BVI Company Number: 1701436

UPLAND RESOURCES LIMITED

Interim Report and Accounts

for the Period from 1 July 2015 to 31 December 2015

UPLAND RESOURCES LIMITED

CONTENTS

UPLAND RESOURCES LIMITED

REPORT OF THE DIRECTORS
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015

The second half of 2015 was a time of great positive change for Upland Resources ("Upland" or the "Company"). Not only did Upland deliver upon its stated ambition to secure a public listing, but the Company and consortium partners were successful in their application for the award of an onshore UK oil and gas licence by the Oil & Gas Authority ("OGA") as part of the 14th UK Onshore Licensing Round.

On 17th December 2015, the Upland consortium was offered for award Petroleum Exploration and Development Licence ("PEDL") 299 in the East Midlands. During the assessment of the bids by OGA, the Upland consortium was combined with Ineos Upstream, part of the multinational Ineos conglomerate. As detailed below, of specific interest to Upland is the historically producing Hardstoft Oil Field ("Hardstoft"), which the consortium plans to rejuvenate using modern technology.

On 26th October 2015, Upland's shares were admitted to listing on the Official List of the UK Listing Authority ("UKLA") by way of a standard listing under Chapter 14 of the UKLA's Listing Rules and to trading on the London Stock Exchange's main market.

At listing, the Company issued 130,000,000 new ordinary shares at a price of 1 pence per share, raising £1.3 million before expenses. Market conditions were very difficult but, despite this environment, our fundraising efforts were successful. We would like to thank our supportive shareholders for their confidence in the management team and our strategy. We would also like to extend our thanks to all our corporate advisors for doing an excellent job in supporting the Company through the Official List process.

As a result of this successful fundraising, Upland is in a strong financial position: able to fund its obligations at Hardstoft and simultaneously assess new opportunities.

We regard Hardstoft as an excellent first asset and, following extensive technical work by Upland and its highly experienced bid partners, we have a high degree of confidence in the success of rejuvenating this field. Indeed, with low work programme costs, a potentially low risk of failure and economics which are robust even at depressed oil prices, Hardstoft aligns well with our strategy to ensure that our assets have an extremely attractive risk : reward balance.

Upland looks forward to formal notification of the award of an initial 5-year permit at Hardstoft and expects that this may be delivered in the next few weeks. Once this has been granted, the consortium will seek to embark upon the first steps toward Hardstoft Field development, beginning with seismic acquisition.

The Company has also not been idle with regards to its commitment to search for additional high impact, low-cost production and / or exploration assets and we continue to assess a number of opportunities within the UK and elsewhere. Through our Chairman Norza Zakaria, Upland has recently extended the potential acquisition focus to Malaysia.

Operating environment creating attractive opportunities

The second half of 2015 presented a generally difficult environment for the oil and gas industry. It saw Brent prices fall from above US$60/bbl at the start of the period to below US$40/bbl at its close, continuing the relentless downward trend begun in 2014. For oil companies with production whose price is linked to that of the Brent, WTI or other international benchmarks, this was, and continues to be, a very challenging time. This weakness in the oil and gas markets has also made access to capital more difficult for companies like Upland, as investors became more wary of the sector as a whole.

However, for the reasons stated above, Upland was successful in its fundraising. The Board believes that this funding, coupled with our low overheads and freedom from debt, puts the Company in a strong position in this operating environment. The financial pressure on many of our potential competitors means that Upland has access to many acquisition and farm-in opportunities and there is less competition for new acreage. In addition, the low oil price has led to service companies and equipment suppliers struggling to fill their order books, which has in turn led to a substantial reduction in costs across the industry.

As such, there are a number of interesting opportunities (ranging in maturity from producing to exploration) which the Company is assessing within the UK and elsewhere.

In Malaysia, our excellent local contacts mean that we are also well positioned to take advantage of potential opportunities in this region too.

