



Prospex Oil and Gas PLC - PXOG Interim Results for 6 months ended 30 June 2015
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Prospex Oil and Gas PLC
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Prospex Oil & Gas Plc

("Prospex Oil & Gas" or "the Company")

Interim Results for the six months ended 30 June 2015

Chairman's Statement

This report accompanies the unaudited Interim Results for the 6 month period ended June 30, 2015. During that time, the Company underwent significant changes, particularly on 14, April 2015, where, amongst other things, a restructuring was approved by shareholders incorporating a Company Voluntary Arrangement, a disposal, change of name, a new Board and a new investment mandate together with a fundraise under the new capital structure.

Since that time, the Board and management have been very active in reviewing investment opportunities. At the same time, stock markets and energy prices have both been extremely volatile, adding a significant amount of complexity to the work of the team. However, the directors are not daunted by these challenges and in fact believe that these also present opportunities.

The Directors thank the shareholders, new and old, for their patience and assure them that efforts have been and continue to be undertaken to identify and negotiate an appropriate investment or acquisition for the Company.

Bill Smith

Chairman
15 September 2015

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Prospex Oil & Gas Plc

Statement of Comprehensive Income for the six months ended 30 June 2015

	Unaudited	Audited
	Six months ended 30 June	Year ended 31 December
	2015	2014
	2015	2014

	£	£	£
Administrative expenses	(257,814)	(273,322)	(512,322)
Gain arising on restructuring	152,361	-	-
Operating loss	<u>(105,453)</u>	<u>(273,322)</u>	<u>(512,322)</u>
Finance income	162	34	34
Fair value loss on derivative financial assets	-	(60,105)	(168,188)
Finance expense	-	(4,212)	(67,491)
Loss before income taxation	<u>(105,291)</u>	<u>(337,605)</u>	<u>(747,967)</u>
Income tax expense	-	-	-
Loss for the period from continuing operations	<u>(105,291)</u>	<u>(337,605)</u>	<u>(747,967)</u>
Discontinued operations			
Profit/(loss) for the period from discontinued operations	521,745	(78,035)	(3,832,478)
Profit/ (loss) for the period	<u>416,454</u>	<u>(415,640)</u>	<u>(4,580,445)</u>
Other comprehensive income:			
Currency translation differences on disposal of foreign operation	(39,467)	-	-
Total comprehensive profit/(loss) for the period	<u>376,987</u>	<u>(415,640)</u>	<u>(4,580,445)</u>
Non-controlling interests	-	20,406	771,232
Profit/ (loss) for the period and total comprehensive income attributable to owners of the parent	<u>376,987</u>	<u>(395,234)</u>	<u>(3,809,213)</u>
Earnings/ (loss) per share - basic and diluted			
From continuing operations	(0.5)p	(0.02)p	(0.05)p
From discontinued operations	2.6p	(0.01)p	(0.23)p

**Statement of Financial Position
as at 30 June 2015**

	Note	Unaudited		Audited
		Six months ended 30 June		Year ended 31 December
		2015	2014	2014
		£	£	£
Non-current assets				
Intangible assets		-	3,738,746	-
Tangible assets		-	12,146	10,355
Derivative financial assets		-	45,000	-
		<u>-</u>	<u>3,795,892</u>	<u>10,355</u>
Current assets				
Inventories		-	1,008	977
Trade and other receivables		169,448	17,410	33,928
Derivative financial assets		-	165,000	46,359
Cash and cash equivalents		859,407	26,928	22,734
		<u>1,028,855</u>	<u>210,346</u>	<u>103,998</u>
Total assets		<u>1,028,855</u>	<u>4,006,238</u>	<u>114,353</u>
Current liabilities				
Trade and other payables		(256,858)	(162,494)	(365,873)
Borrowings		-	(454,521)	(479,784)
Total liabilities		<u>(256,858)</u>	<u>(617,015)</u>	<u>(845,657)</u>
Net assets		<u>771,997</u>	<u>3,389,223</u>	<u>(731,304)</u>
Shareholders' equity				
Share capital	4	2,657,234	2,304,398	2,304,398
Share premium account	4	6,732,715	6,063,208	6,063,208
Equity component - convertible loan note		-	95,479	100,216

Capital redemption reserve	43,333	43,333	43,333
Merger reserve	2,416,667	2,416,667	2,416,667
Profit and loss account	(11,077,952)	(8,112,862)	(11,531,738)
Foreign currency reserve	-	(4,000)	39,467
	771,997	2,806,223	(564,439)
Non-controlling interests	-	583,000	(166,865)
Total (deficit)/equity	771,997	3,389,223	(731,304)

