

Regulatory Story

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Empyrean Energy PLC - EME Interim Results
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12 December 2017

Empyrean Energy PLC ("Empyrean" or the "Company")

Interim Results

Empyrean Energy (EME: AIM), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to provide its Interim Report for the six months ended 30 September 2017.

Highlights

- Block 29/11, Pearl River Mouth Basin, China (EME 100%)
 - 580km² 3D seismic survey successfully completed in August 2017
 - Preliminary interpretation of onboard processed seismic data confirms structural validity of Jade and Topaz Prospects
 - Third significant target identified "Pearl", located north of Topaz
 - Total Preliminary Prospective Resources (Best) Estimate of 591 mmbbls from Jade, Topaz and Pearl prospects
- Duyung PSC Project, Indonesia (EME 10%)
 - Secured a 10% interest in the Duyung PSC, offshore Indonesia
 - Mako South-1 well completed in June 2017, reaching completion at total depth of 1,707ft
 - Mako South-1 exceeds expectations encountering excellent reservoir quality, gas saturation, porosity, permeability and flow rates
 - Mako South-1 well flowed at a stabilised rate of 10.9 million cubic feet of gas per day with multi Darcy permeability
- Sacramento Basin, California (EME 25-30%)
 - Negotiated a 25-30% working interest in the Sacramento Basin package of projects
 - Sacramento Basin package includes the 1Tcf+ potential Dempsey prospect and the 2.4Tcf+ Alvares prospect plus a Dempsey Trend AMI with multiple targets
 - Dempsey 1-15 well spudded on 2 August 2017 reaching completion at total depth of 2,970 metres
 - Wireline logs confirmed numerous gas zones for production testing
 - Dempsey 1-15 flow testing commenced in November 2017

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Chairman's Statement

Following the sale of our interest in the Marathon Oil operated Sugarloaf asset in Texas and post-completion restructuring and re-financing throughout 2016, Empyrean has been successfully transformed into an active exploration company in 2017, having built an exciting portfolio comprising high impact and value creating projects in China, Indonesia and the United States.

All three projects have already returned encouraging results, with early exploration success achieved in both Indonesia and the United States following the completion of a 3D seismic survey and positive early interpretation work in China exceeding expectations. The positive project news flow throughout the past six months has also been translated into strong gains in the Company's share price and market value.

In China, the Company announced preliminary internal interpretation of the fast-tracked processing of the raw data from the 3D seismic acquired on the offshore Block 29/11 oil permit. This preliminary interpretation, announced in September 2017, confirmed the structural validity of the Jade and Topaz prospects and also identified a third significant target named Pearl, located to the north of Topaz. All three prospects have significant resource potential and are located on trend to world class oil and gas discoveries.

In Indonesia, following the acquisition of a 10% interest in the offshore Duyung Production Sharing Contract in April 2017, the Company participated in the drilling of the Mako South-1 well in July 2017. The well exceeded expectations with a stabilised flow rate of 10.9 million cubic feet of high quality methane gas per day with excellent permeability (in the multi Darcy range). The results significantly de-risked this project and also confirmed a very large accumulation of gas with extremely good reservoir quality.

In May 2017 the Company entered into a joint venture on a suite of projects in the Sacramento Basin in onshore California with ASX listed Sargasco Limited, including two mature, multi-Tcf gas prospects in Dempsey (EME 30%) and Alvarez (EME 25%) and further identified follow up prospects along trend (EME 30%). In September 2017 the joint venture completed drilling of a 2,970 metre combined appraisal and exploration well, Dempsey 1-15, with wireline logs confirming numerous gas zones for production testing. The testing of the deepest of these zones is currently underway and the Company will relay news to the market as it comes to hand.

We have seen Company and shareholder value grow in recent months on encouraging results from drilling in Indonesia and the United States and the positive internal analysis of the seismic data in China, and we expect to see further value accretive milestones reached in the near future. Overall, with three promising high impact exploration projects being progressed and a consistent stream of news flow expected moving forward, we anticipate that it will be an exciting period ahead for Empyrean and its shareholders.

The Company is continuously reviewing other acquisition opportunities in parallel to the current activities and will also evaluate any attractive divestment opportunities in due course.

Empyrean's cash at the end of the period was US\$4,649,659.

