VICTORIA OIL & GAS PLC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 NOVEMBER 2014

CHAIRMAN'S STATEMENT

Dear Shareholder,

On behalf of the Board I am pleased to report our unaudited results for the six months to 30 November 2014 and to update you on company developments beyond the financial period.

During the six months to 30 November 2014, the Group's objectives were to:

- Increase gas production and to make Gaz du Cameroun S.A. ("GDC") operationally cash positive;
- Strengthen our Board and corporate profile;
- Stabilise operations and processes and develop our people within the Group;
- Build strong working relationships with our Logbaba partners RSM Production Corporation ("RSM") and Société Nationale des Hydrocarbures ("SNH");
- Secure major new supply contracts involving power generation for the National Grid in Cameroon.

The management teams of Victoria Oil & Gas Plc ("VOG" or "the Company") and GDC excelled during 2014, meeting all of the above objectives for the reporting period and delivering positive results in the areas of engineering, sales and corporate developments.

Logbaba Gas Project, Cameroon
Following extensive planning and negotiations during the reporting period, GDC signed a legally binding term sheet with ENEO Cameroon S.A. ("ENEO"), Cameroon's integrated utility company, in late December 2014, to supply gas to two power stations, located in the city of Douala. Logbaba and Bassa power stations will generate up to 50MW from Gensets, supplied by Altaaqa Alternative Solutions Projects DWC-LLC ("Altaaqa"). The agreement includes 'take-or-pay' consumption rates and allows GDC to establish a secure level of gas sales at an attractive price of $9/mmbtu. The power stations' minimum gas consumption will be approximately 9mmscf/d in the January-June dry season and 3mmscf/d in the July-December wet season. The contract is for two years and extendable by mutual agreement. This project could treble GDC's current gas production. We expect average annual production for the 2015 calendar year to be about 10.4mmscf/d.

In the release of our 2014 Annual Report we quoted our 7 day week July 2014 production of 3.9mmscf/d at GDC. Since then, from August 2014 to January 2015 inclusive, our monthly average daily rate based on a 7 day week has ranged from 3.9 to 4.4mmscf/d. For the same period our monthly average daily rate based on a 5 day working week has ranged from 4.1 to 4.6mmscf/d and the monthly daily peak production rates have ranged from 4.5 to 5.3mmscf/d.

I am proud to report that GDC has substantially completed its scope of work for the ENEO project construction phase and safely built and tested gas pipelines to both stations. We have issued a completion certificate for the Bassa station and expect to complete the Logbaba station within two weeks. The project is scheduled to be online by the end of Q1 2015 and if this is achieved, as we expect, it will represent a remarkable success for the GDC, ENEO and Altaaqa teams. Progressing from signing legally binding terms sheets in late December 2014 to delivering 50MW to the grid approximately three months later is outstanding.

The period was not without its challenges, such as securing the release of gas-fired electricity generations sets ("Gensets") from the local customs and the delay on the Wouri River crossing. However GDC now has access to a wide base of thermal gas customers on the Bonaberi side of the river. GDC is also in the process of making final connections to the Dangote cement plant, a business located on the Douala shore and a major thermal supply customer. Total pipe laid to date in Douala is now 31.3km.

During the period, VOG maintained a good working relationship with Logbaba Field development partners RSM and SNH. Following a settlement agreement between VOG and RSM in January 2014, a cost review process overseen by Akintola Williams Deloitte, Nigeria was undertaken to look at retrospective development expenditure. The review resulted in RSM paying significant development contributions ($10.1 million) and both companies are now working together to unlock the full potential of the Logbaba Field. An additional $6.9 million was received from RSM in February 2015.

One of the most important tasks undertaken during 2014 was the development of our people. At the beginning of the reporting period, we appointed a business-training company, Gallop Solutions International Ltd, to work with us to create an effective workforce with the right skill sets to deliver value for VOG. Our teams within VOG and GDC are now a cohesive, effective team working to build cash flow and a brand synonymous with safe, reliable gas supply.

Post period, in January 2015, the GDC subsurface team successfully conducted a rigless workover of Well La-106. The work utilised specialist coiled tubing, high-pressure pumping and wireline equipment to perform cement remediation work on the well. Initial well flow-tests of Well La-106 were at 5 to 6mmscf/d and the well can provide back-up for Well La-105.