New ventures – Hardstoft

Upland applies its philosophy of using its extensive contacts and experience, plus rigorous due diligence, in the pursuit of assets which are attractive and robust – technically, politically and commercially, at low oil and gas prices.

In line with this strategy, Upland and its partners were delighted to be offered for award PEDL 299 in the 14th UK Onshore Licencing Round within which lies the historically producing Hardstoft structure.

This is our first asset. As a result of a new interpretation of the existing data by Upland, we brought in Europa Oil & Gas and Shale Petroleum as partners. During the assessment of the bids by OGA, our consortium was combined with Ineos Upstream, part of the multinational Ineos conglomerate, as OGA is keen to see both the conventional and unconventional potential of the area developed. Ineos' focus is on unconventional shale gas and oil whereas the Upland consortium's focus is on the exploration, appraisal and development of the conventional potential. Principally, this is the rejuvenation of the Hardstoft Oil Field, the UK's first oil field, using modern technology. Hardstoft was first drilled in 1919 and successfully produced oil for five years utilising a simple vertical well. The Upland consortium is planning to directionally drill a new well to access vertical fractures which should allow an efficient production of Hardstoft's oil reserves.

An independent Competent Person's Report ("CPR") prepared by Blackwatch Petroleum Services Limited ("Blackwatch") on behalf of Upland estimates there to be 3.10 MMbbl of contingent resource plus 3.65 MMbbl prospective resource (making a total of 6.75 MMbbl resource) in the broader Hardstoft structure alone, all sitting in Block SK46c of PEDL 299 and on a 'best' or central case basis. Total Hardstoft resources net to Upland, based on Blackwatch's CPR, is estimated at 1.125 MMbbl. Blackwatch estimates the chance of success for the contingent resource at 80% and 64% for the prospective resource.

Results for the period

The financial results for the six month period ended 31 December 2015 are appended to this report.

Upland made a pre-tax loss of £200,249 for the six months to 31st December 2015, compared to a £221,069 loss for the previous full year. The principal reason for the increased costs and losses in the six month period are the one-off expenditures associated with the Listing of the Company's shares.

The Company has no debt and continues to be in a strong position to finance its obligations.

Your Board believes that Upland has a bright future ahead of it.

Risks and uncertainties

The Group has identified the following as key risks in the second six months of this financial year:

- Sub-surface risks

Risk (1): The success of the business relies on accurate and detailed analysis of the sub-surface. This can be impacted by poor quality data, either historical or recently gathered, and limited coverage. Certain information provided by external sources may not be accurate.

Mitigation: All externally provided and historical data is rigorously examined and discarded when appropriate. New data acquisition is considered and adequate programmes implemented, but historical data can be reviewed and reprocessed to improve the overall knowledge base.

Risk (2): Data can be misinterpreted leading to the construction of inaccurate models and subsequent plans.

Mitigation: All analytical outcomes are challenged internally and peer reviewed. Interpretations are carried out on modern geoscience software.

- Corporate risks

Risk: The Group's success depends upon skilled management as well as retention of technical and administrative staff and consultants. The loss of service of critical members of the Group's team could have an adverse effect on the business.

Mitigation: The Group periodically reviews the compensation and contract terms of its staff and consultants.

Auditing

This interim report and accounts for the six month period ended 31st December 2015 (the "**Interim Report and Accounts**") has not been audited or reviewed pursuant to the Financial Reporting Council guidance on 'Review of Interim Financial Information''.

Statement of Directors' Responsibilities

The Interim Report and Accounts are the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report and Accounts in accordance with the Disclosure and Transparency Rules (the "**DTRs**") of the United Kingdom's Financial Conduct Authority (the "**FCA**"). The DTRs require that the accounting policies and presentation applied to the half yearly figures must be consistent with those applied in the latest published annual accounts.

