28 September 2018

Sirius Petroleum Plc.

("Sirius" or the “Company")

Half Year Report
for the six month period ended 30 June 2018

Sirius Petroleum (AIM: SRSP), the Nigeria focused oil and gas exploration and development company, announces unaudited results for the six-month period ended 30 June 2018.

Enquiries

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Half Year Statement

The interim results for the six month period ended 30 June 2018 reflect the costs incurred during the period to continue to build the operational Ororo infrastructure, funding the contracted operation team and planning work on the Ororo Field, in collaboration with our Technical Advisors, and our Nigerian partners, Owena Oil & Gas Limited and Guarantee Petroleum Company Limited, and our London and Nigerian operations.

The operating loss in the half year amounted to $3,003,000, an increase of $2,040,000 on the six months to 30 June 2017 operating loss of $963,000 (year to 31 December 2017: $2,147,000) giving a loss per share of 0.08 cents (30 June 2017: 0.04 cents loss per share, 31 December 2017: 0.09 cents loss per share).

Group Strategy

The Board continues to appraise opportunities to farm into or acquire high quality assets located in major proven complexes leveraging on the Group’s arrangements with its range of operational and asset funding partners.

Nigeria continues to present an attractive investment proposition for inward investment institutions, evidenced by the range of prospective debt funding partners we have consulted with during the period, particularly against the backdrop of the region’s history of delivering strong levels of operational cash flows, referenced by consultants Wood Mackenzie, stating that contractors operating in the country have been cash flow break even or better in every year since 1975 and goes on to say that they have generated some US$100 billion in net cash flow.

We also concur with further industry analysis that points to an improving economic and political environment in-country, evidenced by the approval of the National Gas Policy in 2017 and more recently, whilst the Senate approval of the Petroleum Industry Bill (PIB) was an affirmative step. The PIB has subsequently been sub-divided into four Bills as follows: Petroleum Industry Governance Bill (PIGB), Petroleum Industry Administration Bill (PIAB), Petroleum Industry Fiscal Bill (PIFB) and Petroleum Host Community Bill (PHCB) have now gone through a second reading in Parliament's upper chamber. Whilst the expectation appears to be that the bills will be enacted in 2018, the progress made to date represents significant strides in the stature of the resulting regulatory environment for the industry. We believe this can only enhance a climate that encourages increasing levels of inward investment into the Nigerian E&P sector whether that is into existing assets, working with indigenous co-owners, or through the next proposed marginal bid round, which was originally expected to take place earlier in 2018. Regardless of timing, which will ultimately be appropriately prescribed by the Department of Petroleum Resources, we believe that Sirius will be well positioned alongside indigenous partners to participate in the next marginal round.

The development of the Ororo Field is the first of the Company's marginal field developments, in line with the Group's strategy to target proven opportunities and maximize hydrocarbon production and recovery from proven discovered assets in Nigeria. The company's strategy remains focused on appraising shallow water offshore areas where Sirius can also realise upside potential for all stakeholders in potential assets through appraisal and development activities.

Ororo – OML 95

The Ororo-2 well is planned to penetrate all of the D sands with the top three sands (D1, D2 and D3) being sampled and pressure tested. The objectives of the tests are to determine GOCs, the pressure regimes, fluid compositions, and in situ gasoil ratios to gain confidence for the full field development.

In its Competent Persons Report ("CPR"), Rockflow Resources Limited ("Rockflow") has estimated that the Ororo-2 well will target a total stocktank oil initially in place ("STOIIP") of 2.98 mmbbls in the G sands within the Ororo Field (at a midcase scenario). Drilling of the Ororo-2 well is expected to take approximately 45 days from mobilisation of the drilling rig to the Ororo-2 site.

During the extended well testing ("EWT") phase, the Ororo-2 well is expected to initially produce into a temporary well test production facility mounted on a barge. Hydrocarbon production is expected to be treated (degassing and dehydration) to standard specifications for shuttle tanker transportation via the production facility and barge. Separate oil storage capacity is expected to be provided on the barge to store up to 10 days' production (approximately 50,000 bbls).

As originally stated in the Admission document sent to shareholders in November 2017, following completion of the Ororo-2 well and conditional on further funding being obtained, the Ororo-2 drilling rig is intended to proceed to drill the Ororo-3 well, which is proposed to target the D sand reservoir sequence.

The Company has today made a brief announcement updating shareholders on the current rig status for the Ororo field drilling programme due to commence in Q4 2018.

Corporate Governance Update

Sirius Petroleum has also recently updated the Corporate Governance practices of the Company in line with Quoted Company Alliance guidelines. See the Company's website at: www.siriuspetroleum.com.

Board and Management Team

During the period there were no changes to the Board and Senior Management composition.