Patrick Cross

Non-Executive Chairman

12 December 2017

Operational Review

Block 29/11, Pearl River Mouth Basin, China (EME 100%)

Block 29/11 is located in the Pearl River Mouth Basin, offshore China (approximately 200km SE of Hong Kong). Empyrean is operator with 100% of the exploration rights of the 1,800km² permit during the exploration phase of the project. The initial contractual term is for two years with a work programme commitment of acquisition, processing and interpretation of 500km² of 3D seismic data. In the event of a commercial discovery and subject to Empyrean first entering a Production Sharing Contract ("PSC"), the China National Offshore Oil Company ("CNOOC") will have a back in right to 51% of the permit.

Empyrean commenced a 580km² 3D seismic acquisition survey in June 2017, which included the two key prospects, Jade and Topaz, which had already been identified in 2D seismic surveys. The 3D seismic survey acquisition was completed successfully in August 2017 and exceeded the work obligation of the permit for the current Geophysical Service Agreement ("GSA") phase. The survey was completed on schedule with excellent quality 3D data acquired.

Processing and interpretation work commenced in late August and in September 2017 Empyrean announced the results of preliminary internal interpretation of the raw seismic data which confirmed the structural validity of the Jade and Topaz prospects and identified a third significant target named Pearl, located to the north of Topaz.

A summary of the internal interpretation of gross unrisked mean prospective resources for Jade, Topaz and Pearl is provided in the table below.

Prospect	Preliminary Prospective Resources Estimates (mmbbls)		
	<i>Low estimates</i>	<i>Best estimates</i>	<i>High estimates</i>
Jade	89	103	143
Topaz	280	365	498
Pearl	84	123	206

These estimates are expected to be revised towards the end of Q1 2018 when the comprehensive interpretation of the fully processed 3D seismic data is expected to be completed.

In addition, geological work continues during Q4 2017, focusing on migration pathways of oil in the basin. The seismic interpretation and geological work is expected to finalise the prospective resources and geological risks of the Jade, Topaz and Pearl prospects.

Duyung PSC Project, Indonesia (EME 10%)

In May 2017, Empryan acquired from Conrad Petroleum Pte Ltd ("Conrad Petroleum") a 10% shareholding in West Natuna Exploration Ltd ("WNEL"), which holds a 100% Participating Interest in the Duyung Production Sharing Contract ("Duyung PSC") in offshore Indonesia and is the operator of the Duyung PSC.

The Duyung PSC covers an offshore permit of approximately 1,100km² in the prolific West Natuna Basin. The main asset in the permit is the Mako shallow gas discovery that has an independently verified 2C and 3C gas resource of between 430-650 Bcf recoverable gas, that was completed before drilling the Mako South-1 well. On the back of results from the Mako South-1 well it is expected that the operator will commission an updated independent resource assessment in due course as further data is analysed and comes to hand. In addition, numerous prospects and leads have been identified in the permit using 3D seismic data.

The appraisal well, Mako South-1, was spudded on 16 June 2017 using a jackup rig located in water depths of 308 ft. The well reached a Total Depth ("TD") of 1,707 ft on 22 June 2017.

The Mako South-1 well exceeded the Company's expectations encountering excellent reservoir quality rock with high permeability sands in the multi Darcy range with 23 feet of gas bearing reservoir. This zone flowed gas at a stabilized rate of 10.9 million cubic feet per day through a 2 inch choke. The gas is of high-quality being close to 100% methane.

Initial interpretation of the test results demonstrated that the sandstone reservoir is expected to be laterally contiguous, and has exceptional permeabilities in the multi Darcy range.

Two conventional cores were recovered successfully and further analysis is currently underway to assist with the overall assessment of results and provide a development plan.

Sacramento Basin, California (EME 25-30%)

In May 2017 Empryan entered into an agreement with ASX listed Sacgasco Limited ("Sacgasco"), a Sacramento Basin focused natural gas developer and producer, to farm-in to a package of gas projects in the Sacramento Basin, onshore California. The package includes two mature, multi-Tcf gas prospects, Dempsey and Alvarez, and an Area of Mutual Interest (AMI) along trend from Dempsey that includes at least three already identified Dempsey style follow up prospects.