Statement of changes in equity as at 30 June 2015

	Share capital	Share premium	Retained earnings	Foreign currency reserve	Capital redemption reserve	Merger reserve	Non-controlling interests	Convertible loan note	Total
	£	£	£	£	£	£	£	£	£
Six months ended 30 June 2015									
At 1 January 2015	2,304,398	6,063,208	(11,531,728)	39,467	43,333	2,416,667	(166,885)	100,216	(731,304)
Issue of shares	352,836	723,314	-	-	-	-	-	-	1,076,150
Costs in respect of shares issued	-	(53,807)	-	-	-	-	-	-	(53,807)
Total comprehensive income for the year	-	-	416,454	(39,467)	-	-	-	-	376,987
Equity settled share based payments	-	-	37,322	-	-	-	-	-	37,322
On disposal of subsidiary	-	-	-	-	-	-	166,865	(100,216)	66,649
At 30 June 2015	2,657,234	6,732,715	(11,077,952)	-	43,333	2,416,667	-	-	771,997
Six months ended 30 June 2014									
At 1 January 2014	2,288,898	6,059,750	(7,722,515)	(3,874)	43,333	2,416,667	598,512	89,293	3,770,054
Total comprehensive income for the year	-	-	(395,234)	-	-	-	(20,406)	-	(415,640)
Issue of shares	15,500	7,750	-	-	-	-	-	-	23,250
Costs in respect of shares issued	-	(4,292)	-	-	-	-	-	-	(4,292)
Convertible loan note - equity component	-	-	-	-	-	-	-	6,196	6,196
Equity settled share based payment	-	-	4,887	-	-	-	-	-	4,887
Currency translation differences on foreign currency net investments	-	-	-	(126)	-	-	-	-	4,768
At 30 June 2014	2,304,398	6,063,208	(8,112,862)	(4,000)	43,333	2,416,667	583,000	95,479	3,389,223
Year ended 31 December 2014									
At 1 January 2014	2,288,898	6,059,750	(7,722,515)	(3,874)	43,333	2,416,667	598,512	89,293	3,770,054
Total comprehensive income for the year	-	-	(3,809,213)	-	-	-	(771,232)	-	(4,580,445)
Issue of shares	15,500	7,750	-	-	-	-	-	-	23,250
Costs in respect of shares issued	-	(4,292)	-	-	-	-	-	-	(4,292)
Convertible loan note - equity component	-	-	-	-	-	-	-	10,933	10,933
Currency translation differences on foreign currency net investments	-	-	-	43,341	-	-	5,855	-	49,196
At 31 December 2014	2,304,398	6,063,208	(11,531,728)	39,467	43,333	2,416,667	(166,865)	100,216	(731,304)

Statement of cash flows for the six months ended 30 June 2015

	Unaudited		Audited
	Six months ended 30 June		Year ended 31 December
	2015	2014	2014
	£	£	£
Operating activities			
Operating loss	(105,453)	(273,322)	(512,322)
Gain on restructuring	(152,361)	-	-
Depreciation of property, plant and equipment	-	1,484	2,946

Amortisation of intangible assets	-	-	-
Increase in inventories	-	(1,008)	(977)
(Increase)/decrease in trade and other receivables	(14,174)	(965)	(17,483)
Increase/(decrease) in trade and other payables	68,604	(54,463)	87,308
Equity-settled share based payments	37,322	4,887	-
Other movement	(31,825)	31,954	85,516
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Cash flows from operating activities (continued operations)	(197,887)	(291,433)	(355,012)
Cash flows from operating activities (discontinued operations)	-	(78,035)	(102,701)
Cash generated from operations	<u>(197,887)</u>	<u>(369,468)</u>	<u>(457,713)</u>
Financing activities			
Issue of share capital	1,076,150	-	-
Proceeds received from issue of derivative financial asset	12,055	93,020	148,578
Cost of share issue	(53,807)	(4,292)	(4,292)
Convertible unsecured loan notes	-	50,000	80,000
	<hr/>	<hr/>	<hr/>
	1,034,398	138,728	224,286
Investing activities			
Purchase of intangible assets	-	(12,494)	(12,333)
Purchase of property, plant and equipment	-	(199)	(196)
Finance income	162	34	34
Finance expense	-	(4,212)	(5,883)
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	162	(16,871)	(18,378)
Net increase/(decrease) in cash and cash equivalents	836,673	(247,611)	(251,805)
Cash and cash equivalents at beginning of the period	<u>22,734</u>	<u>274,539</u>	<u>274,539</u>
Cash and cash equivalents at end of the period	<u><u>859,407</u></u>	<u><u>26,928</u></u>	<u><u>22,734</u></u>

Notes to the Interim Financial Statements for the six months ended 30 June 2015

1. Basis of preparation

The principal accounting policies used for preparing the Interim Accounts are those the Company expects to apply in its financial statements for the year ending 31 December 2015 and are unchanged from those disclosed in the Company's Report and Financial Statements for the year ending 31 December 2014.

The financial information for the six months ended 30 June 2015 and for the six months ended 30 June 2014 has neither been audited nor reviewed by the Company's auditors.

2. Earnings per ordinary share

The calculation of a basic earnings per share is based on the profit for the period attributable to equity holders of the Company and on the weighted average number of shares in issue during the period.

3. Share capital

On 15 April 2015 Company's share capital was re-organised through the consolidation of every 25,000 Existing Ordinary Share into one Consolidation Share; and thereafter each Consolidation Share was subdivided into 100 New Ordinary Shares and 1 New Deferred Share.

On 16 April 2015 the Company raised £1,076,150 through the issue of 35,283,591 New Ordinary Shares at £0.0305.

On 16 April 2015 the Company granted 2,847,116 options at an exercise price of £0.03 per share exercisable over a period of 10 years from the date of grant. On the same date, the Company granted 812,000 options at an exercise price of £0.03 per share exercisable over a period of 3 years from the date of grant.

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