In February 2015, we took the opportunity to utilise the specialist equipment and personnel used on the Well La-106 workover to add perforations to Well La-105. We perforated the sands above the Upper Logbaba D Sand, which has been our main producing reservoir in La-105 since start-up. In total, 57 metres of additional perforations were shot. After shooting the perforations, a production log was run in Well La-105 to determine the contributions of the new zones to flow and a baseline for future logs. The newly perforated zones are performing well and will significantly contribute to production in the future as the lower sands deplete.

The Company is also making plans for the drilling of future wells at Logbaba that are aimed at increasing reserves and production to meet the growing gas demand in Cameroon.

In operations, VOG will make a number of key decisions over the next six months concerning where best to allocate gas supply. With strong increased demand rates expected in the first half of 2015, through the ENEO deal, the Board is now looking at the most effective ways to increase both margin and consumption within GDC.

Corporate Developments

In addition to developing our operational capabilities, we have taken significant steps to enhance our corporate structure and profile.

VOG strengthened its Board of Directors with the appointment of James McBurney who joined the Board as an independent Non-Executive Director in June. James has over 25 years' experience advising many of the U.S.'s largest power and gas companies. John Bryant was also appointed as an independent Non-Executive Director in December 2014. John has commercial and financial experience in developing and managing new businesses with over 40 years' experience in the oil, gas and energy services, both in the U.S. and the U.K. These appointments give the VOG Board important and valuable independent guidance.

During October 2014, Numis Securities Ltd (“Numis”) was appointed as sole broker to VOG. Numis is one of the premier broking houses in London and we are working closely with their team to provide the market with guidance on VOG, with the intention of building further investor support as we expand operations. After consulting with Numis and a number of other advisors and institutional investors we took the decision to conduct a 40 to 1 share consolidation in the Company’s equity. Following the fundraisings from 2011 to 2013, which were needed to support the commercialisation of the Logbaba project, VOG had over four billion shares on issue and this was felt to be unattractive to potential investors. We implemented the consolidation and sub-division of the Company’s share capital effective 27 November 2014, following shareholder approval granted at the AGM.

Since then, the Company has announced consistent positive news flow and our share price has performed solidly despite very challenging equity markets.

West Medvezhye, Russia

The Company has continued to pursue ways to derive value for its 100%-owned West Medvezhye field, Russia, through farm-out, joint venture or sale. West Medvezhye has significant gas and gas condensate reserves but the current state of relations between Russia and the West, combined with a low oil price, makes near-term development of the asset challenging and divestiture is a more prudent course. With our focus on the expanding operations in Cameroon, the Board has taken the decision to fully impair the Russian asset, writing it down by $49.8 million. The Company will continue to seek partners to derive value from the asset.

I would like to thank the Board and our teams for their work and also our shareholders who have been supportive, allowing us to drive the Group forward to where it is today. I believe 2015 will be a year when GDC is able to expand its gas sales within a region in great need of reliable sources of energy.

Kevin Foo
Executive Chairman
27 February 2015

FINANCIAL REVIEW

Revenue and Results

The Group's revenue for the period was $11.6 million, compared to $6.0 million for the six months to 30 November 2013 and adjusted EBITDA (shown below) increased by $1.2 million. In all relevant periods, the revenue was derived from the Logbaba gas and condensate field in Cameroon. The primary revenue stream was gas sold to industrial customers for thermal energy production and electricity generation, with revenue also generated from the sale of condensate, a by-product from gas production and processing.

The total gas sold during the period was 716mmscf, and 13,221bbls of condensate were produced. While gas prices remained unchanged throughout the period because of the fixed price contracts we have with our customers, the global downturn in oil prices has negatively affected the condensate sales price, as this is linked directly to the price of Brent Crude.

The loss on ordinary activities after taxation of the Group for the six months to 30 November 2014 amounted to $53.4 million (six months to 30 November 2013: $2.5 million profit; year ended 31 May 2014: $1.7 million loss). The current period loss includes an impairment charge of $49.8 million against the Group's Russian asset, discussed in more detail below and in Note 5.

It should also be noted that the comparative period results included historical adjustments as a consequence of the decision in the arbitration between the Group and RSM Production Corporation ("RSM"). The adjustments reflect RSM's share of prior period operating expenses, as the arbitration decision was that RSM had not forfeited its 40% interest in the Logbaba gas and condensate project. The Directors believe that EBITDA (net of this adjustment and the impairment provision) provides context for the results in the current period and comparative periods.

