29 September 2015

Sirius Petroleum Plc.

("Sirius" or the "Company")

Half Year Report
for the six month period ended 30 June 2015

Sirius Petroleum (AIM:SRSP), the investing Company focused on oil and gas development and production opportunities in Nigeria, announces its interim results for the six month period ended 30 June 2015.

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Results

I hereby present the interim results for the six month period ended 30 June 2015. These results reflect the costs incurred during the period to continue our evaluation work on the Ororo Field in collaboration with our Technical Advisors, Havoc Partners and our Nigerian partners, (Owena Oil & Gas and Guarantee Petroleum); run our London and Nigerian operations and continue our Project Funding discussions in relation to drilling the Ororo-2 well. The operating loss in the half year amounted to $1,562,000 (six months to 30 June 2014: $1,394,000, year to 31 December 2014: $4,025,000) giving a loss per share of 0.19c (30 June 2014: 0.20c, 31 December 2014 0.54c).

Financing

During the period the Company issued a total of 208,888,143 new ordinary shares of 0.25p each, to capitalise fees, repay loans and settle fees and creditors totalling £2,559,000 at an average issue price of 1.23p per share.

Outlook

During the first half of the year, our strategy has been to focus on seeking to maximise the value of our existing assets and pipeline of assets. The decision to terminate discussions with Nima around funding the initial well on the Ororo Field entirely through the issuance of equity was not taken lightly, but we believe will prove to be the right decision for the Company. Seeking financing of each project at the asset level, rather than wholly at the public company level should be less dilutive and will allow us to review and

finance potential assets and projects on a standalone basis using alternative sources of funding.

I am delighted by the placing and subscription of £1,035,000 net of costs, recently completed by the Company as announced on 22 September 2015, following the period end. This will allow the Company to make an application for a well permit in relation to the Ororo-2 well, which the Directors believe if awarded, would be a considerable step forward in the development of the Ororo Field. In addition we intend to commence initial work activities in relation to an environmental impact assessment and apply for certain local regulatory approvals. The Directors continue to manage carefully the Company's expenditure to keep the operating costs of the Company's day-to-day operations as low as possible. The recently completed placing and subscription is encouraging and puts the Company in a stronger financial position. Depending on the timing of raising the Project Funding, additional general working capital may, of course, be required.

The Directors have produced an updated cash flow model in relation to the Ororo Field and in light of the current oil price, the decline of rig rates, and reduction of development costs we are still confident the project is economical in the current market environment.

The underlying quality of our assets, the recent fundraise and the progress made with Guarantee Petroleum and Owena Oil & Gas in relation to moving forward with the preparatory work on the Ororo Field, leads me to believe that Sirius is well positioned to conclude its Project Funding.

Jack Pryde

Chairman

29 September 2015

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2015

	Note	**Unaudited Period ended 30 June 2015**	Unaudited Period ended 30 June 2014	Audited Year ended 31 December 2014
		US$'000	US$'000	US$'000
Other income		**39**	40	81
Share based payment charge		**(442)**	(95)	(1,516)
Other administrative expenses		**(1,159)**	(1,339)	(2,590)
Total administrative expenses		**(1,601)**	(1,434)	(4,106)
Loss from operations		**(1,562)**	(1,394)	(4,025)
Finance costs		**(621)**	(658)	(1,589)
Loss before taxation		**(2,183)**	(2,052)	(5,614)
Taxation		**-**	-	-
Loss after taxation and loss attributable to the equity holders of the Company		**(2,183)**	(2,052)	(5,614)
Other comprehensive income				
Exchange differences on translating foreign operations		**(50)**	(122)	(54)
Total comprehensive loss for the period		**(2,233)**	(2,174)	(5,668)
Loss per share				
Total basic and diluted (cents per share)	*2*	**(0.19)**	(0.20)	(0.54)

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2015

	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 2014	4,138	13,382	7,783	79	(198)	(28,748)	(3,564)
Share based payments	-	-	95	-	-	-	95
Share issue	262	3,558	-	-	-	-	3,820
Issue of loan fees equity instruments	-	-	-	496	-	-	496
Settlement of loan fees equity instruments	-	-	-	(216)	-	(369)	(585)
Transactions with owners	262	3,558	95	280	-	(369)	3,826
Loss for the period	-	-	-	-	-	(2,052)	(2,052)
Other comprehensive income for the period	-	-	-	-	(122)	-	(122)
Balance at 30 June 2014	4,400	16,940	7,878	359	(320)	(31,169)	(1,912)
Share based payments	-	-	1,421	-	-	-	1,421
Issue of share capital	333	3,682	-	-	-	-	4,015
Issue of loan fees equity instruments	-	-	-	326	-	-	326
Settlement of loan fees equity instruments	-	-	-	(380)	-	(1,019)	(1,399)
Transactions with owners	333	3,682	1,421	(54)	-	(1,019)	4,363
Loss for the period	-	-	-	-	-	(3,562)	(3,562)
Other comprehensive income for the period	-	-	-	-	68	-	68
Balance at 31 December 2014	4,733	20,622	9,299	305	(252)	(35,750)	(1,043)
Issue of share capital	808	3,145	(816)	-	-	-	3,137
Share issue costs	-	(35)	-	-	-	-	(35)
Issue of loan fees equity instruments	-	-	-	191	-	-	191
Settlement of loan fees equity instruments	-	-	-	(496)	-	(923)	(1,419)
Share based payments	-	-	442		-	-	442
Transactions with owners	808	3,110	(374)	(305)	-	(923)	2,316
Loss for the period	-	-	-	-	-	(2,183)	(2,183)
Other comprehensive income for the period	-	-	-	-	(50)	-	(50)
Balance at 30 June 2015	5,541	23,732	8,925	-	(302)	(38,856)	(960)