Finance

During the period the Company continued to progress the proposed development debt funding discussions with a number of international financial institutions. This process is being led by Reyl et Cie, in relation to development of the Ororo field as has been previously announced.

Outlook

During the first half of year and to date the shore-based work streams have continued in association with the Group's operational partners to make all available resources available for the commencement of the Ororo development programme, pending the availability of a rig to commence drilling in 2018 at Ororo-2.

In line with our strategy we are continuing to appraise assets with production growth, appraisal and exploration potential.

We will continue to work towards delivering on the Company's strategy, to build a portfolio of assets with like minded asset owners where we can match development capital to enable good near term production and build solid development potential and appraisal prospects.

J Pryde
Chairman

O Kuti
Chief Executive Officer

28 September 2018

SIRIUS PETROLEUM PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2018

	Note	**Unaudited Period ended 30 June 2018**	Unaudited Period ended 30 June 2017	Audited Year ended 31 December 2017
		US$'000	US$'000	US$'000
Other income		**27**	33	59
Share based payments		**(1,367)**	-	(465)
Other administrative expenses		**(1,663)**	(996)	(1,741)
Total administrative expenses		**(3,030)**	(996)	(2,206)
Loss from operations		**(3,003)**	(963)	(2,147)
Finance costs		**(1)**	(29)	(122)
Loss before taxation		**(3,004)**	(992)	(2,269)
Taxation	*2*	**-**	-	-
Loss after taxation and loss attributable to the equity holders of the Company		**(3,004)**	(992)	(2,269)
Other comprehensive income				
Exchange differences on translating foreign operations		**(6)**	(13)	(36)
Total comprehensive loss for the period/year		**(3,010)**	(1,005)	(2,305)
Loss per share				
Total basic and diluted (cents per share)	*3*	**(0.08)**	(0.04)	(0.09)

SIRIUS PETROLEUM PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2018

	Share capital	**Share premium account**	**Share-based payment reserve**	**Other reserves**	**Exchange reserve**	**Retained earnings**	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2017	8,927	25,749	2,596	11	(229)	(36,943)	111
Issue of share capital	886	1,728	-	-	-	-	2,614
Share issue costs	-	(140)	-	-	-	-	(140)
Transactions with owners	886	1,588	-	-	-	-	2,474
Loss for the period	-	-	-	-	-	(992)	(992)
Other comprehensive loss for the period	-	-	-	-	(13)	-	(13)
Balance at 30 June 2017	9,813	27,337	2,596	11	(242)	(37,935)	1,580
Share issue	3,397	8,347	-	-	-	-	11,744
Share issue costs	-	(468)	-	-	-	-	(468)
Share based payments	-	-	465	-	-	-	465
Transfer on lapse of share options/warrants	-	-	(339)	-	-	339	-
Transfer on repayment of loan fees equity instruments	-	-	-	(11)	-	11	-
Transactions with owners	3,397	7,879	126	(11)	-	350	11,741
Loss for the period	-	-	-	-	-	(1,277)	(1,277)
Other comprehensive income for the period	-	-	-	-	(23)	-	(23)
Balance at 31 December 2017	13,210	35,216	2,722	-	(265)	(38,862)	12,021
Share based payments	-	-	1,367	-	-	-	1,367
Transfer on lapse of share options/warrants			(11)			11	-
Transactions with owners	-	-	1,356	-	-	11	1,367
Loss for the period	-	-	-	-	-	(3,004)	(3,004)
Other comprehensive income for the period	-	-	-	-	(6)	-	(6)
Balance at 30 June 2018	13,210	35,216	4,078	-	(271)	(41,855)	10,378

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

		Unaudited 30 June 2018	Unaudited 30 June 2017	Audited 31 December 2017
Assets	*Note*	**US$'000**	US$'000	US$'000
Non-current				
Intangible exploration and evaluation assets	*4*	**18,037**	6,901	10,554
Property, plant and equipment	*5*	**800**	17	13
		18,837	6,918	10,567
Current				
Cash and cash equivalents		**945**	259	4,014
Trade and other receivables	*6*	**1,740**	118	4,013
Total current assets		**2,685**	377	8,027
Total assets		**21,522**	7,295	18,594
Liabilities				
Current				
Trade and other payables	*7*	**10,537**	4,506	6,236
Loans payable		**328**	1,209	337
Total current liabilities		**10,865**	5,715	6,573
Liabilities due after one year		**279**	-	-
Total liabilities		**11,144**	5,715	6,573
Equity				
Issued share capital	*8*	**13,210**	9,813	13,210
Share premium		**35,216**	27,337	35,216
Share based payment reserve		**4,078**	2,596	2,722
Other reserve		**-**	11	-
Exchange reserve		**(271)**	(242)	(265)
Retained earnings		**(41,855)**	(37,935)	(38,862)
Equity attributable to owners of the company		**10,378**	1,580	12,021
Total equity and liabilities		**21,522**	7,295	18,594