Empryan has earned a 30% interest in the Dempsey Prospect targeting 1 Tcf of gas by paying US\$2,100,000 towards the cost of drilling the Dempsey 1-15 exploration well. These drilling costs have a promoted cap of US\$3,200,000 and Empryan is paying its working interest of 30% towards any additional costs towards Dempsey 1-15, including completion costs. The Dempsey 1-15 well was spudded on 2 August 2017 and drilled to a TD of 2,970 metres (9,747 feet) in September 2017. Wireline logs confirmed numerous gas zones for production testing, which is currently underway. The deepest of these zones is being tested first and Empryan will provide further updates as the testing programme progresses.

The Alvares structure has been mapped with 2D seismic and is interpreted by Sacgasco to hold prospective resources of over 2 Tcf of recoverable gas. A 25% working interest will be earned in the Alvares appraisal prospect, by Empryan paying 33.33% of the costs of the next Alvares appraisal well.

Finally, the Dempsey Trend AMI, in which Empryan will earn a 30% interest, extends to approximately 250,000 acres (including the Dempsey structure) and includes at least three large Dempsey style identified follow up prospects. Empryan will provide technical assistance to Sacgasco to further mature prospects within the Dempsey Trend AMI and will also have an option to participate in the already identified prospects on the following basis:

- Prospect #1: EME pays 60% of dry hole cost (i.e. to testing and setting production casing or abandonment) to earn 30% WI
- Prospect #2: EME pays 45% of dry hole cost (i.e. to testing and setting production casing or abandonment) to earn 30% WI
- Prospect #3: EME pays 45% of dry hole cost (i.e. to testing and setting production casing or abandonment) to earn 30% WI

Riverbend Project (10%) and Eagle Oil Pool Development Project (58.084% WI)

In light of current market conditions, little or no work has been completed on these projects during the year and no budget has been prepared for 2017/18 whilst the Company focuses on other projects.

Definitions

MMBOE Million barrels of oil equivalent

Production Production available for sale

WTI West Texas intermediate crude, type of oil used as a benchmark in oil pricing

Frank Brophy BSc (Hons)

Technical Director

12 December 2017

**Statement of Comprehensive Income
For the Period Ended 30 September 2017**

	6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
Notes	US\$'000	US\$'000	US\$'000
Revenue	-	1	1
Cost of sales			
Operating costs	(1)	2	(23)
Impairment of oil and gas properties	(45)	(3)	(6,960)
Amortisation	-	(6)	(11)
Total cost of sales	(46)	(7)	(6,994)
Gross loss	(46)	(6)	(6,993)
Administrative expenditure			
Administrative expenses	(186)	(110)	(2,202)
Directors' remuneration	(229)	(443)	(284)
Compliance fees	(62)	(162)	(637)
Foreign exchange differences	134	(1,777)	-
Total administrative expenditure	(344)	(2,492)	(3,121)
Operating loss	(390)	(2,498)	(10,116)
Finance (expense)/income	(3,982)	60	(3,005)
Loss from continuing operations before taxation	(4,372)	(2,438)	(13,121)
Deferred tax credit	18	709	2,839
Loss from continuing operations after taxation	(4,354)	(1,729)	(10,282)
Profit on discontinued operations net of tax	73	-	-
Loss after taxation	(4,281)	(1,729)	(10,282)
Total comprehensive loss for the year	(4,281)	(1,729)	(10,282)
Attributable to:			
Equity shareholders of the Company	(4,281)	(1,729)	(10,282)
Loss per share from continuing operations (expressed in cents)			
- Basic	2	(1.21)c	(1.70)c
- Diluted		(1.12)c	(1.70)c
Earnings per share from discontinued operations (expressed in cents)			
- Basic	2	0.02c	-
- Diluted		0.02c	-