	6 months ended 30 November 2014	**6 months ended 30 November 2013**	**12 months ended 31 May 2014**
EBITDA net of RSM arbitration and impairment adjustments	$1.4 million	$0.2 million	($5.8 million)

Impairment of Russian Asset (West Medvezhye)

At the end of the current period, the Directors took the decision to fully impair the Group's exploration and evaluation asset, being the Russian West Medvezhye ("West Med") asset. The impairment increased the loss for the period by $49.8 million, with corresponding balance sheet reductions of the same value. The impairment provision was made as it was considered that the political issues in Russia, combined with the weakness in the world price of oil, make realising the carrying value of the asset through the current marketing process significantly more difficult.

Balance Sheet

Intangible Assets

The West Med exploration and evaluation asset was fully impaired at the end of the period, as described above and in Note 5.

Unlisted investments

The movement in unlisted investments relates to the repayment to the Company of loans that were acquired as part of the original investment.

Deferred tax assets

As a result of the taxable profits generated by the Cameroon segment during the period, the deferred tax asset was reduced by $1.6 million and a corresponding debit to income tax expense was recorded on the income statement.

Trade and other receivables

Trade and other receivables at 30 November 2014 included $18.2 million due from RSM. This relates to RSM's funding obligation for its 40% participating interest in the Logbaba Concession. It reflects RSM's share of all assets, liabilities and costs relating to the Logbaba concession in the post-exploration period. Following the end of the period, $17.0 million was received from RSM. The period end receivable balance includes a further $1.2 million, which remains outstanding at the date of publication of these results. Further details are provided in the 'Cash Flow' section below and in Note 10.

Translation reserve
The devaluation of the Russian Rouble resulted in an $8.3 million movement in the translation reserve. The translation reserve movements arose because the financial accounts of the Group's Russian subsidiary are maintained in Russian Roubles.

Cash Flow
Operating activities
The Group's operations in Cameroon are conducted through a joint operation with RSM. During the period under review, RSM did not make any payments for its 40% share of project expenditures, with all such payments from RSM suspended pending the issue of a final report by Akintola Williams Deloitte, Nigeria ("Deloitte Nigeria") (refer Note 10). The Group was required to fund 100% of the operational cash flows, and therefore the cash used in operating activities was substantially more than the Group's share. As reported in Note 10, the claim against RSM was resolved subsequent the end of the period, and RSM settled the amounts owing for the period covered by Deloitte Nigeria's report ($10.1 million). An additional $6.9 million was received from RSM in February 2015 for its share of incurred expenses subsequent to the period covered by Deloitte Nigeria's report. The period end receivable balance includes a further $1.2 million, which remains outstanding at the date of publication of these results.

Investing activities
Investing activities related primarily to the expansion of the pipeline network in Cameroon, with payments of $3.7 million for property, plant and equipment (six months to 30 November 2013: $9.5 million).

Additionally, the Company received $1.4 million from its unlisted investments, in the form of loan repayments.

Financing activities
Financing cash flows in the period related solely to the repayment of debts.

Going Concern
The Directors are satisfied that the Group has sufficient resources to continue operations for the foreseeable future, being a period of not less than twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial information.

Robert Palmer
Finance Director
27 February 2015

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2014

	Notes	6 months ended 30 November 2014 Unaudited $000	6 months ended 30 November 2013 Unaudited $000	12 months ended 31 May 2014 Audited $000
Continuing operations	3			
Revenue		11,562	6,014	14,729
Cost of sales				
Production royalties		(2,441)	(1,928)	(3,953)
Other cost of sales		(5,947)	(2,906)	(6,295)
		(8,388)	(4,834)	(10,248)
Gross profit		3,174	1,180	4,481
Other income		103	4	11
Sales and marketing expenses		(872)	(817)	(620)
Administrative expenses		(5,032)	(1,700)	(9,303)
Other gains/(losses)		820	(130)	(3,978)
Impairment of exploration and evaluation assets	5	(49,775)	–	–
Adjustment resulting from arbitration decision		–	5,169	6,543
Operating profit/(loss)		(51,582)	3,706	(2,866)
Finance revenue		19	142	146
Finance costs		(173)	(1,308)	(2,004)
Profit/(loss) before taxation		(51,736)	2,540	(4,724)
Income tax (expense)/credit		(1,652)	–	3,059
Profit/(loss) after taxation for the period		(53,388)	2,540	(1,665)
		Cents	Cents	Cents
Earnings/(loss) per share – basic	4	(50.73)	2.47*	(1.58)*
Earnings/(loss) per share – diluted	4	(50.73)	2.47*	(1.58)*