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018

	Unaudited Period ended 30 June 2018	Unaudited Period ended 30 June 2017	Audited Year ended 31 December 2017
	US$'000	US$'000	US$'000
Operating activities			
Loss after tax	**(3,004)**	(992)	(2,269)
Depreciation	**90**	**3**	6
Finance cost	**1**	29	122
Decrease/(increase) in trade and other receivables	**2,273**	106	(879)
Equity settled share-based payments	**1,367**	-	465
Expenses settled in shares	**-**	-	680
Increase/(decrease) in trade and other payables	**3,729**	102	(440)
Net cash inflow/(outflow) from operating activities	**4,456**	(752)	(2,315)
Investing activities			
Purchase of property, plant and equipment	**(364)**	(1)	(1)
Investment in intangibles	**(7,483)**	(2,258)	(3,525)
Net cash outflow from investing activities	**(7,847)**	(2,259)	(3,526)
Financing activities			
Proceeds from issue of share capital	**-**	2,494	9,230
Share issue costs	**-**	(109)	(608)
Finance cost	**(3)**	-	(48)
Loans received	**331**	88	526
Net cash inflow from financing activities	**328**	2,473	9,100
Net change in cash and cash equivalents	**(3,063)**	(538)	3,259
Cash and cash equivalents at beginning of period	**4,014**	830	830
Exchange difference on cash and cash equivalents	**(6)**	(33)	(75)
Cash and cash equivalents at end of period	**945**	259	4,014

1 **SIRIUS PETROLEUM PLC**

1 **NOTES TO THE INTERIM REPORT**

2 **FOR THE PERIOD ENDED 30 JUNE 2018**

2 The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2017 have been completed and filed at Companies House. The auditor's report on the annual financial statements was unqualified and did not contain statements under section 498(2) or section 498(3) of the Companies Act 2006.

1. ACCOUNTING POLICIES

Basis of preparation

The Company's ordinary shares are quoted on the AIM market of the London Stock Exchange and the Company applies the Companies Act 2006 when preparing its annual financial statements.

The annual financial statements for the year ending 31 December 2018 will be prepared under International Financial Reporting Standards as adopted by the European Union (IFRS) and the principal accounting policies adopted remain unchanged from those adopted in preparing its financial statements for the year ended 31 December 2017.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements. IFRS 9 - Financial Instruments, IFRS 15 – Revenue from contracts with customers and IFRS 16 – Leases have been applied from 1 January 2018. The impact of adopting IFRS 9 and IFRS 15 are not significant. The impact of IFRS 16 has been to recognise the property lease as a right-of-use asset of $570,000, with a lease liability of $483,000 of which $279,000 is due after one year. A depreciation charge has been recognised in the income statement of $53,000. As there were no assets leased prior to the period no adjustments were necessary.

Going concern

The directors have prepared cash flow projections through to 30 September 2019. These projections take into account the Reyl facility. These projections forecast revenue streams and costs based on the Competent Person's Report produced, and demonstrate the total funding level required.

The cash flow projections indicate that the Group has sufficient headroom to meet its immediate working capital requirements. On the basis of the assumptions above and following a detailed review by the directors of the Group's cash flow forecast, the directors believe that the Group will have sufficient cash resources to meet its liabilities as they fall due for a period of at least 12 months.

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 Executive Officer to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

The Chief Executive Officer reviews financial information for and makes decisions about the Group's performance as a whole, as the Group has not generated revenue 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.

3 2. TAXATION

No tax is due for the period as the Company has made a taxable loss. The Directors expect these losses to be available to offset against future taxable trading profits. The Group has not recognised any deferred tax asset at 30 June 2018 (30 June and 31 December 2017: £nil) in respect of these losses on the grounds that it is uncertain when taxable profits will be generated by the Group to utilise any such losses.

4 3. 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 and warrants on the loss per share is anti-dilutive.

	Unaudited six months ended 30 June 2018	Unaudited six months ended 30 June 2017	Audited year ended 31 December 2017
Loss on ordinary activities after tax ($'000)	**(3,004)**	(992)	(2,269)
Weighted average number of shares for calculating basic loss per share	**3,555,965,801**	2,460,957,699	2,550,274,003
Basic and diluted loss per share (US cents)	**(0.08)**	(0.04)	(0.09)

4. INTANGIBLE EXPLORATION AND EVALUATION ASSETS

Cost of oil and gas exploration – pending determination

	US$'000
Cost	
At 1 January 2017	4,643
Additions	2,258
At 30 June 2017	6,901
Additions	3,653
At 31 December 2017	10,554
Additions	7,483
At 30 June 2018	**18,037**
Amortisation and impairment	
At 1 January 2017, 30 June 2017, 31 December 2017 and 30 June 2018	-
Net book value at 30 June 2018	**18,037**
Net book value at 31 December 2017	10,554
Net book value at 30 June 2017	6,901

During the year ended 31 December 2011 Sirius Ororo OML95 Limited entered into an agreement with Guarantee Petroleum Company Limited and Owena Oil and Gas Limited which gives it the right to acquire a 40% interest in the Ororo Oil Field.

