

6 March 2019

**UPLAND RESOURCES LIMITED**  
("Upland" or the "Company")

**INTERIM RESULTS FOR THE SIX-MONTH PERIOD FROM 1 JULY TO 31 DECEMBER 2018**

Upland Resources Limited (LSE: UPL), the oil and gas company actively building a portfolio of attractive upstream assets, is pleased to announce its interim results for the six-month period between 1 July 2018 and 31 December 2018.

**Highlights include:**

- Awarded an exclusive licence to explore the onshore Saouaf permit area (the "Saouf Licence") following approval by the Hydrocarbon Consultative Committee (the "HCC") of the Government of Tunisia. The licence covers 4,004km<sup>2</sup> of attractive open acreage comprising the Saouf Licence.
- Commissioned an independent competent person's report ("CPR") for the Saouf Licence. CPR estimates that the Saouf Licence area holds an estimated 1.96 TCF (trillion cubic feet) recoverable gas plus 42 MMbbl (millions of barrels) oil, totalling a recoverable resource of 380 MMboe (millions of barrels of oil equivalent) in 13 leads and prospects.
- Good progress continues on the Company's ongoing discussions in Sarawak, Malaysia. Through a number of initiatives with both national and local players, Upland maintains its role as a high-profile player whilst the new oil and gas regime is put in place.
- Following the farm-in with Corallian Energy for a working interest in UK Seaward Production Licence P2235 (UKCS Block 11/24b) in the Inner Moray Firth drilling commenced on the Wick-1 well.
- Bolhassan Di announced as the new Company Chairman replacing Norza Zakaria, who stepped down from the Board due to his new responsibilities as President of the Olympic Council of Malaysia.
- In October 2018, Optiva Securities, broker and financial advisor to Upland, exercised warrants to subscribe for 6,500,000 new shares in the Company.
- Pre-tax loss of £414,407 for the six months to 31 December 2018. The principal reasons for the increased costs are the legal, accounting and regulatory costs incurred in preparing supplementary prospectuses (including a competent person's report in respect of the Saouaf Licence) and announcements, to satisfy the requirements of the Prospectus Rules.

**Post Period End:**

- It was announced in January 2019 that the £3.5 million convertible loan note facility, put in place in March 2018, lapsed on 31 December 2018 without the Company having needed to call on it.
- Also announced in January 2019, the Wick -1 exploration well had encountered a good quality Beatrice Sandstone reservoir, but that it was unfortunately water bearing. The well was therefore plugged and abandoned.

For more detailed information please see the full Director's Interim Report below. The Interim Report and Accounts will be available shortly at the Company's website [www.uplandres.com](http://www.uplandres.com)

**Steve Staley, Upland Resources Limited CEO, said:**

*"We are pleased that Upland continues to make progress in Tunisia through the award of the Saouaf Licence and completion of the Competent Person's report in December last year. Additionally, our initiatives in Sarawak are continuing and we are very encouraged by the progress being made in country.*

*We will continue to focus on these areas as we believe both opportunities provide a very exciting growth prospect for the Company. We are well placed to take advantage of this and look forward to updating shareholders in due course."*

**This announcement contains inside information for the purposes of Article 7 of the Regulation (EU) No 596/2014 on market abuse**

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Limited**

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## Notes

*Upland Resources Limited is an upstream oil and gas company whose highly experienced management team has a track record of creating major value for shareholders in junior oil and gas companies, including Cove Energy plc. The Company has extensive technical and commercial skills and contacts, management having held senior roles in Conoco, Shell etc.*

**UPLAND RESOURCES LIMITED  
REPORT OF THE DIRECTORS  
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2018**

Upland Resources (“Upland” or the “Company”) had a busy and productive second half of 2018.

On the 1 August 2018, and after detailed due diligence, we announced that our application for an exclusive permit to explore the onshore Saouaf Permit area had been accepted by the Hydrocarbon Consultative Committee (“the HCC”) of the Government of Tunisia. Award of the permit was subsequently ratified by the HCC in late December. As is required under the terms of the permit, a US\$1 million bank guarantee was put in place. This will be released as the work commitments under the permit are fulfilled.