*Comparative period earnings/(loss) per share has been restated as a result of the Capital Reorganisation detailed in Note 8.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2014

	6 months ended 30 November 2014 Unaudited $000	6 months ended 30 November 2013 Unaudited $000	12 months ended 31 May 2014 Audited $000
Profit/(loss) for the financial period	(53,388)	2,540	(1,665)
Exchange differences on translation of foreign operations	(8,331)	(1,702)	1,348
Total comprehensive income/(loss) for the period	(61,719)	838	(317)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2014

	Notes	30 November 2014 Unaudited $000	30 November 2013 Unaudited $000	31 May 2014 Audited $000
Assets:				
Non-current assets				
Intangible assets	6	27	58,035	57,797
Property, plant and equipment	7	122,168	121,680	121,772
Unlisted investments		5,155	6,600	6,600
Deferred tax assets		1,668	–	3,297
		129,018	186,315	189,466
Current assets				
Inventories		38	13	38
Trade and other receivables		24,080	30,337	14,026
Cash and cash equivalents		5,809	1,372	17,018
		29,927	31,722	31,082
Total assets		**158,945**	**218,037**	**220,548**
Liabilities:				
Current liabilities				
Trade and other payables		10,505	12,458	12,452
Borrowings		12,367	6,964	10,563
		22,872	19,422	23,015
Net current assets/(liabilities)		**7,055**	**12,300**	**8,067**
Non-current liabilities				
Borrowings		30	247	86
Deferred tax liabilities		6,599	6,599	6,599
Provisions		9,791	9,325	9,551
		16,420	16,171	16,236
Net assets		**119,653**	**182,444**	**181,297**
Equity:				
Called-up share capital	8	34,240	34,240	34,240
Share premium		229,556	229,556	229,556
ESOP Trust reserve		(1,090)	(1,138)	(1,165)
Translation reserve		(18,394)	(13,113)	(10,063)
Other reserves		4,062	4,162	4,197
Retained earnings – deficit		(128,721)	(71,263)	(75,468)
Total equity		**119,653**	**182,444**	**181,297**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 NOVEMBER 2014

	Share capital $000	Share premium $000	ESOP Trust reserve $000	Translation reserve $000	Other reserve $000	Retained earnings / (accumulated deficit) $000	Total $000
At 31 May 2013	34,240	229,556	(1,061)	(11,411)	4,583	(74,504)	181,403
Exchange adjustments	–	–	(77)	–	–	–	(77)
Transfer expired warrants to retained earnings	–	–	–	–	(701)	701	–
Warrants issued	–	–	–	–	280	–	280
Total comprehensive income/(loss) for the period	–	–	–	(1,702)	–	2,540	838
At 30 November 2013	34,240	229,556	(1,138)	(13,113)	4,162	(71,263)	182,444
Exchange adjustments	–	–	(27)	–	–	–	(27)
Warrants issued	–	–	–	–	35	–	35
Total comprehensive income/(loss) for the period	–	–	–	3,050	–	(4,205)	(1,155)
At 31 May 2014	34,240	229,556	(1,165)	(10,063)	4,197	(75,468)	181,297
Exchange adjustments	–	–	75	–	–	–	75
Transfer expired warrants to retained earnings	–	–	–	–	(135)	135	–
Total comprehensive income/(loss) for the period	–	–	–	(8,331)	–	(53,388)	(61,719)
At 30 November 2014	**34,240**	**229,556**	**(1,090)**	**(18,394)**	**4,062**	**(128,721)**	**119,653**