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		Unaudited 30 June 2015	Unaudited 30 June 2014	Audited 31 December 2014
Assets	*Note*	**U$$'000**	US$'000	US$'000
Non-current				
Intangible exploration and evaluation assets	*3*	**2,427**	2,219	2,311
Property, plant and equipment		**-**	2	-
		2,427	2,221	2,311
Current				
Cash and cash equivalents		**14**	191	19
Trade and other receivables	*4*	**194**	29	39
Total current assets		**208**	220	58
Total assets		**2,635**	2,441	2,369
Liabilities				
Current				
Trade and other payables		**3,090**	2,831	2,674
Loans payable		**505**	1,522	738
Total liabilities		**3,595**	4,353	3,412
Equity				
Issued share capital	*5*	**5,541**	4,400	4,733
Share premium		**23,732**	16,940	20,622
Share based payment reserve		**8,925**	7,878	9,299
Other reserves		**-**	359	305
Exchange reserve		**(302)**	(320)	(252)
Retained earnings		**(38,856)**	(31,169)	(35,750)
Equity attributable to owners of the company		**(960)**	(1,912)	(1,043)
Total equity and liabilities		**2,635**	2,441	2,369

SIRIUS PETROLEUM PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2015

	Unaudited Period ended 30 June 2015	Unaudited Period ended 30 June 2014 (restated)	Audited Year ended 31 December 2014
	US$'000	US$'000	US$'000
Operating activities			
Loss after tax	**(2,183)**	(2,052)	(5,614)
Depreciation	**-**	2	8
Finance cost	**336**	658	1,589
(Increase)/decrease in trade and other receivables	**(141)**	254	247
Equity settled share-based payments	**442**	95	1,516
Expenses settled in shares	**137**	-	-
Increase in trade and other payables	**859**	156	261
Net cash inflow/(outflow) from operating activities	**(550)**	(887)	(1,993)
Investing activities			
Purchase of property, plant and equipment	**-**	(3)	(7)
Investment in intangibles	**(135)**	(238)	(330)
Net cash (outflow)/inflow from investing activities	**(135)**	(241)	(337)
Financing activities			
Proceeds from issue of share capital	**-**	-	-
Share issue costs	**(35)**	-	-
Finance cost	**(10)**	(13)	(13)
Loans received	**760**	1,319	2,426
Net cash inflow from financing activities	**715**	1,306	2,413
Net change in cash and cash equivalents	**30**	178	83
Cash and cash equivalents at beginning of period	**19**	27	27
Exchange difference on cash and cash equivalents	**(35)**	(14)	(91)
Cash and cash equivalents at end of period	**14**	191	19

The cash flow for the period to 30 June 2014 has been restated to reallocate the amount shown as expenses settled in shares correctly, resulting in a movement of $1,487,000 between expenses settled in shares and increase in trade and other payables.

SIRIUS PETROLEUM PLC

NOTES TO THE INTERIM REPORT

FOR THE PERIOD ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. 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 2014 have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unmodified.

Going concern

The directors have prepared cash flow projections through to 30 September 2016. These projections only take account of the on-going management costs of the Group, and the clearance of all payables outstanding at the date of this report (other than an aggregate amount of $2.6 million which relates to amounts owed to directors, ex-directors and amounts accrued in relation to payments which are to be paid if and when production of oil commences). The payment of accrued directors' remuneration and certain of the directors' remuneration payable in respect of the current year has been excluded from these projections as the directors have agreed to defer payment until such time as funds are available. The projections also do not assume any oil extraction or income from oil trading nor do they assume any acquisitions take place or that any additional assessment of the prospective resources is undertaken over and above that authorised as at the date of this report.

On 5 May 2015 the Company signed a convertible loan facility with Calvet International Limited which provided up to £1.5 million ($2.4 million) of funding for general working capital, of which only £200,000 has been drawn down to date. This facility has subsequently been reduced and £700,000 remains available to draw down subject to approval by Calvet. The Board is confident that it will be able to draw down these funds, and on the basis that the remaining £700,000 of this facility is drawn in full, together with the recent fundraising, the cash flow projections indicate that the Group has sufficient headroom to meet its 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 has sufficient cash resources to meet its liabilities as they fall due for a period of at least 12 months from the date that the financial statements are signed. Consequently, the financial statements have been prepared on a going concern basis.

