JERSEY OIL AND GAS PLC
(FORMERLY TRAP OIL GROUP PLC)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

JERSEY OIL AND GAS PLC
(FORMERLY TRAP OIL GROUP PLC)

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HIGHLIGHTS AND OUTLOOK

FOR THE SIX MONTHS ENDED 30 JUNE 2015

Highlights

- Settlement agreement reached with the Athena partnership group (the "Athena Consortium") to ring fence the Group's contractual liabilities associated with its interest in this oil field
- Agreement also reached with CGG Services (UK) Limited ("CGG") to expunge the remaining debt due to CGG
- Niobe (Licence P.1889, Blocks 12/26b & 27) exploration well drilled satisfying licence obligations, however no significant hydrocarbons were encountered
- Orchid (Licence P.1556, Block 29/1c) relinquished due to the cost of maintaining the licence
- Profit (before and after tax) for the period of £0.56m

Post period end:

- Acquisition of Jersey Oil and Gas E&P Limited and appointment of new Chief Executive Officer and Chief Operating Officer
- Placing to raise approximately £0.82m (before expenses) to provide additional working capital
- Capital reorganisation involving, *inter alia*, a 1 for 100 share consolidation
- Change in Company's name to 'Jersey Oil and Gas plc'

Outlook:

- Refined business strategy adopted seeking to build a diversified production focused North Sea asset portfolio in order to unlock the inherent value in the Group's existing tax losses
- Encouraging opportunistic outlook and currently engaged in commercial negotiations with potential vendors of suitably attractive North Sea oil and/or gas producing assets that would fit well in the Group's portfolio
- Continuing to work on realising value from the Group's existing portfolio assets

Introduction

The first six months of 2015 were a turbulent time for both the oil and gas industry and the Company, with the fall in the Brent oil price significantly impacting operations and, in particular, cash flows from our 15 per cent. interest in the Athena oil field. As a result of this challenging environment the Company focused during the period on reducing its operating costs to a minimum in order to maintain the Group's existing assets and maximise potential future returns. In line with this objective, and following detailed negotiations, we successfully restructured our financial obligations with our two main creditors being CGG Services (UK) Limited ("CGG") and our partners in Athena (the "Athena Consortium").

In August 2015, we then successfully completed the acquisition of Jersey Oil and Gas E&P Limited ("Jersey Oil and Gas"), re-capitalised the business via a placing of approximately £0.82m (gross) and appointed a new Chief Executive Officer and Chief Operating Officer, Andrew Benitz and Ron Lansdell respectively. Following shareholder approval at a general meeting held in August 2015 in connection with the aforementioned transaction, the Company's name was also changed to Jersey Oil and Gas plc and a refined business strategy adopted focused on seeking to unlock the inherent value in the Group's existing asset portfolio and tax losses, and the identification of potential acquisitions of further North Sea producing assets.

Review of Operations

Athena

In February 2015, the Company reported that despite continued stabilised production rates of approximately 4,800 bopd gross (720 bopd net to Trapoil), due to the prevailing depressed oil price of approximately US$58/barrel, the Athena Field was incurring a cash outflow of approximately £380,000 per month after absorption of its share of the field's operating costs. The field continued to produce throughout the first six months of the year although declining to under 3,800 bopd (570 bopd net to the Company) by the end of June 2015. Effective from June 2015, the Athena consortium renegotiated its existing contract with BW Offshore (UK) Limited, the provider and operator of the Athena Floating Production, Storage and Offloading vessel. Whilst the amended contract reduced the Athena Consortium's overall loss exposure it did necessitate a larger cash outflow in June 2015 than would have been required under the old contract.

Following discussions with the Athena Consortium, and our other major creditor CGG, in June 2015 the Company announced an agreement with these two parties such that, in return for an aggregate payment of £2m by the Company to CGG and the Athena Consortium, all of the Company's contractual liabilities to these parties would be ring fenced and/or expunged. Under the terms of this settlement, the Company no longer has any outstanding debt due to CGG and all future liabilities (including decommissioning costs) owed to the Athena Consortium will now be met by its partners in the Athena Consortium. Repayment to the Athena Consortium will only be sought by way of future revenue generated from the Athena Field and 60 per cent. of any petroleum sales or net disposal proceeds stemming from the Company's existing licences, being Magnolia (Licence P.1610, Block 13/23a), Romeo (Licence P.1666, Block 30/11c), Niobe, Homer (Licence P.1989, Blocks 14/11, 12 & 16) and Cortina (Licence P.2170, Blocks 20/5b and 21/1d). Should the Company not have repaid the outstanding debt obligation by the time the Athena Field is fully decommissioned the remaining debt will be written off by the Athena Consortium.

