

31 March 2010

SIRIUS PETROLEUM PLC
("Sirius" or "the Company")

Interim Results for the six month period ended 31 January 2010

Sirius Petroleum plc (AIM: SRSP) announces its interim results for the six months ended 31 January 2010.

Summary of developments during the first half

Sirius continues to make steady progress with the Company's strategy of creating an oil & gas business with a number of steps completed to date:

- *August 2009* – Signed Agreement with Capital Investment Office to provide or procure debt funding for the Company's first marginal oil field project
- *October 2009* - Licence granted from the Department of Petroleum Resources ("DPR") of the Nigerian Ministry of Petroleum Resources to import refined oil products into Nigeria
- *November 2009* - Entered strategic partnership letters of intent with Dajo Oil Limited ("Dajo") to identify and negotiate an economic interest in marginal oil and gas field opportunities currently held by Shell Nigeria using their significant experience and contacts
- *December 2009* - Identified first shallow water offshore marginal oil field opportunity in Nigeria
- Raised a total of £1.8 million gross in two placings of ordinary shares to new and existing institutional shareholders
- *December 2009* – Strategic partnership signed with Nigerian based Frontier Oil Limited

Post period events – February 2010

- Entered agreement with South Africa Hi-Tech Energy Consultancy Inc ("SAHT") whereby Sirius has issued a warrant to SAHT which is conditional upon Sirius completing a transaction for assets with a value of at least \$0.5bn introduced by SAHT
- Entered acquisition and joint operating agreement with Del Sigma Petroleum Limited for development of the Ke marginal field, which led to Sirius shares being suspended from trading on AIM as this would constitute a reverse takeover

Commenting, Babatunde Agboola, Chairman of Sirius Petroleum plc, said: "The team is continuing to make good progress in building an oil & gas business and we look forward to updating the market on the Del Sigma agreement in due course."

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Sirius Petroleum PLC - Interim Results for the six month period ended 31 January 2010

Introduction and update

The Board is pleased to report that it continues to make steady progress in the development of the Company's core strategy to build an oil and gas based business and has established a framework from which Sirius can pursue its strategy.

To date this framework consists of the core agreement with Taglient Oil Nigeria Limited supplemented by strategic partnership agreements with Nigerian based businesses Bolad Energy Company announced by Sirius on 4 December 2008, RT5 Petroleum Limited announced by Sirius on 19 December 2008, Dajo Oil Limited announced by Sirius on 3 November 2009 and Frontier Oil Limited announced by Sirius on 2 December 2009. These agreements provide the Company with wide ranging and high level contacts throughout the Nigerian oil related administration and with major oil companies. In addition, Sirius has established a local office in Lagos for its Nigerian subsidiary. Sirius announced that it obtained a licence to allow the Company to import refined oil products into Nigeria on 9 October 2009. On 2 December 2009 Sirius raised £1.1 million of funding to undertake due diligence on various opportunities and on 25 August 2009 announced that it had entered into an US\$80 million framework funding agreement with CapInvest.

More recently, on 16 February 2010, Sirius announced that it had entered into a Consultancy and Warrant Agreement with South Africa Hi-Tech Energy Consultancy Inc under which the Company issued a warrant for 80,000,000 new ordinary shares at 7.125 pence each which is conditional on the completion of an acquisition of oil and gas based assets with a value of at least US\$0.5 billion. On 22 February 2010 Sirius announced that it has entered into an acquisition and joint operating agreement with Del Sigma Petroleum Nigeria Limited for development of the Ke marginal field which has aggregate recoverable hydrocarbon reserves estimated to be in excess of 25 mmbbls (2P reserves) located in OML55, Nigeria.

The Company's shares have been suspended from trading on AIM following the announcement of the Ke field agreement and whilst the Competent Persons Report is completed and an AIM Admission document is prepared for circulation to shareholders.