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.

Fees and Loans Settled in Shares

Where shares have been issued as consideration for services provided or loans outstanding they are

measured at fair value. The difference between the carrying amount of the financial liability (or part thereof) extinguished, and the fair value of the shares, is recognised in profit or loss.

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

	Unaudited six months ended 30 June 2015	Unaudited six months ended 30 June 2014	Audited year ended 31 December 2014
Loss on ordinary activities after tax ($'000)	**(2,183)**	(2,052)	(5,614)
Weighted average number of shares for calculating basic loss per share	**1,162,343,230**	1,003,217,423	1,043,577,439
Basic and diluted loss per share (US cents)	**(0.19)**	(0.20)	(0.54)

3. INTANGIBLE EXPLORATION AND EVALUATION ASSETS

Cost of oil and gas exploration – pending determination

	$'000
Cost	
At 1 January 2014	1,981
Additions	238
At 30 June 2014	2,219
Additions	92
At 31 December 2014	2,311
Additions	135
Exchange difference	(19)
At 30 June 2015	**2,427**
Amortisation and impairment	
At 1 January 2014, 30 June 2014, 31 December 2014 and 30 June 2015	-
Net book value at 30 June 2015	**2,427**
Net book value at 31 December 2014	2,311
Net book value at 30 June 2014	2,219

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 consideration for the 40% interest in the field was $1,000,000 paid on the date of the agreement with a further $500,000 due on the commencement of the operation of the well. At the time of signing the agreement, the directors considered the fair value of the liability in respect of the additional $500,000 payable. Based on an assessment of how likely it would be that this would be paid discounted at 15%, the directors considered the amount to be immaterial and therefore did not recognise a liability at that time.

At 31 December 2012 the directors reassessed their estimate of the future cash flows in accordance with the Group's accounting policies. Following the additional work as noted below and the completion of the feasibility report along with the ongoing funding negotiations, the directors were confident of commencement of the operation of the well. As a result this liability was then expected to become payable. The directors have reviewed the assumptions made and do not consider them to have changed. Therefore the carrying value of the liability has been assessed at the same value at 30 June 2015 at $318,000 (30 June 2014 and 31 December 2014: $318,000).

A provisional approval for the Environmental Impact Assessment ("EIA") was granted to the Project in 2012. This needs to be updated and signed off by the Ministry of Environment in order to proceed with drilling. The Group has also commenced planning appropriate community projects to finalise the subsequent drilling programme and will also cover certain operational costs related to the field. The Group will cover all costs of this phase of the project, subject to funding. 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. During the year to 31 December 2013 a Volumetric Estimation report was received. The Directors have produced an updated cash flow model in light of the current oil price, the decline of rig rates, and reduction of development costs, and are still confident the project is economical in the current market environment based on the volumetrics from the 2013 Schlumberger Report.

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 separate funding facilities expected to be a mixture of debt and equity.

4. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2015 US$'000	Unaudited 30 June 2014 US$'000	Audited 31 December 2014 US$'000
Other receivables	**177**	11	18
Prepayments and accrued income	**17**	18	21
Total	**194**	29	39

Other receivables at 30 June 2015 include a loan of $159,000 which was repaid in shares at the end of June 2015, although the cash was not received until July 2015.

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.

5. TRADE AND OTHER PAYABLES

	Unaudited	Unaudited	Audited
	30 June 2015	30 June 2014	31 December 2014
	US$'000	US$'000	US$'000
Trade payables	**539**	776	409
Other payables	**367**	397	346
Accruals	**2,184**	1,658	1,919
Total	**3,090**	2,831	2,674

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.

Since 30 June 2015, as announced on 22 September 2015, in accordance with certain terms of the Financial & Technical Services Agreement ("FTSA"), the Company has approved costs incurred by Sirius' partners to allow the Company to apply to the DPR for a Well Permit which will result in a payment of $997,500 to Sirius' partners. This amount is expected to be paid in October 2015 using the use of proceeds from the Placing and Subscription. This amount is not included in the Trade and other Payable balance above as it was not payable as at 30 June 2015.

6. 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 31 December 2013	956,499,985	4,138	13,382
Shares issued for fees due	35,634,469	147	1,970
Loan repayments	27,596,212	115	1,588
At 30 June 2014	1,019,730,666	4,400	16,940
Shares issued for fees due	39,142,857	165	1,788
Loan repayments	39,863,690	168	1894
At 31 December 2014	1,098,737,213	4,733	20,622
Shares issued for fees due	162,704,348	630	2,205
Loan repayments	46,183,795	178	940
Share issue costs	-	-	(35)
At 30 June 2015	**1,307,625,356**	**5,541**	**23,732**