Niobe

Our drilling prospect in the period was the Niobe Exploration well (Licence P.1889, Blocks 12/26b & 27b), which was drilled by Suncor Energy UK Limited in June 2015 (Suncor Energy UK Limited, operator (49.5 per cent. equity interest), Norwegian Energy Company UK Limited (22.5 per cent. equity interest) and Jersey Oil and Gas (28 per cent. equity interest, of which 2.5 per cent. is a carried interest)). On 25 June 2015, the Company announced that no significant hydrocarbons had been encountered and that the well was to be plugged and abandoned. As at the period end, approximately £2.2m of the drilling costs were outstanding and had been accrued and accounted for under current liabilities. As previously announced, the expected drilling costs for Niobe had been pre-paid and, as such, a corresponding amount is accounted for under trade and other receivables representing the prepayment.

Orchid

In line with our cost minimisation and value maximisation strategy announced in August 2014, the Company relinquished its interest in Orchid (Licence P.1556, Block 29/1c) during the reporting period, following extensive efforts to secure a potential farm out.

Licence P.2032

As announced previously, Total E&P UK Limited ("Total") had a conditional agreement to pay the Company £1m in relation to the termination of it's farm-in to Licence P.2032, Blocks 21/8c, 21/9c, 21/10c, 21/14a and 21/15b in certain circumstances. Total is disputing that the conditions giving rise to the obligation to pay the Company the claimed amount have been satisfied. We are presently taking active steps to pursue recovery of this amount.

Acquisition of Jersey Oil and Gas E&P Limited

Having entered into the settlement agreement referred to above, thereby ring fencing and/or expunging our contractual liabilities, it was then possible for us to seek ways of potentially extracting value from the Company's significant existing tax losses, its quotation on AIM and its remaining licence interests. Post period end, in August 2015, the Company acquired Jersey Oil and Gas E&P Limited for a consideration of £0.495m, satisfied by the issue of 2,250,000 new ordinary shares. In addition, the Company successfully re-capitalised the business via a placing to raise approximately £0.82m (gross) and strengthened its senior management team through the appointments of Andrew Benitz and Ron Lansdell (both founding shareholders and directors of Jersey Oil and Gas E&P Limited), as Chief Executive Officer and Chief Operating Officer of the Company respectively. The enlarged Group intends to review and evaluate the potential acquisition of late stage North Sea oil and/or gas producing assets (which will enable the utilisation of the available tax losses), some of which have already been identified and are undergoing due diligence and/or subject to ongoing commercial negotiations.

CHAIRMAN'S STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2015

Financial review

The Company made a profit before and after tax of £0.56m for the unaudited six month period ended 30 June 2015 (2014: loss of £8.4m). The Company incurred an impairment charge of approximately £4.5 million which related largely to the unsuccessful drilling of the Niobe prospect, which had a carrying value of approximately £3.4 million and has been fully written off, as well as further small impairments to interests held in other fields.

Further to entering into the above mentioned settlement agreement, there was a significant write-back to the onerous contract provision made in 2014 and going forward our liabilities to the Athena Consortium are now treated as a contingent liability.

Share Capital Reorganisation

In order to facilitate the placing mentioned above, it was necessary to undertake a capital reorganisation pursuant to which the number of ordinary shares in issue was effectively reduced by a factor of 100. In addition, shareholder approval was obtained to amend the Articles of Association so as to increase the Company's borrowing powers, increase the Directors' authority to allot shares and disapply certain pre-emption rights. Full details of these changes were set out in the circular to shareholders published on 28 July 2015, a copy of which is available on the Company's website, www.jerseyoilandgas.com.

Outlook

Looking ahead, the Company has a strong executive management team in place, a refined business strategy to deliver growth and is fully funded through to early 2016. We continue to operate with a strict focus on capital efficiency and our priority in the second half of the year is to deliver shareholder value through pursuit of our production led strategy in the North Sea, maximisation of the value within our current asset portfolio and potential acquisition of further North Sea producing assets. We currently have a number of interesting producing assets under evaluation and look forward to updating shareholders in due course.