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 30 NOVEMBER 2014

	6 months Ended 30 November 2014 Unaudited $000	6 months Ended 30 November 2013 Unaudited $000	12 months Ended 31 May 2014 Audited $000
Cash flows from operating activities			
Profit/(loss) for the period	(53,388)	2,540	(1,665)
Income tax expense/(credit) recognised in the Income Statement	1,629	-	(3,059)
Finance revenue recognised in the Income Statement	(19)	(142)	(146)
Finance costs recognised in the Income Statement	141	1,308	2,004
Depreciation and amortisation of non-current assets	3,517	2,149	4,608
Other (gains)/losses recognised in the Income Statement	(820)	130	3,978
Impairment of exploration and evaluation assets	49,775	–	–
Adjustment relating from arbitration decision	–	(5,169)	–
	835	816	5,720
Movements in working capital			
(Increase)/decrease in trade and other receivables	(10,688)	(5,434)	4,727
(Increase)/decrease in inventories	–	21	(4)
Increase/(decrease) in trade and other payables	2,312	3,571	3,140
Net cash (used in)/generated from operating activities	**(7,541)**	**(1,026)**	**13,583**
Cash flows from investing activities			
Proceeds from disposal of intangible assets	–	–	115
Payments for intangible assets	(207)	–	(752)
Payments for property, plant and equipment	(3,688)	(9,451)	(10,807)
Loan repayments received	1,445	–	–
Interest received	19	11	15
Net cash used in investing activities	**(2,431)**	**(9,440)**	**(11,429)**
Cash flows from financing activities			
Proceeds from borrowings	–	438	5,234
Repayment of borrowings	(958)	(1,676)	(3,140)
Finance costs	(376)	(268)	(493)
Net cash generated from financing activities	**(1,334)**	**(1,506)**	**1,601**
Net (decrease)/increase in cash and cash equivalents	**(11,306)**	**(11,972)**	**3,755**
Cash and cash equivalents – beginning of the period	17,018	13,107	13,107
Effects of exchange rate changes on the balance of cash held in foreign currencies	97	237	156
Cash and cash equivalents – end of the period	**5,809**	**1,372**	**17,018**

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2014

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of Victoria Oil & Gas Plc and its subsidiaries ("the Group") for the six months ended 30 November 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 May 2014.

2. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 May 2014, with the exception of the following:

Adoption of new and revised Standards
The following new and revised Standards have been mandatorily adopted by the Group during the period. Their adoption has not had a material impact on the financial statements of the Group.

Name of new Standards/Amendments	Effective from
IFRS 10 *Consolidated Financial Statements*	1 January 2014
IFRS 11 *Joint Arrangements*	1 January 2014
IFRS 12 *Disclosure of Interests in Other Entities*	1 January 2014
IAS 27 (revised 2011) *Separate Financial Statements*	1 January 2014
IAS 28 (revised 2011) *Investments in Associates and Joint Ventures*	1 January 2014
Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to IFRS 10, IFRS 12, and IAS 27 *Investment Entities*	1 January 2014
Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014

3. SEGMENTAL ANALYSIS

The Group has one class of business: oil and gas exploration, development and production and the sale of hydrocarbons and related activities. This is analysed on a location basis. Only the Cameroon segment is generating revenue, which is from the sale of hydrocarbons. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following tables present revenue, profit/(loss) and certain asset and liability information regarding the Group's business segments:

Six months to 30 November 2014 (Unaudited)	**Cameroon $000**	**Russia $000**	**Kazakhstan $000**	**Corporate $000**	**Total $000**
Revenue	11,562	–	–	–	11,562
Production royalties	(2,441)	–	–	–	(2,441)
Other cost of sales	(5,947)	–	–	–	(5,947)
Gross profit	3,174	–	–	–	3,174
Other income	103	–	–	–	103
Sales and marketing expenses	(872)	–	–	–	(872)
Administrative expenses	(2,832)	(106)	(143)	(1,951)	(5,032)
Other gains and (losses)	596	–	256	(32)	820
Impairment of exploration and evaluation assets	–	(49,775)	–	–	(49,775)
Operating profit/(loss)	169	(49,881)	113	(1,983)	(51,582)
Finance revenue	–	–	–	19	19
Finance costs	–	(13)	–	(160)	(173)
Profit/(loss) before taxation	169	(49,894)	113	(2,124)	(51,736)
Income tax expense	(1,547)	–	–	(105)	(1,652)
Profit/(loss) after taxation for the financial period	(1,378)	(49,894)	113	(2,229)	(53,388)
Total assets	147,595	29	90	11,231	158,945
Total liabilities	(33,922)	(278)	(11)	(5,081)	(39,292)

