JERSEY OIL AND GAS PLC

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

JERSEY OIL AND GAS PLC

CONTENTS OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

Highlights:

- Joint Venture approvals obtained to move forward with the appraisal work programme on the P2170 licence area following the October 2017 Verbier oil discovery.
- Contracts awarded by P2170 licence operator for the upcoming Verbier appraisal well programme, including West Phoenix semi-submersible drilling unit and related well services.
- Commissioned from PGS a significant 3D seismic survey over our core P2170 licence area and certain offset acerage, which was completed in June 2018.
- Fully funded for upcoming Verbier appraisal work programme
- Strong cash position of approximately £22.1m at period end.
- Maintained strong cost discipline during the period.

Outlook:

- Verbier appraisal well currently scheduled to be drilled in mid to late Q4 2018.
- West Phoenix commencement of Equinor's operated 4 well drill programme which includes Verbier is imminent.
- Company's share of costs relating to the P2170 licence area is estimated to be in the upper end of the £9 -11m guidance range although only £7-8m of this is now expected to be incurred in 2018.
- Delivery of a fast track processed 3D seismic dataset volume from the 2018 PGS survey, that overlays Verbier and Cortina, is scheduled for delivery in December 2018.
- Delivery of the final imaged data from the 3D seismic survey is expected in Q2 2019.
- Assessment of additional prospectivity across the P2170 licence area continues.
- Potential production acquisitions continue to be pursued, mindful of equity dilution ahead of the Verbier appraisal well and the increasingly competitive M&A market.

JERSEY OIL AND GAS PLC

CHAIRMAN'S STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2018

During the first six months of 2018, the Company's focus was on its interest in Licence P2170 (Blocks 20/5b & 21/1d) ("P2170"), following the oil discovery made in block 20/5b in October 2017 on the Verbier prospect ("Verbier"). Data acquired from the drilling operations during 2017, together with reprocessed seismic data, allowed for further evaluation of the Verbier discovery. This led to the planned drilling of an appraisal well programme by the operator, Equinor UK Limited ("Equinor"), currently scheduled for mid to late Q4 2018.

In parallel with the work undertaken on Licence P2170, the Company continues to pursue its strategy of acquiring production assets, ever conscious, ahead of the Verbier appraisal programme, of equity dilution versus the upside potential that our core asset holds for our shareholders. As a result and, against increased competition with a Brent crude oil price that has shown signs of stability within a range of approximately US$65 to US$75 per barrel, our decision to maintain price discipline has resulted in the Company being outbid on such potential acquisitions. Nevertheless, the Company is enthused to see the Verbier oil discovery work programme unfold and, with the upcoming Verbier appraisal programme, we will continue to evaluate new opportunities whilst remaining mindful of equity dilution.

The Company has maintained a strong control on its costs with administrative expenses of approximately £0.9m for the first six months of 2018 as compared to £0.8m for the same period last year. The small increase is largely attributable to the hiring of new staff and consultants as we advance our work effort in respect of P2170 and to assist in our asset acquisition search.

The Company's total cash reserves at 30 June 2018 were approximately £22.1m. Capex guidance for 2018 has previously been estimated to be towards the upper end of the range £9-11m although only £7-8m of this is now expected to be incurred in 2018 taking into account the revised scheduling of the Verbier appraisal programme, with the main well expected to be towards the end of 2018 and any possible sidetrack now more likely to occur in 2019.

From 28 September 2018, pursuant to the implementation of recent changes to the AIM Rules for Companies, all AIM quoted entities are required to adopt a recognised corporate governance code and explain the areas where they do not comply with such code. The Company has chosen to adopt the QCA Corporate Governance Code which will result in a number of additional processes and procedures to govern the manner in which the Board directs and manages the Company.

On behalf of the Board, I would like to thank all of our shareholders and other stakeholders for their continued support. I believe the Company to be well positioned going forward, with an upcoming fully funded appraisal well programme, a growing team of oil and gas professionals and a number of opportunities being actively pursued, all within the Oil & Gas Authority's established progamme seeking to maximise the economic recovery of reserves in the North Sea.