M J Stanton
Non-Executive Chairman

24 September 2015

Chief Executive Officer's Report

I joined the Company and Board as Chief Executive Officer on 17 August 2015 on completion of the Company's acquisition of Jersey Oil and Gas E&P Ltd ("Jersey Oil and Gas"). I believe our Chairman, in his statement above, has detailed the main events for the reporting period and to date and, as such, I wish to provide some colour on the new team members, our refined strategy and future plans.

Jersey Oil and Gas was incorporated in Jersey on 7 March 2014 and was established by an experienced exploration and production team with a multinational track record of operating assets and managing upstream-focussed oil and gas companies.

Formerly, I was CEO and Director of Longreach Oil and Gas Ltd and previously worked at Deutsche Bank within both the Oil and Gas Corporate Finance team and the Equity Capital Markets team. The Company's new Chief Operating Officer is Ron Lansdell who also joined the Board on completion of the acquisition of Jersey Oil and Gas. Ron was Vice President of Exploration and Director at Longreach Oil and Gas Ltd and has held a number of senior technical and commercial roles during a 15 year career at ENI S.p.a./Agip. These roles included extensive managerial experience in exploration and production across the UK and Norwegian continental shelf. Our team's technical strength is further enhanced by Clive Needham, Vice President of Business Development, who previously managed a significant non-operated production portfolio for ENI in the North Sea and Dr Satinder Purewal, Vice President of Technical, Reservoir Engineering, who was previously responsible for Proved Reserves Assurance for Shell's European Region.

The new team members have spent over a year evaluating non-operated North Sea production acquisition opportunities and the Group's refined strategy is now focused on developing, exploiting and maintaining a portfolio of North Sea assets with a greater focus on producing assets in order to seek to unlock the inherent value in the Group's existing tax losses. We will seek to assess and acquire North Sea oil and/or gas producing assets, some of which have already been identified and are currently undergoing due diligence and subject to ongoing commercial negotiations. Any potential acquisitions that are taken forward are intended to be financed from one or more of the Group's balance sheet, the proceeds from strategic sales of selected parts of the Group's existing asset portfolio and further equity and debt capital raises. We have already approached a number of lending institutions that have expressed interest in providing debt funding against the type of assets that we are looking to acquire.

We aim to deliver strong shareholder returns through well timed production acquisitions, with their associated upside potential, and exposure to any oil price recovery. Potential acquisitions completed in the current low oil price environment should also benefit from a lower cost base with falling operating costs in the North Sea, low overheads and management costs, an improved tax environment and potential low financing costs with attractive bank funding rates which can serve to deliver attractive leveraged yields. Our corporate philosophy going forward is to maintain low overhead costs and have management incentivised through performance. All of our key senior management team members are investors and shareholders in the Company.

Our acquisition targets include mature oil and/or gas production assets with long tail-end production profiles and upside potential, from principally satellite fields with production-based tariff agreements, limited exposure to host platform costs, low operating costs and manageable decommissioning liabilities. As the industry adjusts to sustained lower oil prices, there is an active acquisition and divestiture market developing in the North Sea and we are seeking to benefit from this increased asset level and corporate activity. Whilst the prevailing lower oil price environment has challenged, and continues to challenge, the viability of exploration and development activities in the North Sea, the region's well established existing infrastructure means that there are still plenty of producing fields that generate positive cashflow on a low operating cost base. We will focus our attention on such fields.

I would like to take this opportunity to thank shareholders for their support to date. We have great ambitions for the Company, with a production target of 10,000bopd and reserves target of 15-20 million barrels through the potential acquisition of 6 to 10 producing assets and strongly believe that we have the right team, time window and pipeline of acquisition opportunities to seek to generate significant value for all stakeholders.