Six months to 30 November 2013 (Unaudited)	**Cameroon $000**	**Russia $000**	**Kazakhstan $000**	**Corporate $000**	**Total $000**
Revenue	6,014	–	–	–	6,014
Production royalties	(1,928)	–	–	–	(1,928)
Other cost of sales	(2,906)	–	–	–	(2,906)
Gross profit	1,180	–	–	–	1,180
Other income	4	–	–	–	4
Sales and marketing expenses	(817)	–	–	–	(817)
Administrative expenses	(113)	(115)	(135)	(1,337)	(1,700)
Other gains and (losses)	(51)	–	(295)	216	(130)
Adjustment resulting from arbitration decision	5,169	–	–	–	5,169
Operating profit/(loss)	5,372	(115)	(430)	(1,121)	3,706
Finance revenue	–	–	–	142	142
Finance costs	(667)	(14)	–	(627)	(1,308)
Profit/(loss) before taxation	4,705	(129)	(430)	(1,606)	2,540
Income tax expense	–	–	–	–	–
Profit/(loss) after taxation for the financial period	4,705	(129)	(430)	(1,606)	2,540
Total assets	158,831	57,793	103	1,310	218,037
Total liabilities	(26,803)	(412)	(3)	(8,375)	(35,593)

Twelve months to 31 May 2014 (Audited)	Cameroon $000	Russia $000	Kazakhstan $000	Corporate $000	Total $000
Revenue	14,729	–	–	–	14,729
Production royalties	(3,953)	–	–	–	(3,953)
Other cost of sales	(6,295)	–	–	–	(6,295)
Gross profit	4,481	–	–	–	4,481
Other income	11	–	–	–	11
Sales and marketing expenses	(620)	–	–	–	(620)
Administrative expenses	(4,667)	(251)	(250)	(4,135)	(9,303)
Other losses	(70)	(57)	(3,098)	(753)	(3,978)
Adjustment resulting from arbitration decision	6,543	–	–	–	6,543
Operating profit/(loss)	5,678	(308)	(3,348)	(4,888)	(2,866)
Finance revenue	–	–	–	146	146
Finance costs	(1,105)	(28)	–	(871)	(2,004)
Profit/(loss) before taxation	4,573	(336)	(3,348)	(5,613)	(4,724)
Income tax credit	3,059	–	–	–	3,059
Profit/(loss) after taxation for the financial year	7,632	(336)	(3,348)	(5,613)	(1,665)
Total assets	147,615	57,630	88	15,215	220,548
Total liabilities	(32,831)	(364)	(12)	(6,044)	(39,251)

4. EARNINGS/(LOSS) PER SHARE

Basic earnings or loss per share is computed by dividing the profit or loss after tax for the year available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year, excluding those held by the ESOP Trust. Diluted earnings or loss per share is computed by dividing the profit or loss after taxation for the period by the weighted average number of ordinary shares in issue, each adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the period.

The following table sets forth the computation for basic and diluted loss per share.

	30 November 2014 Unaudited $000	30 November 2013 Unaudited $000	31 May 2014 Audited $000
Numerator:			
Numerator for basic and diluted earnings/(loss) per share – earnings/(loss) for the period	(53,388)	2,540	(1,665)
	Number	**Number**	**Number**
Denominator:			
Denominator for basic and diluted earnings/(loss) per share	105,232,684	102,707,481*	105,232,532*
	Cents	**Cents**	**Cents**
Earnings/(loss) per share – basic and diluted	(50.73)	2.47*	(1.58)*

*Comparative period earnings/(loss) per share has been restated as a result of the Capital Reorganisation detailed in Note 8.

Basic and diluted loss per share are the same, as the effect of any potential shares is anti-dilutive and is therefore excluded.

5. IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

	30 November 2014 Unaudited $000	30 November 2013 Unaudited $000	31 May 2014 Audited $000
Impairment of carrying value of West Med license interest:			
Intangible assets (Note 6)	49,702	–	–
Property, plant and equipment (Note 7)	52	–	–
Current assets	21	–	–
	49,775	–	–

The Directors tested the Group's Russian exploration and evaluation asset, West Med, for impairment as at 30 November 2014, and took the view that it would be prudent to fully impair the asset. Whilst the Directors continue to seek avenues for deriving value from West Med, through farm-out, joint venture or sale, it was considered that the political issues in Russia, combined with the weakness in the world price of oil, make realising the carrying value of the asset significantly more difficult.

Because of this level of uncertainty, it was difficult for the Directors to form a view on the value that the asset should be held at in the accounts. The Directors have taken the decision to completely write down the asset, given the uncertainties regarding its monetisation. There may be an adjustment in future periods, depending on the outcome of current efforts to derive value from the asset.