Statement of Financial Position

As at 30 September 2017

		6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
	Notes	US\$'000	US\$'000	US\$'000
Assets				
Non-current assets				
Contingent consideration receivable	3	-	623	-
Oil and gas properties: exploration and evaluation	4	9,468	6,859	87
Oil and gas properties: development and production	5	-	152	57
Total non-current assets		9,468	7,634	144
Current assets				
Trade and other receivables		26	3,271	65
Corporation tax receivable		540	-	540
Contingent consideration receivable	3	-	-	554
Cash and cash equivalents		4,650	27,053	6,106
Total current assets		5,216	30,324	7,265
Liabilities				
Current liabilities				
Trade and other payables		3,675	520	2,178
Provisions		51	9	25
Provision for corporation tax		-	1,302	-
Derivative financial liabilities	6	3,887	401	459
Total current liabilities		7,613	2,232	2,662
Net current (liabilities)/assets		(2,397)	28,092	4,603
Non-current liabilities				
Provision for corporation tax		-	750	-
Total non-current liabilities		-	750	-
Net assets		7,071	34,976	4,747
Shareholders' equity				
Share capital	7	1,164	710	754
Share premium		24,661	40,250	18,466
Share based payment reserve		2,421	2,357	2,421
Retained losses		(21,175)	(8,341)	(16,894)
Total equity		7,071	34,976	4,747

Statement of Cash Flows

For the Period Ended 30 September 2017

		6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
	Notes	US\$'000	US\$'000	US\$'000
Cash generated from operating activities - continuing operations		(655)	(795)	(1,309)
Cash generated from operating activities - discontinued operations		-	(116)	(116)
Receipt/(payment) of corporation tax		18	(1,545)	(2,007)
Net cash (outflow)/inflow from operating				

activities	(637)	(2,456)	(3,432)
Net proceeds from disposal of discontinued operations	73	-	-
Amounts held in escrow	-	13,800	16,875
Purchase of oil and gas properties: exploration and evaluation - continuing operations	(7,632)	(17)	(17)
Purchase of oil and gas properties: development and production - continuing operations	-	-	(80)
Net cash (outflow)/inflow for investing activities	(7,559)	13,783	16,778
Issue of ordinary share capital	6,713	-	44
Return of value	-	-	(21,785)
Payment of equity issue costs	(108)	-	(63)
Finance income received/(expenses paid)	-	19	22
Net cash inflow / (outflow) from financing activities	6,605	19	(21,782)
Net (decrease)/increase in cash and cash equivalents	(1,591)	11,346	(8,436)
Cash and cash equivalents at the start of the year	6,106	17,473	17,473
Forex on cash held	135	(1,766)	(2,931)
Cash and cash equivalents at the end of the period	4,650	27,053	6,106

Statement of Changes in Equity

For the Year Period 30 September 2017

	Share capital	Share premium reserve	Share based payment reserve	Retained losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 31 March 2016	710	40,250	2,946	(7,201)	36,705
Hedge transactions	-	-	(589)	589	-
Profit after tax for the period	-	-	-	(1,729)	(1,729)
Total comprehensive income for the period	-	-	-	(1,729)	(1,729)
Balance at 30 September 2016	710	40,250	2,357	(8,341)	34,976
Balance at 31 March 2016	710	40,250	2,946	(7,201)	36,705
(Loss) after tax for the year	-	-	-	(10,282)	(10,282)
Total comprehensive loss for the year	-	-	-	(10,282)	(10,282)
Shares issued following exercise of options	44	-	-	-	44
Creation of B shares	21,784	(21,784)	-	-	-
Return of value (cancellation of B shares)	(21,784)	-	-	-	(21,784)
Transfer of expired options	-	-	(589)	589	-
Share based payment expense	-	-	64	-	64
Balance at 31 March 2017	754	18,466	2,421	(16,894)	4,747
(Loss) after tax for the period	-	-	-	(4,281)	(4,281)

Total comprehensive loss for the period	-	-	-	(4,281)	(4,281)
Shares issued in the period	410	6,303	-	-	6,713
Equity issue costs	-	(108)	-	-	(108)
Balance at 30 September 2017	1,164	24,661	2,421	(21,175)	7,071

The accompanying accounting policies and notes form an integral part of these financial statements.

**Statement of Accounting Policies
For the Period Ended 30 September 2017**

Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and Companies Act 2006. The principal accounting policies are summarised below. The financial report is presented in the functional currency, US dollars and all values are shown in thousands of US dollars (US\$'000). The financial statements have been prepared on a historical cost basis and fair value for certain assets and liabilities. These condensed interim financial statements of the Company for the six months ended 30 September 2017 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The same accounting policies, presentation and methods of computation are followed in these financial statements as were applied in the Company's latest audited financial statements for the year ended 31 March 2017.