Andrew Benitz
Chief Executive Officer

24 September 2015

JERSEY OIL AND GAS PLC
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Notes	6 months to 30/06/15 (unaudited) £	6 months to 30/06/14 (unaudited) £	Year to 31/12/14 (audited) £
CONTINUING OPERATIONS				
Revenue		4,065,794	8,589,962	13,416,062
Cost of sales		(6,949,421)	(9,290,041)	(31,560,021)
GROSS LOSS		(2,883,627)	(700,079)	(18,143,959)
Other operating expenses		-	(582,517)	(1,173,133)
Exceptional item	6	4,184,444	(4,823,382)	(21,784,400)
Administrative expenses		(582,373)	(1,942,026)	(3,082,943)
OPERATING PROFIT/(LOSS)		718,444	(8,048,004)	(44,184,435)
Finance costs		(164,448)	(394,474)	(240,567)
Finance income		2,499	10,278	19,029
PROFIT/(LOSS) BEFORE TAX		556,495	(8,432,200)	(44,405,973)
Tax	7	-	-	-
PROFIT/(LOSS) FOR THE PERIOD		556,495	(8,432,200)	(44,405,973)
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified subsequently to profit or loss				
Change in value of available for sale financial asset		-	787,828	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		556,495	(7,644,372)	(44,405,973)
Total comprehensive profit/(loss) attributable to:				
Owners of the parent		556,495	(7,644,372)	(44,405,973)
Earnings/(Loss) per share expressed in pence per share:	8			
Basic		0.24	(3.37)	(19.55)
Diluted		0.24	(3.37)	(19.55)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

JERSEY OIL AND GAS PLC
(FORMERLY TRAP OIL GROUP PLC)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	30/06/15 (unaudited) £	30/06/14 (unaudited) £	31/12/14 (audited) £
NON-CURRENT ASSETS				
Intangible assets - Exploration costs	9	320,958	13,047,369	1,370,799
Intangible assets - Data licence costs	9	-	1,083,333	833,332
Property, plant & equipment	10	10,207	6,897,141	125,223
		331,165	21,027,843	2,329,354
CURRENT ASSETS				
Available for sale investment		-	2,864,613	-
Inventories	11	-	1,584,057	858,060
Trade and other receivables	12	2,838,779	4,574,086	10,026,706
Cash and cash equivalents (including restricted cash)	13	822,227	16,508,193	7,424,282
		3,661,006	25,530,949	18,309,048
TOTAL ASSETS		3,992,171	46,558,792	20,638,402
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital		2,271,693	2,271,693	2,271,693
Share premium account		68,321,083	68,321,083	68,321,083
Share options reserve		1,786,425	2,714,867	1,786,425
Accumulated losses		(70,389,239)	(35,226,986)	(70,945,734)
Reorganisation reserve		(382,543)	(382,543)	(382,543)
Available for sale investment reserve		-	195,373	-
TOTAL EQUITY		1,607,419	37,893,487	1,050,924
LIABILITIES				
NON-CURRENT LIABILITIES				
Trade and other payables > 1 year		-	1,448,297	1,218,845
Provisions for liabilities and charges	15	-	4,760,057	14,206,831
		-	6,208,354	15,425,676
CURRENT LIABILITIES				
Trade and other payables < 1 year	12	2,384,752	2,456,951	4,161,802
TOTAL LIABILITIES		2,384,752	8,665,305	19,587,478
TOTAL EQUITY AND LIABILITIES		3,992,171	46,558,792	20,638,402

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Called up share capital £	Share premium account £	Share options reserve £	Accumulated Losses £	Re-organisation reserve £	Available for sale investment reserve £	Total equity £
At 1 January 2014	2,271,693	68,321,083	2,575,472	(27,107,644)	(382,543)	(279,597)	45,398,464
Profit for the period and total comprehensive income	-	-	-	(7,998,855)	-	354,483	(7,644,372)
Lapsed options	-	-	-	(120,487)	-	120,487	-
Transactions with owners	-	-	139,395	-	-	-	139,395
At 30 June 2014	2,271,693	68,321,083	2,714,867	(35,226,986)	(382,543)	195,373	37,893,487
At 1 January 2015	2,271,693	68,321,083	1,786,425	(70,945,734)	(382,543)	-	1,050,924
Profit for the period and total comprehensive income	-	-	-	556,495	-	-	556,495
At 30 June 2015	2,271,693	68,321,083	1,786,425	(70,389,239)	(382,543)	-	1,607,419

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	**Description and purpose**
Called up share capital	Represents the nominal value of shares issued
Share premium account	Amount subscribed for share capital in excess of nominal value
Share options reserve	Represents the accumulated balance of share based payment charges recognised in respect of share options granted by the Company less transfers to retained deficit in respect of options exercised or cancelled/lapsed
Accumulated losses	Cumulative losses recognised in the Consolidated Statement of Comprehensive Income
Reorganisation reserve	Amounts resulting from the restructuring of the Group
Available for sale investment reserve	Cumulative net gains and losses recognised as Other Comprehensive Income on available for sale investment