Upland commissioned an independent competent person’s report (“CPR”) for the Saouaf permit area, published on 31 December 2018. This CPR estimates that Saouaf holds an estimated 1.96 TCF recoverable gas plus 42 MMbbl oil, totaling a recoverable resource of 380 MMboe (millions of barrels of oil equivalent) in 13 leads and prospects. This includes an existing gas discovery (Dekrila), with an estimated 227 BCF recoverable resource, and the SNJ Prospect where the SNJ-1 well had oil on the shakers. We look forward to further derisking these resources with new seismic data and new wells in this first permit where an Upland subsidiary, here Upland (Saouaf) Limited, will act as operator.

During the reporting period, the licensees (including the Company) commenced drilling of the Wick-1 exploration well in the Inner Moray Firth area of the North Sea. Earlier in the year, Upland’s wholly-owned subsidiary, Upland Resources (UK Onshore) Limited, had farmed in to a 40% interest in the UK Offshore Production Licence P2235, which includes the Wick prospect. As at the end of the reporting period the Wick-1 well was drilling towards its targets.

The Company continued to make good progress on the road to securing new assets in Sarawak. Through a number of initiatives with both national and Sarawakian players, Upland has maintained a high profile in the area as a new oil & gas regulatory regime is being put in place.

Upland also continues to assess other potential new activities.

In July 2018, we announced that our Chairman, Norza Zakaria, was stepping down due to his new responsibilities as President of the Olympic Council of Malaysia. Bolhassan Di, a non-executive director, has become Chairman in his place.

In October 2018, Optiva Securities, broker and financial advisor to Upland, exercised 6,500,000 warrants to subscribe for new shares in the Company.

**Events since the end of the reporting period**

On 2 January 2019, the Company announced that it had allowed the £3.5 million convertible loan note facility put in place in March 2018 to lapse on 31 December 2018 without the Company having needed to call on it.

On 16 January 2019, the Company announced that the Wick -1 exploration well had

**UPLAND RESOURCES LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE INTERIM SIX MONTH PERIOD ENDED 31 DECEMBER 2018**

	6 months to 31 December 2018	6 months to 31 December 2017
	£	£
Revenue	-	-
Administrative expenses	(342,777)	(337,839)
	<hr/>	<hr/>
Operating loss	(342,777)	(337,839)
Finance costs	(71,630)	-
	<hr/>	<hr/>
Loss before taxation	(414,407)	(337,839)
Taxation	-	-
	<hr/>	<hr/>
<b>Loss and Total Comprehensive Income for the Period Attributable to Equity Owners of the Company</b>	<b>(414,407)</b>	<b>(337,839)</b>
	<hr/>	<hr/>
<b>Loss per share in pence - basic and diluted</b>	<b>(0.07)</b>	<b>(0.09)</b>

*The results above derive wholly from continuing operations.*

**UPLAND RESOURCES LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

	31 December 2018	30 June 2018
Note	£	£

**Non-current assets**

Intangible assets	2	2,958,797	301,986
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**Current assets**

Trade and other receivables	3	449,737	3,139,270
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Cash and cash equivalents		1,666,549	2,173,720
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		2,116,286	5,312,990
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**Total assets**

		5,075,083	5,614,976
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**Equity**

Share capital		-	-
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Share premium		7,684,962	7,619,962
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Retained earnings		(2,751,368)	(2,336,961)
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**Total equity**

		4,933,594	5,283,001
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**Current liabilities**

Trade and other payables	4	141,489	331,975
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**Total equity and liabilities**

		5,075,083	5,614,976
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**UPLAND RESOURCES LIMITED****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM SIX MONTH PERIOD ENDED 31 DECEMBER 2018**

Premium on shares	Retained earnings	Total equity
£	£	£

At 1 July 2018	7,619,962	(2,336,961)	5,283,001
Issue of shares	65,000	-	65,000
Loss for the period	-	(414,407)	(414,407)
At 31 December 2018	<u>7,684,962</u>	<u>(2,751,368)</u>	<u>4,933,594</u>

	Premium on shares	Retained earnings	Total equity
	£	£	£
At 1 July 2017	3,751,831	(1,418,437)	2,333,394
Loss for the period	-	(337,839)	(337,839)
At 31 December 2017	<u>3,751,831</u>	<u>(1,756,276)</u>	<u>1,995,555</u>

#### UPLAND RESOURCES LIMITED

#### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM SIX MONTH PERIOD ENDED 31 DECEMBER 2018

	6 months to 31 December 2018	6 months to 31 December 2017
	£	£
<b>Cash Flows from Operating Activities</b>		
Loss from operations	(342,777)	(337,839)
(Increase) in trade and other receivables	(382,097)	(4,703)
(Decrease)/ increase in trade and other payables	(53,341)	47,727
Net cash flow from operating activities	<u>(778,215)</u>	<u>(294,815)</u>