The financial information for the period ended 30 September 2017 does not constitute the full statutory accounts for that period. They have not been reviewed by the Company's auditor. The Annual Report and financial statements for the year ended 31 March 2017 have been filed with the Registrar of Companies. The independent auditor's report on the Annual Report and financial statements was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

Going Concern

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing its financial statements. The Company had a cash balance of US\$4.650m at 30 September 2017 (US\$6.106m: 31 March 2017).

**Notes to the Financial Statements
For the Period Ended 30 September 2017**

1. Segmental analysis

The Directors consider the Company to have the business segments of exploration for, and development and production of oil and gas properties. There are three geographical trading segments, being North America, Indonesia and China. The Company's registered office is located in the United Kingdom.

Details	Oil and Gas Properties: Exploration and Evaluation			Oil and Gas Properties: Development and Production			Total		
	30 Sep 17	30 Sep 16	31 Mar 17	30 Sep 17	30 Sep 16	31 Mar 17	30 Sep 17	30 Sep 16	31 Mar 17
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue from continued operations	-	-	-	-	1	1	-	1	1
Profit/(loss) on sale of discontinued operations	-	-	-	73	-	-	73	-	-
Cost of sales of continued operations	(45)	(3)	(6,871)	-	(4)	(123)	(45)	(7)	(6,994)

Cost of sales of discontinued operations	-	-	-	(1)	-	-	(1)	-	-
Segment result	(45)	(3)	(6,871)	72	(3)	(122)	27	(6)	(6,993)
Unallocated corporate expenses							(344)	(2,492)	(3,121)
Operating (loss)/profit							(317)	(2,498)	(10,116)
Finance income and expense							(3,982)	60	(3,005)
(Loss)/profit before taxation							(4,299)	(2,438)	(13,121)
Deferred tax revenue/(tax expense)							18	709	2,839
(Loss)/profit after taxation							(4,281)	(1,729)	(10,282)
Total comprehensive profit/(loss) for the financial year							(4,281)	(1,729)	(10,282)
Segment assets	9,468	7,020	87	-	3,850	611	9,468	10,870	698
Unallocated corporate assets							5,216	27,088	6,711
Total assets							14,684	37,958	7,409
Segment liabilities	3,502	133	148	-	188	189	3,502	321	337
Unallocated corporate liabilities							4,111	3,373	2,325
Total liabilities							7,613	3,694	2,662

6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
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2. Earnings per share

The basic earnings per share is derived by dividing the profit/(loss) after taxation for the year attributable to ordinary shareholders by the weighted average number of shares in issue being 358,675,105 (2016: 221,833,853).

Earnings per share from continuing operations

(Loss)/profit after taxation from continuing operations	(US\$4,354,000)	(US\$1,729,000)	(US\$10,282,000)
(Loss)/earnings per share - basic	(1.21)c	(0.78)c	(4.62)c

(Loss)/profit after taxation from continuing operations adjusted for dilutive effects	(US\$4,354,000)	(US\$1,729,000)	(US\$10,282,000)
(Loss)/earnings per share - diluted	(1.12)c	(0.78)c	(4.62)c

Earnings per share from discontinued operations

Profit after taxation from discontinued operations	73	-	-
Earnings per share - basic	0.02c	-	-

Profit after taxation from discontinued operations adjusted for dilutive effects	73	-	-
Earnings per share - diluted	0.02c	-	-

	6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
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3. Derivative financial asset

Derivative associated with sale
of Sugarloaf AMI:

Balance brought forward	554	371	371
Additions	-	-	-
Revaluation of derivative financial asset ^(a)	(554)	252	183
Net book value	-	623	554

(a) Derivative financial assets consist of the fair value of contingent consideration amounts attached to the sale of Sugarloaf AMI on 19 February 2016. The fair value of the options was initially measured at the effective date of the sale and subsequently remeasured at each reporting period. At 30 September 2017, the value has been assessed as nil, with the final contingency expiring 31 December 2017.