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

JERSEY OIL AND GAS PLC
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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Notes	6 months to 30/06/15 (unaudited) £	6 months to 30/06/14 (unaudited) £	Year to 31/12/14 (audited) £
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash used in operations	13	(3,687,318)	(316,130)	(972,043)
Prefunding for Athena's abandonment costs		-	-	(3,710,000)
Deposit for Niobe exploration well		-	-	(2,846,494)
Net interest received		2,499	10,278	29,896
Interest paid		(3,728)	-	-
Net cash used in operating activities		(3,688,547)	(305,852)	(7,498,641)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of intangible assets		(2,799,780)	(792,701)	(1,648,607)
Purchase of property, plant & equipment		(113,728)	(522,170)	(3,590,239)
Sale proceeds of assets available for sale		-	2,334,149	4,195,588
Net cash (used in)/generated from investing activities		(2,913,508)	1,019,278	(1,043,258)
CASH FLOWS FROM FINANCING ACTIVITIES				
CGG Services (UK) Limited repaid		-	(236,363)	(472,727)
GE Energy Financial Services finance charge		-	(407,778)	-
Net cash used in financing activities		-	(644,141)	(472,727)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(6,602,055)	69,285	(9,014,626)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13	7,074,282	16,088,908	16,088,908
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13	472,227	16,158,193	7,074,282

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1. GENERAL INFORMATION

Jersey Oil and Gas plc, formerly Trap Oil Group plc, (the “Company”) and its subsidiaries (together, “the Group”) are involved in the exploration, development and production of oil and gas reserves from the UK Continental Shelf.

The Company is a public limited company, which is quoted on AIM, a market operated by the London Stock Exchange plc and incorporated and domiciled in the United Kingdom. The address of its registered office is 10 The Triangle, ng2 Business Park, Nottingham, NG2 1AE.

2. BASIS OF PREPARATION

These consolidated interim financial statements have been prepared under the historic cost convention, using the accounting policies that will be applied in the Group’s statutory financial information for the year ended 31 December 2015 and in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority (previously the Financial Services Authority) and with IAS 34 ‘Interim financial reporting’. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRS as adopted by the European Union.

The Group meets its day-to-day working capital requirements through its cash reserves. The current economic conditions and sector activities continue to create uncertainty. The Group’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate with the level of its current facilities until early 2016. After making enquiries and given the recent successful fund raising, the Directors have a reasonable expectation that further funding will be achievable as required to enable the Group to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed interim financial statements.

The reports for the six months ended 30 June 2015 and 30 June 2014 are unaudited and do not constitute statutory accounts as defined by the Companies Act 2006. The financial statements for 31 December 2014 have been prepared and delivered to the Registrar of Companies. The auditors’ report on those financial statements was unqualified, but did include reference to uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern, to which the auditors drew attention by way of an emphasis of matter without qualifying their option. Their report did not contain a statement under section 498 of the Companies Act 2006.

Under IFRS 11, the Group will continue to proportionately account for its share of assets, liabilities, revenue and expenses in its joint operations.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 January 2015 that would be expected to have a material impact on the Group.

The results are not impacted by seasonality.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those applied in the previous financial year.

Revenue recognition
Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. It is measured at the fair value of consideration received or receivable for sale of goods. Revenue derived from the production of hydrocarbons in which the Group has an interest with joint venture partners is recognised on the basis of the Group’s working interest in those properties. It is recognised when the significant risks and rewards of ownership have been passed to the buyer.

Revenue from strategic partners on the identification of opportunities for application for a licence to explore further is recognised in the period in which the services are provided or the date a trigger event occurs if this is later.

The Group also received revenue from the production of hydrocarbons from licences held by the Group that is recognised at the end of each month based upon the quantity and price of oil and gas delivered to the customer.

Exploration and evaluation costs
The Group accounts for oil and gas and exploration and evaluation costs assets using IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Such costs are initially capitalised as Intangible Assets and include payments to acquire the legal right to explore, together with the directly related costs of technical services and studies, seismic acquisition, exploratory drilling and testing.

Exploration costs are not amortised prior to the conclusion of appraisal activities.