Marcus Stanton
Non-Executive Chairman

19 September 2018

Overview

Further to the Verbier oil discovery announced in October 2017, with an initial estimated gross recoverable volume range by the operator of 25-130 million barrels of oil equivalent ("mmboe"), a significant amount of technical work has been accomplished during the reporting period. The joint venture, operated by Equinor UK Ltd ("Equinor") (formerly named Statoil (U.K.) Limited), approved an appraisal well programme and contracted the West Phoenix semi-submersible rig for drilling, currently scheduled for mid to late Q4 2018, with the objective of constraining the potential volume range of the Verbier oil discovery whilst acquiring data important to our further understanding of the depositional model for the Verbier reservoir sands. In addition, we pre-funded the acquisition and processing of a significant 3D seismic survey by Petroleum Geo-Services ASA ("PGS") that covers the P2170 licence area and certain offset acreage. This new data will allow for the enhanced evaluation of the acreage to help identify any further drilling opportunities. In addition to Verbier, we believe that there is potential for the exploitation and development of existing discovered, but currently undeveloped reserves that would allow for an area development approach with Verbier, depending on the ultimate size of the estimated reserves. Following our successful fundraising completed in November 2017, the Company is fully funded as it enters the upcoming appraisal work programme on P2170.

Operations

In January 2018, the P2170 co-venturers confirmed an approved work programme and budget for the appraisal of the Verbier oil discovery. Subsequently Equinor contracted the West Phoenix, a sixth generation semi-submersible drilling rig and related well services. This high-specification drilling rig is equipped with a dual derrick drilling system and substantial main deck space that can be pre-loaded, allowing for an optimal drilling performance at an attractive price.

The drilling location for the planned appraisal well has been determined, utilising a TGS-NOPEC Geophysical Company ASA seismic data set purchased earlier this year for the purpose. The objective of the well programme is to determine whether the Verbier oil volumes are within the low case of 25mmboe, the mean case of 69mmboe or greater. JOG has provided internal management estimates of the value potential for the estimated recoverable oil volume ranges, together with an opinion that all outcomes are potentially commercially viable. The potential low case net present value ("NPV"), net to JOG is in excess of £30m whereas the high case is in the order of £200m (source: Management's estimates using a 10% discount rate, the October 2017 Brent strip curve and indicative JOG development and production cost estimates). Neither of these scenarios take account of the additional upside potential of the Cortina prospect, located on our licensed acreage, which is estimated to hold mean Prospective Resources of 124mmboe (source: ERC Equipoise Limited Competent Person's Report released in March 2017), or further prospectivity across the licence area.

The Verbier appraisal well programme is part of a larger Equinor operated drilling campaign and, further to a change in the scheduled drilling order, JOG currently expects Verbier to be drilled in mid to late Q4 2018. This change in the order of the Verbier well slot, to later in the year than originally envisaged, has had a negative impact on the Company's share price. However, in our view, the delay is not material and we look forward to getting started on this campaign. We are pleased to note that the commencement of operations on the first well in Equinor's drilling campaign is imminent. As previously stated Equinor has three wells to drill before drilling Verbier (the Ragnfrid North prospect in the Norwegian sector and the Bigfoot and Pip prospects in the UK sector) and we will notify of any change to current guidance on timing if and when advised of such by Equinor, in its capacity as operator of the drilling programme.

Post the initial discovery, the co-venturers have been analysing the discovery well results, re-interpreting the existing seismic data and updating the prospectivity of P2170. JOG was pleased to announce in April 2018 the pre-funding of a significant new 3D seismic survey over the licence area and certain offset acreage as part of a wider survey by PGS. The acquisition parameters of this survey were specifically optimised to advance our interpretation of Verbier and the further assessment of other late Jurassic exploration opportunities. The survey was completed at the end of June 2018 and the data is now being processed by PGS. Post the reporting period end, the co-venturers have approved the delivery of a fast track processed dataset volume from the PGS survey that overlays Verbier and Cortina which is scheduled for delivery in December 2018. The fully processed dataset we expect to be delivered during Q2 2019. Additionally, an environmental site survey programme was completed on Licence P2170 post the period end.

Other Licence Activity

As reported in prior years, Total E&P UK Limited ("TEPUK") has a conditional agreement to pay the Company £1m in relation to the termination of its 2013 farm-in to Licence P2032 (Blocks 21/8c, 21/9c, 21/10c, 21/14a and 21/15b). TEPUK disputes that the conditions giving rise to the obligation to pay the Company have been satisfied. We continue our efforts in pursuit of our claim.