Results

These results cover the six month period ended 31 January 2010 and, like those for the year ended 31 July 2009, relate to a period when the Company has been developing its strategy, negotiating partnership agreements and reviewing potential marginal field opportunities and during which no trading activities took place. The vast majority of the Group's future revenue is expected to be generated in US dollars, and the same is expected to be the case with regard to the associated costs. Accordingly, when the Group reported its last final results on 21 December 2009 the board indicated that it proposed to change the Company's reporting currency, from GBP to US dollars for future reporting periods. The half year results have been prepared in accordance with that policy. The Group incurred a loss before taxation of \$958,000, (period ended 31 January 2009: loss of \$1,160,000, year ended 31 July 2009: loss of \$1,650,000).

Outlook

The Board remains confident that its vision for the future will start to show concrete results over the coming year.

Sirius announces that it has appointed Strand Hanson Limited as its Nominated Adviser and Broker to the Company with immediate effect.

Babatunde Agboola

Chairman

31 March 2010

INDEPENDENT REVIEW REPORT TO SIRIUS PETROLEUM PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2010 which comprises the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position, consolidated cash flow statement, and related notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusion we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

GRANT THORNTON UK LLP
AUDITOR

Birmingham
31 March 2010

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2010

	Note	6 months to 31/01/2010 Unaudited \$000	6 months to 31/01/2009 Unaudited (Restated) \$000	Year ended 31/07/2009 Audited (Restated) \$000
Fees payable in respect of services agreements and sign-on fees		-	(965)	(965)
Other administrative expenses		(958)	(199)	(690)
Administrative expenses and loss from operations		(958)	(1,164)	(1,655)
Finance income		-	4	5
Loss before taxation		(958)	(1,160)	(1,650)
Taxation		-	-	-
Loss after taxation and retained loss attributable to equity holders of the company		(958)	(1,160)	(1,650)
Other comprehensive income		-	-	-
Total comprehensive (expenditure) for the period		(958)	(1,160)	(1,650)
Loss per share (cents)				
- basic and diluted	2	(0.19c)	(0.26c)	(0.35c)

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2010

	Share capital \$'000	Share Premium account \$'000	Share based payment reserve \$'000	Exchange reserve \$'000	Profit and loss account \$'000	Total \$'000
At 1 August 2008 (Audited and restated)	1,401	2,847	3,107	-	(7,212)	143
Issue of share capital	907	-	-	-	-	907
Proceeds of issue of share capital in excess of par value less costs	-	828	-	-	-	828
Transactions with owners	907	828	-	-	-	1,735
Loss for the year and total recognised income and expense for the year	-	-	-	-	(1,160)	(1,160)
Total comprehensive income for the period	-	-	-	-	(1,160)	(1,160)
At 31 January 2009 (unaudited and restated)	2,308	3,675	3,107	-	(8,372)	718
Transfer of share based payment reserve	-	-	(3,107)	-	3,107	-
Transactions with owners	-	-	(3,107)	-	3,107	-
Loss for the year and total recognised income and expense for the year	-	-	-	-	(490)	(490)
Total comprehensive income for the period	-	-	-	-	(490)	(490)
At 31 July 2009 (audited and restated)	2,308	3,675	-	-	(5,755)	228
Issue of share capital	76	-	-	-	-	76
Share based payments	-	-	83	-	-	83
Exchange reserve	-	-	-	(1)	-	(1)
Proceeds of issue of share capital in excess of par value less costs	-	1,732	-	-	-	1,732
Transactions with owners	76	1,732	83	(1)	-	1,890
Loss for the period and total recognised income and expense for the year	-	-	-	-	(958)	(958)
Total comprehensive income for the period	-	-	-	-	(958)	(958)
At 31 January 2010 (Unaudited)	2,384	5,407	83	(1)	(6,713)	1,160