Exploration costs included in Intangible Assets relating to exploration licences and prospects are carried forward until the existence (or otherwise) of commercial reserves has been determined subject to certain limitations including review for indications of impairment. If commercial reserves are discovered, the carrying value, after any impairment loss of the relevant assets, is then reclassified as a Tangible Asset under Production interests & fields under development. If, however, commercial reserves are not found, the capitalised costs are charged to the consolidated statement of comprehensive income. If there are indications of impairment prior to the conclusion of exploration activities, an impairment test is carried out.

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3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Production interests & fields under development
Such assets are accumulated generally on a field by field basis and represent the cost of developing the commercial reserves discovered and bringing them into production, together with the exploration costs incurred in finding commercial reserves transferred from Intangible Assets.

The costs also include the acquisition and purchase of such assets, directly attributable overheads and the cost of recognising provisions for future restoration and decommissioning.

Amortisation, depletion and impairment of oil and gas assets
All expenditure carried within each field is amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period, on a field by field basis. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs to access the related commercial reserves. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

Where there has been a change in economic conditions that indicate a possible impairment in an oil and gas asset, the recoverability of the net book value relating to that field is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future oil and gas prices and future costs. Any impairment identified is charged to the consolidated statement of comprehensive income as additional depletion and amortisation. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the consolidated statement of comprehensive income, net of any depreciation that would have been charged since the impairment.

Decommissioning and site restoration
Provision for decommissioning and site restoration is recognised during the initial development stage of the field when the obligation to restore the site is triggered. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related production interest. The amount recognised is the estimated cost of decommissioning and site restoration, discounted to its net present value and is reassessed each year in accordance with existing conditions and requirements. Changes in the estimated timing of cost estimates are dealt with as an adjustment to the provision and a corresponding adjustment to the production interest. The unwinding of the discount on the decommissioning provision is included as a finance cost.

Inventories
Inventory of materials and product inventory supplies are stated at the lower of cost and net realisable value. Cost is determined on the first in, first out method. Inventories of hydrocarbons are stated at the lower of cost and net realisable value.

Joint operations
The Group participates in several joint operations with strategic partners, where revenue is derived from annual retainers and success fees in a combination of cash and carried interests. The Group accounts for its share of assets, liabilities, revenue and expenses of these joint operations and discloses the details in the appropriate Statement of Financial Position and Statement of Comprehensive Income headings in the proportion that relates to the Group.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. The Group does not have any derivative financial instruments.

Cash and cash equivalents include cash in hand and deposits held on call with banks with a maturity of three months or less.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss will be recognised in the Consolidated Statement of Comprehensive Income within selling and marketing costs. When a trade receivable is uncollectable, it will be written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the Consolidated Statement of Comprehensive Income.

Trade payables are stated initially at fair value and subsequently measured at amortised cost.

Loan notes are stated initially at fair value and subsequently measured at amortised cost of the investment as agreed in the loan instrument.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingent liabilities
Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

4. SEGMENTAL REPORTING

The Directors consider that the Group operates in a single segment, that of oil and gas exploration, appraisal, development and production, in a single geographical location, the North Sea of the United Kingdom and do not consider it appropriate to disaggregate data further from that disclosed.

5. FAIR VALUE OF NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Maturity analysis of financial assets and liabilities

Financial Assets

	30/06/15	30/06/14	31/12/14
	£	£	£
Up to 3 months	2,838,779	3,973,256	1,816,894
3 to 6 months	-	523,749	4,134,739
Over 6 months	-	3,291,694	4,075,073
	2,838,779	7,788,699	10,026,706

Financial Liabilities

	30/06/15	30/06/14	31/12/14
	£	£	£
Up to 3 months	2,384,752	423,960	1,306,606
3 to 6 months	-	2,032,991	2,855,196
Over 6 months	-	1,448,297	1,218,845
	2,384,752	3,905,248	5,380,647

Fair value estimation

Below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

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6. EXCEPTIONAL ITEM

	30/06/15
	£
Write-back of assets, liabilities & provisions largely in relation to the Athena production asset, including intangible assets and onerous contract provisions, following the renegotiation with (a) the Athena Consortium, (b) BW Offshore and (c) CGG	4,184,444
	4,184,444

7. TAX

Jersey Oil and Gas plc is a trading company but no liability to UK corporation tax arose on the ordinary activities for the period ended 30 June 2015 due to the availability of losses incurred. As at 31 December 2014, Trap Oil Ltd had Ring Fenced Corporation Tax losses of approximately £25.1m and Non-Ring Fenced losses of approximately £1.3m. The Company also had approximately £23.9m of losses available to offset future Supplementary Charge profit.