JOG's Acquisition Strategy

The landscape for potential acquisitions in the North Sea has changed. The Company has bid seriously on the sales of several producing assets during the reporting period and on each occasion we have been outbid. Whilst we remain committed to ultimately growing the business with positive cash flow generating production, following our success with Verbier, management is mindful of the upside potential from the 2018 appraisal programme for our shareholders. Accordingly, we will continue to evaluate opportunities that we consider to be accretive and at the same time will remain disciplined in our approach to valuations.

Financial Review

The final balance of income receivable from our carried interest arrangement with Cieco V&C Limited in respect of the P2170 licence at the start of 2018 was £12,038 (2017: circa £2.4m). In addition, we received a small amount of interest on our cash deposits.

The loss for the period, before and after tax, was £857,455, which reflects the Company's continued focus on controlling administrative costs.

We also recognised the benefit of pre-funding the abovementioned PGS MultiClient 3D Survey with our co-venturers on the P2170 licence which is an important step in our overall strategic planning as the Verbier project progresses into a potential future development phase. In addition to other appraisal costs, our total spend on licence P2170 for period ended 30 June 2018 totalled £2.2m (Note 9).

Looking Forward

It is encouraging to note the progress that is being made on our flagship asset and it is evident from the appraisal work programme that we have announced, that our co-venturers in P2170 collectively see significant potential across our area of interest. It will take time to realise its full potential, but with the encouragement we have gained to date, we very much look forward to appraising Verbier and continuing our work effort across the acreage.

Management remain very excited by the investment case and continue to believe that there is significant value potential for shareholders in the event of a successful outcome on the Verbier appraisal well programme and, importantly, in the additional opportunity set in this prolific part of the Central North Sea.

I would like to take this opportunity to again thank our shareholders for their support and the ongoing commitment from our team and look forward to providing further updates in due course.

Andrew Benitz
Chief Executive Officer

19 September 2018

JERSEY OIL AND GAS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Notes	6 months to 30/06/18 (unaudited) £	6 months to 30/06/17 (unaudited) £	Year to 31/12/17 (audited) £
CONTINUING OPERATIONS				
Revenue		-	-	-
Cost of sales		-	(9,634)	(13,498)
GROSS LOSS		-	(9,634)	(13,498)
Other income	6	12,038	140,156	2,440,248
Gains on disposal of assets		-	-	-
Administrative expenses		(887,261)	(757,578)	(1,705,068)
OPERATING PROFIT/(LOSS)		(875,223)	(627,056)	721,682
Finance costs		-	-	-
Finance income		17,768	77	5,010
PROFIT/(LOSS) BEFORE TAX		(857,455)	(626,979)	726,692
Tax	7	-	-	-
PROFIT/(LOSS) FOR THE PERIOD		(857,455)	(626,979)	726,692
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		(857,455)	(626,979)	726,692
Total comprehensive profit/(loss) attributable to:				
Owners of the parent		(857,455)	(626,979)	726,692
Profit/(Loss) per share expressed in pence per share:				
Basic	8	(3.93)	(6.35)	6.49
Diluted		(3.93)	(6.35)	6.03

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

JERSEY OIL AND GAS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	30/06/18 (unaudited) £	30/06/17 (unaudited) £	31/12/17 (audited) £
NON-CURRENT ASSETS				
Intangible assets - Exploration costs	9	3,559,984	128,689	1,357,959
Property, plant and equipment	10	-	-	-
		3,559,984	128,689	1,357,959
CURRENT ASSETS				
Trade and other receivables		17,539	103,408	356,107
Cash and cash equivalents	11	22,085,291	1,452,902	25,415,410
		22,102,830	1,556,310	25,771,517
TOTAL ASSETS		25,662,814	1,684,999	27,129,476
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital		2,466,144	2,347,308	2,466,144
Share premium account		93,851,526	71,200,336	93,851,526
Share options reserve		1,541,898	1,282,645	1,231,055
Accumulated losses		(72,524,034)	(73,111,541)	(71,666,579)
Reorganisation reserve		(382,543)	(382,543)	(382,543)
TOTAL EQUITY		24,952,991	1,336,205	25,499,603
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables < 1 year		709,823	348,794	1,629,873
TOTAL LIABILITIES		709,823	348,794	1,629,873
TOTAL EQUITY AND LIABILITIES		25,662,814	1,684,999	27,129,476

