other income		100	-	-
Reverse impairment/(impairment) of other receivables		600	-	(600)
Share based payment charge		(6,239)	-	-
Professional fees		(3,881)	(97)	(548)
Other administrative expenses		(904)	(732)	(2,750)
Total administrative expenses		(10,424)	(829)	(3,898)
Loss from operations		(10,324)	(829)	(3,898)
Finance income		22	1	1
Finance cost		(1)	-	(62)
Loss before taxation		(10,303)	(828)	(3,959)
Taxation		-	-	-
Loss after taxation and retained loss attributable to equity holders of the Company		(10,303)	(828)	(3,959)
Other comprehensive income				
Exchange differences in translating foreign operations		-	-	(2)
Total comprehensive (expenditure) for the period		(10,303)	(828)	(3,961)
Loss per share (cents)				
- basic and diluted	2	(1.63.c)	(0.16c)	(0.77c)

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2011

	Share capital \$'000	Share premium account \$'000	Share based payment reserve \$'000	Exch- ange reserve \$'000	Profit and loss account \$'000	Total \$'000
At 1 February 2010 (unaudited and restated)	2,384	5,407	83	(1)	(6,713)	1160
Share based payments	-	-	97	-	-	97
Exchange reserve	-	-	-	(2)	-	(2)
Transactions with owners	-	-	97	(2)	-	95
Loss for the period and total comprehensive income for the period	-	-	-	-	(828)	(828)
At 30 June 2010 (unaudited)	2,384	5,407	180	(3)	(7,541)	427
	2,308	3,675	-	-	(5,755)	228
At 31 July 2009	76	1,732	-	-	-	1,808
Issue of share capital	-	-	548	-	-	548
Share based payments	76	1,732	548	-	-	2,356
Transactions with owners	-	-	-	-	(3,959)	(3,959)
Loss for the period	-	-	-	(2)	-	(2)
Other comprehensive income for the period	-	-	-	(2)	-	(2)
Total comprehensive income for the period	-	-	-	(2)	(3,959)	(3,961)
At 31 December 2010	2,384	5,407	548	(2)	(9,474)	(1,377)
Issue of share capital	901	8,802	-	-	-	9,703
Share issue costs	-	(308)	-	-	-	(308)
Share based payments	-	-	6,239	-	-	6,239
Transactions with owners	-	-	-	3	-	3
Loss for the year and total comprehensive income for the period	901	8,494	6,239	3	-	15,637
Exercise of warrants	-	-	-	-	(10,303)	(10,303)
At 30 June 2011 (unaudited)	-	-	(1,552)	-	1,552	-
At 30 June 2011 (unaudited)	3,285	13,901	5,235	1	(18,465)	3,957

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	30/06/2011 Unaudited \$000	30/06/2010 Unaudited \$000	31/12/2010 Audited \$000
ASSETS				
Non-current assets				
Tangible assets		27	14	8
		<u>27</u>	<u>14</u>	<u>8</u>
Current assets				
Trade and other receivables	3	3,485	590	42
Cash and cash equivalents		677	232	8
Total current assets		<u>4,162</u>	<u>822</u>	<u>50</u>
Total assets		<u>4,189</u>	<u>836</u>	<u>58</u>
LIABILITIES				
Current liabilities				
Loans		-	-	131
Trade and other payables		232	409	1,304
Total current liabilities		<u>232</u>	<u>409</u>	<u>1,435</u>
EQUITY				
Share capital	4	3,285	2,384	2,384
Share premium account		13,901	5,407	5,407
Share based payment reserve		5,235	180	548
Exchange reserve		1	(3)	(2)
Profit and loss account		(18,465)	(7,541)	(9,714)
Total equity attributable to equity holders of the Company		<u>3,957</u>	<u>427</u>	<u>(1,377)</u>
Total equity and liabilities		<u>4,189</u>	<u>836</u>	<u>58</u>

SIRIUS PETROLEUM PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2011

	6 months to 30/06/2011 Unaudited \$000	5 months to 30/06/2010 Unaudited \$000	17 months ended 31/12/2010 Audited \$000
Cash flows from operating activities			
Loss after taxation	(10,303)	(828)	(3,959)
Depreciation	8	9	19
Finance income	(22)	(1)	(1)
Finance cost	1	-	62
(Increase)/decrease in trade and other receivables	(154)	(79)	103
Share based payments	6,239	97	548
(Decrease)/increase in trade and other payables	(1,072)	53	902
Foreign exchange	3	(2)	(2)
Net cash outflow from operating activities	(5,300)	(751)	(2,328)
 Cash flows from investing activities			
Purchase of property, plant and equipment	(27)	(9)	(10)
Finance income	22	1	1
Net cash flows from investing activities	(5)	(8)	(9)
 Cash flows from financing activities			
Proceeds from issue of share capital	9,703	-	1,808
Share issue costs	(308)	-	-
Finance cost	(1)	-	(62)
Loans made	(3,289)	-	-
Loans repaid	(131)	-	-
Loans received	-	-	131
Net cash inflow from financing activities	5,974	-	1,877
 Net increase /(decrease) in cash and cash equivalents	669	(759)	(460)
Cash and cash equivalents brought forward	8	991	468
Cash and cash equivalents carried forward	677	232	8