The Directors confirm that, to the best of their knowledge, the set of financial statements contained in the Interim Report and Accounts, which have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, as required by DTR 4.2.2 and in particular include a fair review of:-

- the important events that have occurred during the half of the financial year and their impact on the set of financial statements contained in the Interim Report and Accounts, as required by DTR 4.2.7R;
- the principal risks and uncertainties for the remaining half of the year as required by DTR 4.2.7R; and
- related party transactions that have taken place in the first half of the current financial year.

The Directors of Upland Resources Limited are Norza Zakaria (*Non-Executive Chairman*), Stephen Staley (*Chief Executive Officer*) and Jeremy King (*Non-Executive*).

Norza Zakaria
Chairman

Stephen Staley
Chief Executive Officer

30th March 2016

UPLAND RESOURCES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE INTERIM SIX MONTH PERIOD ENDED 31 DECEMBER 2015

	6 months to 31 December 2015 £	Year ended 30 June 2015 £
Revenue	-	-
Administrative expenses	(200,249)	(221,069)
Operating loss	(200,249)	(221,069)
Loss before taxation	(200,249)	(221,069)
Taxation	-	-
Loss and Total Comprehensive Income for the Period Attributable to Equity Owners of the Parent Company	(200,249)	(221,069)
Loss per share in pence – basic and diluted	(0.15)	(0.26)

The results above derive wholly from continuing operations.

UPLAND RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	31 December 2015 £	30 June 2015 £
Non-Current Assets			
Investments in Group undertakings		-	-
Current Assets			
Other debtors	3	2,390	642
Cash and cash equivalents		1,164,839	134,184
		1,167,229	134,826
Total assets		**1,167,229**	**134,826**
Equity			
Share capital		-	-
Share premium		1,627,201	392,201
Retained earnings		(497,032)	(296,783)
Total equity		1,130,169	95,418
Current liabilities			
Other payables	4	37,060	39,408
Total equity and liabilities		**1,167,229**	**134,826**

UPLAND RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM SIX MONTH PERIOD ENDED 31 DECEMBER 2015

	Premium on shares £	Retained earnings £	Total equity £
At 1 July 2015	392,201	(296,783)	95,418
Issue of shares	1,300,000	-	1,300,000
Share issue costs	(65,000)	-	(65,000)
Loss for the period	-	(200,249)	(200,249)
At 31 December 2015	1,627,201	(497,032)	1,130,169

	Premium on shares £	Retained earnings £	Total equity £
At 1 July 2014	392,201	(75,714)	316,487
Loss for the period	-	(221,069)	(221,069)
At 30 June 2015	392,201	(296,783)	95,418

UPLAND RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM SIX MONTH PERIOD ENDED 31 DECEMBER 2015

	6 months to 31 December 2015 £	Year ended 30 June 2015 £
Cash Flows from Operating Activities		
Loss from operations	(200,249)	(221,069)
(Increase)/decrease in other debtors	(1,748)	135
(Decrease)/increase in trade and other payables	(2,348)	4,222
Net cash flow from operating activities	(204,345)	(216,712)
Cash Flows from Financing Activities		
Proceeds from issuance of shares of no par value	1,300,000	-
Costs from issuance of share of no par value	(65,000)	-
Net cash generated from financing activities	1,235,000	-
Net increase/(decrease) in cash and cash equivalents	**1,030,655**	**(216,712)**
Cash and cash equivalents at the beginning of the period	134,184	350,896
Cash and cash equivalents at the end of the period	**1,164,839**	**134,184**

NOTES TO THE INTERIM ACCOUNTS

1 Accounting policies

The same accounting policies and methods of computation are followed in the interim accounts as in the annual financial statements for the year ended 30th June 2015.

2 Basis of preparation – Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have adopted the going concern basis in preparing the Company's interim accounts.

3 Other debtors

	31 December 2015	30 June 2015
	£	£
Prepayments	2,390	642

4 Other payables

	31 December 2015	30 June 2015
	£	£
Accruals	37,060	39,408