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2010

	Note	31/01/2010 Unaudited \$000	31/01/2009 Unaudited (Restated) \$000	31/07/2009 Audited (Restated) \$000
ASSETS				
Non-current assets				
Tangible assets		14	-	17
		<u>14</u>	<u>-</u>	<u>17</u>
Current assets				
Trade and other receivables	3	511	315	145
Cash and cash equivalents		991	715	468
Total current assets		<u>1,502</u>	<u>1,030</u>	<u>613</u>
Total assets		<u><u>1,516</u></u>	<u><u>1,030</u></u>	<u><u>630</u></u>
LIABILITIES				
Current liabilities				
Trade and other payables	4	356	312	402
Total current liabilities		<u>356</u>	<u>312</u>	<u>402</u>
EQUITY				
Share capital	5	2,384	2,308	2,308
Share premium account		5,407	3,675	3,675
Share based payment reserve		83	3,107	-
Exchange reserve		(1)	-	-
Profit and loss account		(6,713)	(8,372)	(5,755)
Total equity attributable to equity holders of the company		<u>1,160</u>	<u>718</u>	<u>228</u>
Total equity and liabilities		<u><u>1,516</u></u>	<u><u>1,030</u></u>	<u><u>630</u></u>

SIRIUS PETROLEUM PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 JANUARY 2010

	6 months to 31/01/2010 Unaudited \$000	6 months to 31/01/2009 Unaudited (Restated) \$000	Year ended 31/07/2009 Audited (Restated) \$000
Cash flows from operating activities			
Loss after taxation	(958)	(1,160)	(1,650)
Depreciation	3	-	9
Finance income	-	(4)	(5)
(Increase) in trade and other receivables	(366)	(249)	(79)
Share based payments	83	-	-
Expenses settled in shares	-	651	651
(Decrease)/ increase in trade and other payables	(46)	(55)	35
Foreign exchange	(1)	-	-
Net cash outflow from operating activities	<u>(1,285)</u>	<u>(817)</u>	<u>(1,039)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	-	-	(26)
Finance income	-	4	5
Net cash flows from investing activities	<u>-</u>	<u>4</u>	<u>(21)</u>
Cash flows from financing activities			
Proceed from issue of share capital	1,808	1,160	1,160
Share issue costs	-	(75)	(75)
Net cash inflow from financing activities	<u>1,808</u>	<u>1,085</u>	<u>1,085</u>
Net increase in cash and cash equivalents	523	272	25
Cash and cash equivalents brought forward	468	443	443
Cash and cash equivalents carried forward	<u>991</u>	<u>715</u>	<u>468</u>

SIRIUS PETROLEUM PLC

NOTES TO THE INTERIM REPORT

FOR THE 6 MONTHS ENDED 31 JANUARY 2010

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 year ending 31 July 2009 have been extracted from the 2009 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 Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the financial statements.

The principal accounting policies of the Group are consistent with those detailed in the 31 July 2009 financial statements, which are prepared in accordance with International Financial Reporting Standards (IFRSs, as adopted by the European Union except that as reported in these financial statements, the presentational currency has been changed to US dollars and IAS 1 'Presentation of Financial Statements (Revised 2007)' and IFRS 8 'Operating Segments' have been adopted.

As a consequence of the change in the presentational currency the consolidated statement of comprehensive income and consolidated cashflow statement for the periods ended 31 July 2009 and 31 January 2009 and the statement of financial position as at those dates has been restated to be presented in US dollars.

The adoption of IAS 1 (revised 2007) does not affect the financial position or profits of the Group, but gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged, however some items that were recognised directly in equity are now recognised in other comprehensive income. IAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'.

The adoption of IFRS 8 has required management to review the disclosure of segmental information based on internal management reporting practices, as opposed to the risks and rewards approach as required within IAS 14.

Segmental reporting

(a) By business segment (Primary segment)

As defined under International Financial Reporting Standard 8 (IFRS 8) the Group has no material business segment.

(b) By Geographical Segment (Secondary segment)

Under the definitions contained in IFRS 8 the only material geographic segment the Group operates in is the United Kingdom.