The fair value is measured using a Black Average (Asian) Model with the following inputs:

Fair value assumptions	At 30 September 2017	At 30 September 2016	At 31 March 2017
Spot price	US\$51.67	US\$48.24	US\$50.60
Expected volatility	50-day historical	720-day historical	50-day historical
Risk-free interest rate	1.158%	0.415% to 0.579%	0.901% to 1.056%
	6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)

4. Oil and gas properties: exploration and evaluation

Balance brought forward	87	6,842	6,842
Additions ^(a)	9,426	20	116
Impairment	(45)	(3)	(6,871)
Net book value	9,468	6,859	87

(a) The Company was awarded its permit in China in December 2016 and acquired working interests in the Duyung PSC Project in Indonesia and the Sacramento Basin, California during the period. For further information, please refer to the Operational Review.

5. Oil and gas properties: development and production

Balance brought forward	57	156	156
Additions	-	2	1
Impairment	-	-	(11)
Amortisation	-	(6)	(89)
Discontinued operations	(57)	-	-
Net book value	-	152	57

	6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
6. Derivative financial liabilities			
Opening balance	459	195	195
Revaluation	-	-	205
Extinguishment following substantial modification	-	-	(400)
Recognition of modified derivative financial liability	-	-	111
Period end revaluation	3,428	206	348
Net book value	3,887	401	459

Derivative financial liabilities represent the fair value of 15,000,000 options granted to Macquarie Bank and linked to the extension of a now repaid loan facility held with Macquarie Bank. The options were granted on 27 July 2015 and are referred to as the Tranche 4 options. At the date of grant these were considered to fall outside of the scope of IFRS 2 and unlike Tranches 1-3 were not accounted for as a share based payment. The Macquarie Bank loan facility was repaid in 2016 but the options did not expire at that point.

During the prior financial year, the Company modified the exercise price of the options. This was deemed to be a substantial modification under IAS 32 and IAS 39. The value of the derivative financial liability was extinguished at that point and the fair value of the modified options recognised at the date that they were granted. As a financial liability at fair value through the profit or loss these were revalued at period end. The fair value is measured using a Black-Scholes Model with the following inputs:

Fair value of share options and assumptions

	At 30 September 2017	At 30 September 2016	31 March 2017
Grant date	27 July 2015	27 July 2015	27 July 2015
Expiry date	26 July 2019	26 July 2019	26 July 2019
Share price	£0.214	£0.076	£0.039
Exercise price	£0.021	£0.100	£0.021
Volatility	78%	50%	83%
Option life	1.83	2.83	2.33
Expected dividends	-	-	-
Risk-free interest rate (based on national government bonds)	0.46%	0.61%	0.12%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the expected remaining life of the options.

7. Called up share capital

Issued and fully paid

398,995,110 (2016: 221,833,853) ordinary shares of 0.2p each	US\$754	US\$710	US\$754
Opening balance (number: 239,833,853)	754	710	710
Share issue (number: 70,000,000)	180	-	-
Share issue (number: 34,316,551)	89	-	-
Exercise of options (number: 15,000,000)	38	-	-
Placement (number: 16,080,000)	41	-	-
Placement (number: 12,000,000)	31	-	-
Placement (number: 11,764,706)	31	-	-
Exercise of options (number: 18,000,000)	-	-	44
Closing balance (number: 398,995,110)	1,164	710	754

Ordinary B shares of 7.9p each

Opening balance (number: nil)	-	-	-
New shares issued (number: 221,833,853)	-	-	21,784
Cancellation/return of value	-	-	(21,784)
	<hr/>		
Closing balance (number: nil)	-	-	-
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The Companies Act 2006 (as amended) abolishes the requirement for a company to have an authorised share capital. Therefore, the Company has taken advantage of these provisions and has an unlimited authorised share capital.

Share options and warrants

The following equity instruments have been issued by the Company and have not been exercised at 30 September 2017:

Option Class	Financier options	Financier options
Grant Date	25 March 2013	27 July 2015
Options / warrants held 31 Mar 2017	15,000,000	15,000,000
Options / warrants granted during period	-	-
Options / warrants held 30 Sep 2017	15,000,000	15,000,000
Exercise price (£)	£0.04	£0.02
Expiry date	25 March 2018	26 July 2019

The options outstanding at 30 September 2017 had a weighted average remaining contractual life of 1.15 years and a weighted average exercise price of £0.03.

8. Events after the reporting date

There were no significant events post reporting date other than the commencement of flow testing of the Dempsey 1-15 well in the Sacramento Basin, California.

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