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 2018

	Called up share capital £	Share premium account £	Share options reserve £	Accumulated Losses £	Re-organisation reserve £	Total equity £
At 1 January 2017	2,347,017	71,170,230	1,495,921	(72,763,959)	(382,543)	1,866,666
Loss for the period and total comprehensive income	-	-	-	(626,979)	-	(626,979)
Issue of share capital	291	30,106	-	-	-	30,397
Share based payments	-	-	66,121	-	-	66,121
Lapsed share options	-	-	(279,397)	279,397	-	-
At 30 June 2017	2,347,308	71,200,336	1,282,645	(73,111,541)	(382,543)	1,336,205
At 1 January 2018	2,466,144	93,851,526	1,231,055	(71,666,579)	(382,543)	25,499,603
Loss for the period and total comprehensive income	-	-	-	(857,455)	-	(857,455)
Share based payments	-	-	310,843	-	-	310,843
At 30 June 2018	2,466,144	93,851,526	1,541,898	(72,524,034)	(382,543)	24,952,991

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

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

JERSEY OIL AND GAS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Notes	6 months to 30/06/18 (unaudited) £	6 months to 30/06/17 (unaudited) £	Year to 31/12/17 (audited) £
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Generated from/(used in) operations	11	(1,145,862)	(379,556)	2,036,892
Net interest received		17,768	77	5,010
Interest paid		-	-	-
Net cash generated from/(used in) operating activities		(1,128,094)	(379,479)	2,041,902
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of intangible assets		(2,202,025)	(80,326)	(1,309,225)
Net cash generated from/(used in) investing activities		(2,202,025)	(80,326)	(1,309,225)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issue		-	30,397	22,800,423
Net cash generated from financing activities		-	30,397	22,800,423
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3,330,119)	(429,408)	23,533,100
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11	25,415,410	1,882,310	1,882,310
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11	22,085,291	1,452,902	25,415,410

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

1. GENERAL INFORMATION

Jersey Oil and Gas plc (the "Company") and its subsidiaries (together, "the Group") are involved in the upstream oil and gas business in the U.K.

The Company is a public limited company, which is quoted on AIM, a market operated by 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 2018 and in accordance with the Disclosure and Transparency Rules of the Financial Conduct 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 2017, which have been prepared in accordance with IFRS as adopted by the European Union.

The Company is expected to have sufficient resources to cover the expected running costs of the business for a period of at least 12 months after the issue of these interim financial statements. This is after taking into account the anticipated cash requirements of the proposed seismic and drilling programme on P2170 (Verbier) in 2018 and factoring in a reasonable level of contingency for any over runs. The Company is not yet able to anticipate what any well programme in 2019 will look like but believes it has enough financial resources to meet any likely programme proposed by its partners.

The reports for the six months ended 30 June 2018 and 30 June 2017 are unaudited and do not constitute statutory accounts as defined by the Companies Act 2006. The financial statements for 31 December 2017 have been prepared and delivered to the Registrar of Companies. The auditors' report on those financial statements was unqualified. 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 2018 that would be expected to have a material impact on the Group.

The Group's 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 the sale of goods.

Revenue from strategic partners on the identification of opportunities, application for a licence to explore further or as a result of having farm-ed into an asset and provided the Group with a carry is recognised in the period in which the services are provided, costs incurred or the date a trigger event occurs if this is later.

Exploration and evaluation costs
The Group accounts for oil and gas exploration and evaluation costs 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 on an individual license basis. If commercial reserves are discovered, the carrying value, after any impairment loss of the relevant assets, is then reclassified as Property, plant and equipment under Production interests and 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.

continued...

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

Joint operations
The Group participates in joint venture agreements 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, income and expenditure of these joint venture agreements 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 per the joint venture agreement.

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 doubtful debts. A provision for doubtful debts 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 recoverability of the trade receivable is doubtful. 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 administrative expenses. Subsequent recoveries of amounts previously provided for are credited against administrative expenses in the Consolidated Statement of Comprehensive Income.

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

Share Based Payments
Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

Equity settled share based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Exercise proceeds net of directly attributable costs are credited to share capital and share premium.

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.

continued...