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 31/01/2010 Unaudited	6 months to 31/01/2009 Unaudited (Restated)	Year ended 31/07/2009 Audited (Restated)
Loss on ordinary activities after tax (\$'000)	<u>(958)</u>	<u>(1,160)</u>	<u>(1,650)</u>
Weighted average number of 0.25p ordinary shares	<u>507,874,820</u>	<u>442,992,755</u>	<u>472,993,015</u>
Loss per share - basic (cents)	<u>0.19c</u>	<u>0.26c</u>	<u>0.35c</u>

3 TRADE AND OTHER RECEIVABLES

	31/01/2010 Unaudited \$000	31/01/2009 Unaudited (Restated) \$000	31/07/2009 Audited (Restated) \$000
Other receivables	452	302	81
Prepayments and accrued income	59	13	64
	<u>511</u>	<u>315</u>	<u>145</u>

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.

4 TRADE AND OTHER PAYABLES

	31/01/2010 Unaudited \$000	31/01/2009 Unaudited (Restated) \$000	31/07/2009 Audited (Restated) \$000
Trade payables	62	96	88
Other payables	213	187	244
Accruals and deferred income	81	29	70
	<u>356</u>	<u>312</u>	<u>402</u>

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.

5 SHARE CAPITAL

	31/01/2010	31/01/2009	31/07/2009
	Unaudited	Unaudited	Audited
	\$'000	(Restated)	(Restated)
		\$'000	\$'000
Allotted and issued			
520,827,720 (31 January 2009 and 31 July 2009:			
502,494,385) ordinary shares of 0.25p	<u>2,384</u>	<u>2,308</u>	<u>2,308</u>

On 8 December 2009 the Company placed 18,333,335 new ordinary shares at £0.06 per share. The premium on issue of \$1,732,207 has been recognised within the share premium account. At 31 January 2010, 4,166,667 of these shares remained unpaid and \$399,800 has been included in other receivables in respect of the consideration for these shares.

6 CONTINGENT LIABILITIES

At 31 January 2010 there is a contingent liability of \$245,000 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 31 January 2010 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.

7 POST BALANCE SHEET EVENTS

Sirius announced on 16 February 2010 that it had entered into a Consultancy and Warrant Agreement with South Africa Hi-Tech Energy Consultancy Inc under which the Company issued a warrant for 80,000,000 new ordinary shares at 7.125 pence each conditional on the completion of an acquisition of oil and gas based assets with a value of at least US\$0.5 billion.

On 22 February 2010 Sirius announced that it has entered into an acquisition and joint operating agreement (the "Agreement") with Del Sigma Petroleum Nigeria Limited ("Del Sigma") for development of the Ke marginal field which has aggregate recoverable hydrocarbon reserves estimated to be in excess of 25 mmbbls (2P reserves) and is located in Oil Mining Lease 55 ("OML 55") in Nigeria (the "Ke Asset" and, together with the Agreement, the "Transaction"). Completion of this Agreement will be conditional on inter alia shareholder approval and approval from Nigeria's Department of Petroleum Resources ("DPR").

Under the terms of the Agreement, Sirius will be entitled to a direct 40 per cent interest in the Ke Asset and an application will be made for this interest to be registered with the DPR. Sirius will jointly operate the Ke Asset with Del Sigma, and fund 100 per cent of the development costs. Upon production of oil, Sirius will receive a net preferential cash flow of 78 per cent from the production revenues until full recovery of its investment following which its cash receipts will revert to 40 per cent to match its underlying economic interest in the field pursuant to the Agreement.

The transaction is categorised as a reverse takeover under the AIM Rules for Companies ("AIM Rules") and so requires shareholder approval. Sirius is in the process of preparing an admission document and circular (the "Admission Document") to its shareholders pursuant to the AIM Rules, which will contain full details of the proposed Transaction including a Competent Person's Report which will be prepared in respect of the Ke Asset, together with a Notice of General Meeting and these will be posted to shareholders as soon as possible.

In the meantime, as required by the AIM Rules, the Company has requested that its shares be suspended from trading with restoration of trading due on publication of the Admission Document. Following completion of the Transaction, the Company will no longer be an investing company for the purposes of the AIM Rules and will be an operating oil development company working to bring the Ke Asset into production as soon as possible.