### Cash Flows from Investing Activities

Expenditures incurred on exploration and evaluation assets	(2,657,087)	-
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Net cash flow from investing activities	(2,657,087)	-
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### Cash Flows from Financing Activities

Proceeds from issue of ordinary shares, net of issue costs	2,928,131	-
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Net cash generated from financing activities	2,928,131	-
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Net (decrease) in cash and cash equivalents	(507,171)	(294,815)
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Cash and cash equivalents at the beginning of the period	2,173,720	2,250,872
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Cash and cash equivalents at the end of the period	1,666,549	1,956,057
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### UPLAND RESOURCES LIMITED

#### NOTES TO THE INTERIM ACCOUNTS

**1 Accounting policies**

The same accounting policies and methods of computation are followed in these Interim Accounts as compared with the most recent annual financial statements.

**2 Intangible assets**

Exploration  
and  
evaluation  
costs

£

**Cost and net book value**

At 1 July 2018	301,986
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Expenditure	2,656,811
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At 31 December 2018	2,958,797
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These costs relate to the preparation for, and drilling and evaluation of, the Wick-1 well.

The directors assess for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. As at 31 December 2018, the Wick-1 well was drilling towards its targets and no indications of impairment were present.

Subsequent to the interim period, on 16 January 2019, the Company announced that the Wick-1 exploration well had been unsuccessful and would be plugged and abandoned. In accordance with the Company's accounting policy for exploration and evaluation costs, following the determination in January 2019 that the drilling operation had been unsuccessful, these costs, together with further costs of £550,000 incurred in January 2019, will be recognised as an impairment loss in January 2019.

### 3 Trade and other receivables

	31 December 2018	30 June 2018
	£	£
Other debtors	433,280	3,055,612
Prepayments	16,457	83,658
	<u>449,737</u>	<u>3,139,270</u>

## UPLAND RESOURCES LIMITED

### NOTES TO THE INTERIM ACCOUNTS (CONTINUED)

### 4 Trade and other payables

	31 December 2018	30 June 2018
	£	£
Trade payables	62,322	188,529
Other payables	18,571	18,571
Accrued expenses	60,596	124,875
	<u>141,489</u>	<u>331,975</u>



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141,489

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331,975

## **5 Related party transactions**

The directors are considered to be the key management personnel of the company. During the interim period, the company paid fees to directors amounting to £96,666 (year ended 30 June 2018 - £230,000).

During the interim period, the company was charged fees and commission of £10,000 (year ended 30 June 2018 - £210,440) by a company of which a director of the company is also a director and shareholder. Of this amount, £nil (year ended 30 June 2018 - £171,869) has been charged to the share premium reserve.

During the interim period, the company was charged consultancy fees of £38,000 (year ended 30 June 2018 - £46,000) by a director of the company.

## **6 Commitments and post balance sheet events**

At the balance sheet date, the group, with its partner ETAP (the Tunisian state oil company), had entered into an agreement with the government of Tunisia for an exclusive prospecting permit over an onshore area known as the Saouaf Licence, including the existing Dekrila gas discovery.

The terms of the Licence commit Upland's wholly-owned subsidiary, Upland (Saouaf) Limited, to carry out a minimum work programme including the acquisition of 300 km of new 2D seismic data. The Licence does not require that a minimum amount be spent but, as is usual, a \$1 million bank guarantee has been put in place by Upland, which will be reimbursed as elements of the work programme are completed.

In addition, at the balance sheet date, the group held a 25% interest in PEDL 299. A cost-sharing arrangement has been put in place under the Joint Operating Agreement between the co-licensees. Under that arrangement, it is estimated that the group's share of the costs over the remaining 3 years of the licence will be £700,000, with no significant costs expected to be incurred before 2020.

**UPLAND RESOURCES LIMITED**  
**NOTES TO THE INTERIM ACCOUNTS**

**6**            **Commitments and post balance sheet events**  
**(continued)**

On 16 January 2019, the Company announced that the Wick-1 exploration well had encountered a good quality Beatrice Sandstone reservoir but that it was unfortunately water bearing. The well was therefore plugged and abandoned. The financial effect of this determination is disclosed in note 2 above. Drilling of the Wick-1 exploration well constituted fulfilment of the outstanding work commitments of Upland's wholly-owned subsidiary, Upland Resources (UK Onshore) Limited, and its partners under permit P2235.