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

Maturity analysis of financial assets and liabilities

Financial Assets

	30/06/18	30/06/17	31/12/17
	£	£	£
Up to 3 months	17,539	103,408	356,107
3 to 6 months	-	-	-
Over 6 months	-	-	-
	17,539	103,408	356,107

Financial Liabilities

	30/06/18	30/06/17	31/12/17
	£	£	£
Up to 3 months	709,823	348,794	1,629,873
3 to 6 months	-	-	-
Over 6 months	-	-	-
	709,823	348,794	1,629,873

6. OTHER INCOME

	30/06/18	30/06/17	31/12/17
	£	£	£
Sale of Datasets	-	-	22,500
Carried costs reimbursement	12,038	140,156	2,417,748
	12,038	140,156	2,440,248

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 2018 due to trading losses. As at 31 December 2017, Jersey Petroleum Ltd, a wholly owned subsidiary, had Ring Fenced Corporation Tax losses of approximately £24.3m and Non-Ring Fenced Corporation Tax losses of approximately £1.8m. Jersey Petroleum Ltd also had approximately £5.7m of losses available to offset future Supplementary Charge profit.

8. EARNINGS/(LOSS) PER SHARE

Basic loss 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 loss 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 2018			
Basic and Diluted EPS			
Loss attributable to ordinary shareholders	(857,455)	21,829,227	(3.93)

9. INTANGIBLE ASSETS

	Exploration Costs £
COST	
At 1 January 2018	1,533,200
Additions	2,202,025
At 30 June 2018	3,735,225
ACCUMULATED AMORTISATION	
At 1 January 2018	175,241
At 30 June 2018	175,241
NET BOOK VALUE at 30 June 2018	3,559,984

10. PROPERTY, PLANT AND EQUIPMENT

	Computer and office equipment £
COST	
At 1 January 2018	125,786
At 30 June 2018	125,786
ACCUMULATED AMORTISATION, DEPLETION AND DEPRECIATION	
At 1 January 2018	125,786
At 30 June 2018	125,786
NET BOOK VALUE at 30 June 2018	-

11. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	30/06/18 (unaudited) £	30/06/17 (unaudited) £	31/12/17 (audited) £
Profit/(Loss) for the period before tax	(857,455)	(626,979)	726,692
Adjusted for:			
Amortisation, impairments, depletion and depreciation	-	372	-
Share based payments (net)	310,843	66,121	105,822
Finance income	(17,768)	(77)	(5,010)
	(564,380)	(560,563)	827,504
Decrease in inventories	-	-	-
(Increase)/Decrease in trade and other receivables	338,568	19,464	(233,235)
Increase/(Decrease) in trade and other payables	(920,050)	161,543	1,442,623
Cash Generated from/(used in) operations	(1,145,862)	(379,556)	2,036,892

continued...

11. **NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS - continued**

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 2018

	30/06/18	30/06/17	31/12/17
	£	£	£
Cash and cash equivalents	22,085,291	1,452,902	25,415,410
	22,085,291	1,452,902	25,415,410

12. **CONTINGENT LIABILITIES**

In accordance with a 2015 settlement agreement reached with the Athena Consortium, although Jersey Petroleum Limited remains a Licensee in the joint venture, any past or future liabilities in respect of its interest can only be satisfied from the Group's share of the revenue that the Athena Oil Field generates and up to 60 per cent. of net disposal proceeds or net petroleum profits from the Group's interests in the P2170 and P1989 licences which are the only remaining assets still held that were in the Group at the time of the agreement with the Athena Consortium who hold security over these assets. Any future repayments, capped at the unpaid liability associated with the Athena Oil Field, 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. A payment was made in 2016 to the Athena Consortium in line with this agreement following the farm-out of P2170 (Verbier) to Equinor and the subsequent receipt of monies relating to that farm-out.

13. **RELATED PARTIES**

During the period, Jersey Oil and Gas plc made loans available to its wholly owned subsidiaries. The balances outstanding at the end of the period are Jersey Petroleum Ltd £69,702,581 (2017: £68,483,066) and Jersey Oil & Gas E&P Ltd £1,137,027 (2017: £591,130). At the end of the period, Jersey Oil and Gas plc owed Jersey North Sea Holdings Ltd £211,676 (2017: £211,676). During the period, the Company also made sales to Jersey Petroleum Ltd amounting to £519,732 (2017: £279,369).

14. **AVAILABILITY OF THE INTERIM REPORT 2018**

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.