8. PROFIT PER SHARE

Basic profit per share is calculated by dividing the losses attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted profit per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

	Earnings attributable to ordinary shareholders	Weighted average number of shares	Per share amount
	£		Pence
Period ended 30 June 2015			
Basic EPS			
Profit attributable to ordinary shareholders	556,495	227,169,331	0.24
Diluted EPS			
Profit attributable to ordinary shareholders	556,495	235,735,490	0.24

9. INTANGIBLE ASSETS

	Exploration costs	Data licence costs	Total
	£	£	£
COST			
At 1 January 2015	13,907,024	4,000,000	17,907,024
Additions	2,799,780	-	2,799,780
At 30 June 2015	16,706,804	4,000,000	20,706,804
ACCUMULATED AMORTISATION			
At 1 January 2015	12,536,225	3,166,668	15,702,893
Amortisation for the period	-	250,000	250,000
Impairments *	3,849,621	583,332	4,432,953
At 30 June 2015	16,385,846	4,000,000	20,385,846
NET BOOK VALUE at 30 June 2015	320,958	-	320,958

A total impairment charge of £3,849,621 (made up from the impairments below) is included in Cost of Sales in the Consolidated Statement of Comprehensive Income as an impairment trigger was identified requiring a full impairment review to be carried out in accordance with IAS 36 'Impairment of assets'. The impairments largely related to either unsuccessful exploration or a reduction in value due to potential monies due to the Athena Consortium as part of our settlement arrangements. An economic assessment of all assets was carried out as at 30 June 2015 using the Expected Monetary Value models.

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9. **INTANGIBLE ASSETS (continued)**

* Impairments relate to the following licences included in Cost of Sales in the consolidated statement of comprehensive income:

	£
Magnolia - Licence P.1610	17,287
Romeo - Licence P.1666	211,262
Niobe - Licence P.1889	3,368,184
Homer - Licence P.1989	129,596
Cortina - Licence P.2170	123,292
	3,849,621

10. **PROPERTY, PLANT & EQUIPMENT**

	Production interests & fields under development £	Computer & office equipment £	Total £
COST			
At 1 January 2015	29,305,027	286,022	29,591,049
Additions	113,728	-	113,728
At 30 June 2015	29,418,755	286,022	29,704,777
ACCUMULATED AMORTISATION, DEPLETION & DEPRECIATION			
At 1 January 2015	29,305,027	160,799	29,465,826
Charge for period	-	115,016	115,016
Impairment charge	113,728	-	113,728
At 30 June 2015	29,418,755	275,815	29,694,570
NET BOOK VALUE at 30 June 2015	-	10,207	10,207

11. **INVENTORIES**

	30/06/15 £	30/06/14 £	31/12/14 £
Oil inventories held for resale	-	1,584,057	858,060

12. **TRADE RECEIVABLES AND TRADE PAYABLES**

Within Trade and other receivables is £2.5m of joint venture assets, mainly made up of payments on account to joint venture partners. These Joint Venture assets are to be used to pay the liabilities of the Joint Ventures which as at 30 June 2015 amounted to £2.1m which is included within Trade and Other Payables within 1 year. As stated above, at the period end approximately £2.2m of the drilling costs in respect of the Niobe well were outstanding and had been accrued and accounted for under current liabilities. The expected drilling costs for Niobe had been pre-paid and, as such, a corresponding amount is accounted for under trade and other receivables representing the prepayment.

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13. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

RECONCILIATION OF (LOSS)/PROFIT BEFORE TAX TO CASH (USED IN)/GENERATED FROM OPERATIONS

	30/06/15 (unaudited) £	30/06/14 (unaudited) £	31/12/14 (audited) £
Profit/(Loss) for the period before tax	556,495	(8,432,200)	(44,405,973)
Adjusted for:			
Amortisation, impairments, depletion and depreciation	4,911,697	8,172,562	33,595,239
Onerous contract provision reversed	(6,492,271)	-	6,492,271
Site restoration provision written off	(7,875,280)	-	-
Loss on disposal of available for sale assets	-	-	215,346
Share based payments (net)	-	139,395	58,433
Finance costs	164,448	513,504	240,567
Finance income	(2,499)	(10,278)	(19,029)
	(8,737,410)	382,983	(3,823,146)
Decrease/(Increase) in inventories	858,060	(334,457)	391,539
Decrease in trade and other receivables	7,187,927	882,637	1,986,512
(Decrease)/Increase in trade and other payables	(2,995,895)	(1,247,293)	473,052
Cash used in operations	(3,687,318)	(316,130)	(972,043)