6. INTANGIBLE ASSETS

Six months to 30 November 2014 (Unaudited)	Exploration and evaluation assets $000	Software $000	Total $000
Cost			
Opening balance	91,597	62	91,659
Exchange adjustments	(8,286)	–	(8,286)
Transfer to property, plant and equipment	(299)	–	(299)
Additions	207	–	207
Closing balance	83,219	62	83,281
Accumulated amortisation and impairment			
Opening balance	33,834	28	33,862
Exchange adjustments	(290)	–	(290)
Transfer to property, plant and equipment	(27)	–	(27)
Provision for impairment (Note 5)	49,702	–	49,702
Charge for the period	–	7	7
Closing balance	83,219	35	83,254
Carrying amount 30 November 2014	–	27	27

Six months to 30 November 2013 (Unaudited)	Exploration and evaluation assets	Software	Total
Cost	**$000**	**$000**	**$000**
Opening balance	93,838	104	93,942
Transfer to other receivables	(199)	(42)	(241)
Exchange adjustments	(2,106)	–	(2,106)
Additions	402	–	402
Closing balance	91,935	62	91,997
Accumulated amortisation and impairment			
Opening balance	33,948	24	33,972
Transfer to other receivables	(12)	(10)	(22)
Charge for the period	5	7	12
Closing balance	33,941	21	33,962
Carrying amount 30 November 2013	57,994	41	58,035

Twelve months to 31 May 2014 (Audited)	Exploration and evaluation assets	Software	Total
Cost	**$000**	**$000**	**$000**
Opening balance	93,838	104	93,942
Adjustment resulting from arbitration decision	(199)	(42)	(241)
Exchange adjustments	(2,737)	–	(2,737)
Additions	883	–	883
Disposals	(172)	–	(172)
Closing balance	91,613	62	91,675
Accumulated amortisation and impairment			
Opening balance	33,948	24	33,972
Adjustment resulting from arbitration decision	(11)	(10)	(21)
Exchange adjustments	(97)	–	(97)
Charge for the year	10	14	24
Closing balance	33,850	28	33,878
Carrying amount 31 May 2014	57,763	34	57,797

Segmental Analysis

Six months to 30 November 2014 (Unaudited)	Cameroon $000	Russia $000	Total $000
Opening balance	314	57,483	57,797
Exchange	–	(7,996)	(7,996)
Transfer to property, plant and equipment	(272)	–	(272)
Additions	–	207	207
Provision for impairment (Note 5)	–	(49,702)	(49,702)
Charge for the period	(15)	8	(7)
Closing balance	27	–	27

Six months to 30 November 2013 (Unaudited)	Cameroon $000	Russia $000	Total $000
Opening balance	558	59,412	59,970
Transfer to other receivables	(219)	–	(219)
Exchange	–	(2,106)	(2,106)
Additions	–	402	402
Charge for the period	(12)	–	(12)
Closing balance	327	57,708	58,035

Twelve months to 31 May 2014 (Audited)	Cameroon $000	Russia $000	Total $000
Opening balance	558	59,412	59,970
Adjustment resulting from arbitration decision	(220)	–	(220)
Exchange	–	(2,640)	(2,640)
Additions	–	883	883
Disposals	–	(172)	(172)
Charge for the year	(24)	–	(24)
Closing balance	314	57,483	57,797

An impairment provision was made in the year against the West Med asset in Russia. The provision is described in detail in Note 5.

7. PROPERTY PLANT AND EQUIPMENT

Six months to 30 November 2014 (Unaudited)	Plant and equipment $000	Oil and gas interest $000	Assets under construction at cost $000	Total $000
Cost				
Opening balance	29,974	98,579	2,865	131,418
Additions	821	778	2,089	3,688
Transfer from intangible assets	–	299	–	299
Disposals	(4)	–	–	(4)
Transfer to plant and equipment	4,769	–	(4,769)	–
Closing balance	35,560	99,656	185	135,401
Depreciation				
Opening balance	1,645	8,001	–	9,646
Transfer from intangible assets	–	27	–	27
Disposals	(2)	–	–	(2)
Provision for impairment (Note 5)	–	52	–	52
Charge for financial period	578	2,932	–	3,510
Closing balance	2,221	11,012	–	13,233
Carrying amount 30 November 2014	33,339	88,644	185	122,168

Six months to 30 November 2013 (Unaudited)	Plant and equipment $000	Oil and gas interest $000	Assets under construction at cost $000	Total $000
Cost				
Opening balance	33,025	102,786	3,093	138,904
Transfer to other receivables	(13,146)	(4,585)	(1,324)	(19,055)
Additions	1,463	1,322	6,247	9,032
Closing balance	21,342	99,523	8,016	128,881
Depreciation				
Opening balance	1,383	4,483	–	5,866
Transfer to other receivables	(254)	(548)	–	(802)
Charge for financial period	257	1,880	–	2,137
Closing balance	1,386	5,815	–	7,201
Carrying amount 30 November 2013	19,956	93,708	8,016	121,680