SIRIUS PETROLEUM PLC

NOTES TO THE INTERIM REPORT

FOR THE PERIOD ENDED 30 JUNE 2011

1. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. This interim report is unaudited and does not constitute statutory accounts within the meaning of Section 498 of the Companies Act 2006. The figures for the 17 months ending 31 December 2010 have been extracted from the 2010 financial statements. The auditor's report on these accounts was unqualified and did not contain a statement under Section 498 of the Companies Act 2006.

The principal accounting policies of the Group are consistent with those detailed in the 31 December 2010 financial statements, which are prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

Going concern

The directors have prepared cash flow forecasts through to 30 September 2012. The cash flow forecasts demonstrate that the Group will have sufficient funding available to pursue its proposed strategy and continue in operational existence for the foreseeable future.

Segmental reporting

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

The chief operating decision maker reviews financial information for and makes decisions about the Group's performance as a whole, as the Group has not traded during the period.

Subject to further acquisitions and the future development of the business in Nigeria the Group expects to further review its segmental information during the forthcoming financial year.

2. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. The impact of the options on the loss per share is anti-dilutive.

	Basic loss per share		
	6 months to 30/06/2011 Unaudited	5 months to 30/06/2010 Unaudited	17 months ended 31/12/2010 Audited
Loss on ordinary activities after tax (\$'000)	<u>(10,303)</u>	<u>(828)</u>	<u>(3,961)</u>
Weighted average number of 0.25p ordinary shares	<u>632,253,487</u>	<u>520,827,720</u>	<u>516,226,690</u>
Loss per share - basic (cents)	<u>1.63c</u>	<u>0.16c</u>	<u>0.77c</u>

3. TRADE AND OTHER RECEIVABLES

	30/06/2011 Unaudited \$000	30/06/2010 Unaudited \$000	31/12/2010 Audited \$000
Trade receivables	10	-	-
Other receivables	18	545	21
Loans	3,289	-	-
Prepayments and accrued income	168	45	21
Total	<u>3,485</u>	<u>590</u>	<u>42</u>

Trade and other receivables are usually due within 30 - 60 days and do not bear any effective interest rate. The fair value of these short term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

A loan of \$3,204,000 to EMMEF which is a related party by virtue of it's shareholding, made in April 2011 for an initial period of 120 days, attracts interest of 3% per annum, which has been accruing.

A loan to Bolad of \$85,000 is not interest bearing.

4. SHARE CAPITAL

	30/06/2011 Unaudited \$'000	30/06/2010 Unaudited \$'000	31/12/2010 Audited (Restated) \$'000
Allotted, issued and fully paid 741,726,330 (30 June 2010 and 31 December 2010: 520,827,720) ordinary shares of 0.25p	<u>3,285</u>	<u>2,384</u>	<u>2,384</u>

The movement in ordinary shares and share premium in the period was as follows::

	Price £	Number	Nominal amount (USD'000)	Share premium (USD'000)
As at 31 December 2010		520,827,720	2,384	5,407
Share placing	0.05	83,898,610	342	6,501
Issue of shares in settlement of fees	0.0242	65,000,000	265	2,301
			212	
Settlement of agreement with Sirius Oil and gas	0.0025	52,000,000		-
Placing costs		-	-	(308)
Exercise of Strand Hanson Limited warrant	0.0025	10,000,000	41	-
Exercise of Corvus warrant	0.0025	10,000,000	41	-
At 30 June 2011		<u>741,726,330</u>	<u>3,285</u>	<u>13,901</u>

5. CONTINGENT LIABILITIES

At 30 June 2011 and 30 June 2010 and 31 December 2010 there is a contingent liability of \$231,000 relating to a fee payable to Taglient Oil. This fee is payable only on completion of a transaction that constitutes a reverse takeover under the AIM Rules of Companies. As a reverse takeover had not occurred by 30 June 2011 no amount has been recognised in the financial statements in respect of this agreement. The Board consider that this fee is only likely to become payable on signing an agreement to acquire a marginal field and completion of the related fund raising.