The Group has undertaken certain works including commissioning the preparation of a Competent Persons Report and has conducted an environmental impact assessment. It has also commenced planning appropriate community projects and site surveys to finalise the subsequent drilling programme and will also cover certain operational costs related to the field. Under the agreement with our partners, the Group will cover all costs of this phase of the project. Costs plus interest of LIBOR+3% will be recoverable on the production of oil before the profit interest split is applied; these costs are being added to the costs of the asset.

The Directors have reviewed the investment for impairment. On 8 September 2016, the Group announced that an independent valuation of the Ororo field prepared by Rockflow Resources Limited, gave a mid-case net present value of the asset of $49.2m based on a $50 per barrel flat real oil price for the life of the field, and a low case net present value of $8.5m. This valuation was confirmed in the updated CPR in our admission document dated 30 November 2017. These valuations were recalculated at $65 per barrel and resulted in a low case net present value of $32.9m and a mid-case net present value of $96.1m. These valuations support the value of the investment held on the Statement of Financial Position and support the view that no impairment triggering events have occurred.

The Group intends investing further amounts into the Ororo Oil Field, as part of its strategic development plans. The costs of the capital and operating costs will be covered by either separate funding facilities or by financial and technical industry partners on a joint farm-in basis.

5 5. PROPERTY, PLANT ANT EQUIPMENT

	Leasehold Property $' 000	Computer equipment Equipment $' 000	Office equipment Equipment $'000	Motor Vehicles $'000	Total $'000
Cost					
At 1 January 2017	-	50	29	27	106
Additions	-	1	-	-	1
Exchange difference	-	-	-	(1)	(1)
At 30 June 2017	-	51	29	26	106
Additions	-	-	-	-	-
Exchange difference	-	-	-	(1)	(1)
At 31 December 2017	-	51	29	25	105
Additions	570	27	281	-	878
Exchange difference	-	-	-	(1)	(1)
Cost at 30 June 2018	**570**	**78**	**310**	**24**	**982**
Depreciation					
At 1 January 2017	-	50	29	7	86
Charge for the period	-	-	-	3	3
At 30 June 2017	-	50	29	10	89
Charge for the period	-	1	-	2	3
At 31 December 2017	-	51	29	12	92
Charge for the period	53	11	24	2	90
At 30 June 2018	**53**	**62**	**53**	**14**	**182**
Net book value					
Balance at 30 June 2018	**517**	**16**	**257**	**10**	**800**

Balance at 31 December 2017	-	-	-	13	13
Balance at 30 June 2017	-	1	-	16	17
Balance at 1 January 2017	-	-	-	20	20

6 6. TRADE AND OTHER RECEIVABLES

	Unaudited	Unaudited	Audited
	30 June 2018	30 June 2017	31 December 2017
	US$'000	US$'000	US$'000
Other receivables	**422**	66	3209
Prepayments and accrued income	**1,318**	52	804
Total	**1,740**	118	4,013

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.

7 7. TRADE AND OTHER PAYABLES

	Unaudited	Unaudited	Audited
	30 June 2018	30 June 2017	31 December 2017
	US$'000	US$'000	US$'000
Trade payables	**7,945**	1,022	3,803
Other payables	**1,586**	611	1,099
Accruals	**1,006**	2,873	1,334
Total	**10,537**	4,506	6,236

The fair value of trade and other payables has not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the balance sheet to be a reasonable approximation of their fair value.

8 8. SHARE CAPITAL

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

	Number	Nominal amount (USD $'000)	Share premium (USD $'000)
As at 1 January 2017	2,258,029,523	8,927	25,749
Shares issued for cash	266,666,666	832	1,663
Loan repayments	14,000,000	44	44
Fees paid in shares	3,333,333	10	21
Share issue costs	-	-	(140)
At 30 June 2017	2,542,029,522	9,813	27,337
Shares issued for fees due	60,989,850	204	445

Shares issued for cash	723,700,000	2,426	7,279
Loan repayments	229,246,429	767	623
Share issue costs	-	-	(468)
At 31 December 2017	3,555,965,801	13,210	35,216
At 30 June 2018	**3,555,965,801**	**13,210**	**35,216**