CASH AND CASH EQUIVALENTS

The amounts disclosed in the consolidated statement of cash flows in respect of cash and cash equivalents are in respect of these consolidated statement of financial position amounts:

Period ended 30 June 2015

	30/06/15 £	31/12/14 £
Unrestricted Cash and cash equivalents	472,227	7,074,282
	472,227	7,074,282

14. COMMITMENTS AND GUARANTEES

Operating lease commitments – Group company as lessee

The Group leases an office at 85 Gresham Street under a non-cancellable operating lease agreement. The lease expires in February 2016. During the prior period the Group assigned its lease of 35 King Street to a third party. However, the Group is still acting as Authorised Guarantor for all liabilities of the assignee in relation to the lease agreement.

	30/06/15 £	30/06/14 £	31/12/14 £
No later than 1 year	54,250	-	-
Later than 1 year and no later than 5 years	-	631,632	82,500
Later than 5 years	-	-	-
	54,250	631,632	82,500

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15. **PROVISIONS FOR LIABILITIES AND CHARGES**

	Onerous contracts (Athena) £	Decommissioning and site restoration £	Total £
At 1 January 2015	6,492,271	7,714,560	14,206,831
Unwinding of discount	-	160,720	160,720
Transfer to contingent liability	(6,492,271)	(7,875,280)	(14,367,551)
	-	-	-

16. **CONTINGENT LIABILITIES**

During the period, the settlement agreement reached with our partners in the Athena Consortium (referred to above), means that, although Trap Oil Ltd remains a partner in the joint venture, any past or future liabilities in respect of its interest can only be paid from the revenue that the Athena Oil Field generates and 60 per cent. of any petroleum sales or net disposal proceeds from certain other Group assets, with its consortium partners holding security over such assets. As at 30 June 2015, Trap Oil Ltd's net accumulated liability on the Athena Oil Field was approximately £4m, which represented historic unpaid payments as well as future expect abandonment provisions. Any future repayments towards this amount cannot be calculated with any certainty, and any remaining liability still in existence once the Athena Oil Field has been decommissioned will be written off.

17. **RELATED PARTIES**

During the period, Jersey Oil and Gas plc made loans available to wholly owned subsidiaries. The balances outstanding at the end of the period are Predator Oil Ltd £7,631 (2014: £7,559), Trap Oil Ltd £37,313,481 (2014: £35,262,806), Trap Oil & Gas Ltd £85,779 (2014: £85,707), Trap Petroleum Ltd £149,291 (2014: £149,219) and Trap Exploration (UK) Ltd £16,309 (2014: £16,238) which are included in Trade and Other Receivables, as Amounts owed by Group undertakings. During the period, the Company also made sales to Trap Oil Ltd amounting to £467,657 (2014: £1,940,481).

18. **POST BALANCE SHEET EVENTS**

Following the balance sheet date the Company formerly known as Trap Oil Group Plc, changed its name to Jersey Oil and Gas plc.

The share capital of the Company has also been reorganised, such that the 227,169,331 existing ordinary shares in issue were converted to 2,271,694 new ordinary shares.

On 17 August 2015, the Company placed 3,711,228 new ordinary shares at a price of 22p per share to raise £816,470 (before expenses).

On 17 August 2015, the Company also purchased Jersey Oil and Gas E&P Limited (a company incorporated in Jersey) for consideration of £495,000. The consideration was satisfied by the issue of 2,250,000 new ordinary shares.

Further to the above mentioned transactions, and the settlement of certain related fees in shares, the total number of new ordinary shares in issue as at the date of this report is 8,364,739.

19. **AVAILABILITY OF THE INTERIM REPORT 2015**

A copy of these results will be made available for inspection at the Company's registered office during normal business hours on any weekday. The Company's registered office is at 10 The Triangle, ng2 Business Park, Nottingham, NG2 1AE. A copy can also be downloaded from the Company's website at www.jerseyoilandgas.com. Jersey Oil and Gas plc is registered in England and Wales with registration number 7503957.