Twelve months to 31 May 2014 (Audited) Cost	Plant and equipment $000	Oil and gas interest $000	Assets under construction at cost $000	Total $000
Opening balance	33,025	102,786	3,093	138,904
Adjustment resulting from arbitration decision	(12,151)	(4,966)	(1,167)	(18,284)
Additions	283	759	9,765	10,807
Transfer to plant and equipment	–	–	(8,826)	(8,826)
Transfer from assets under construction	8,826	–	–	8,826
Disposals	(9)	–	–	(9)
Closing balance	29,974	98,579	2,865	131,418
Depreciation				
Opening balance	1,383	4,483	–	5,866
Adjustment resulting from arbitration decision	(249)	(548)	–	(797)
Disposals	(7)	–	–	(7)
Charge for the year	518	4,066	–	4,584
Closing balance	1,645	8,001	–	9,646
Carrying amount 31 May 2014	28,329	90,578	2,865	121,772

Segmental Analysis

Six months to 30 November 2014 (Unaudited)	Cameroon $000	Russia $000	Corporate $000	Total $000
Opening balance	121,703	52	17	121,772
Additions	2,748	–	4	2,752
Transfer from intangible assets	272	–	–	272
Disposals	–	–	(2)	(2)
Provision for impairment (Note 5)	–	(52)	–	(52)
Charge for the period	(2,570)	–	(4)	(2,574)
Closing balance	122,153	–	15	122,168

Six months to 30 November 2013 (Unaudited)	Cameroon $000	Russia $000	Corporate $000	Total $000
Opening balance	132,974	52	12	133,038
Transfer to other receivables	(18,253)	–	–	(18,253)
Additions	9,032	–	–	9,032
Charge for the period	(2,134)	–	(3)	(2,137)
Closing balance	121,619	52	9	121,680

Twelve months to 31 May 2014 (Audited)	Cameroon $000	Russia $000	Corporate $000	Total $000
Opening balance	132,974	52	12	133,038
Transfer to other receivables	(17,487)	–	–	(17,487)
Additions	10,792	–	15	10,807
Disposals	–	–	(2)	(2)
Charge for the period	(4,576)	–	(8)	(4,584)
Closing balance	121,703	52	17	121,772

Oil and gas assets are depreciated on a unit-of-production basis.

Assets under construction comprise of expenditure on the uncompleted sections of the pipeline network and surface infrastructure on the Logbaba gas and condensate project in Cameroon.

8. CALLED-UP SHARE CAPITAL

At the Annual General Meeting held on 26 November 2014, the Company sought shareholder approval for a consolidation and sub-division of the Company's share capital ("Capital Reorganisation"). The shareholders passed the resolution, and as of 27 November 2014, the new shares were admitted to trading on AIM. As a result of the Capital Reorganisation, shareholders received one consolidated ordinary share of 20 pence for every 40 ordinary shares of 0.5 pence ("Consolidation"). Immediately following the Consolidation, each consolidated ordinary share was subdivided into one new ordinary share of 0.5 pence and one new deferred share of 19.5 pence. Prior to the Capital Reorganisation, the Company's ordinary share capital consisted of 4,348,552,329 ordinary shares of 0.5 pence, and subsequent to the Capital Reorganisation, the Company's ordinary share capital consists of 108,713,809 ordinary shares of 0.5 pence with voting rights listed on AIM and 108,713,809 deferred shares of 19.5 pence with no voting rights.

9. RELATED PARTY TRANSACTIONS

Payments to Directors and other key management personnel are set out below.

	30 November 2014 Unaudited $000	**30 November 2013 Unaudited $000**	**31 May 2014 Audited $000**
Directors' remuneration – cash payments	1,183	716	1,792
Other key management – short term benefits	135	687	450
Other key management – professional fees	714	242	585

Key management personnel includes personnel who act as consultants to the Group, and who are not employees. These accounts include $0.7 million of professional fees for such consultants (six months to 30 November 2013: $0.2 million; twelve months to 31 May 2014: $0.6 million).

The following table provides details of other transactions entered into by the Company with its subsidiaries and by the Group with other related parties:

	Company transactions with subsidiaries $000	**Directors' other interests $000**	**Key management personnel $000**
6 months to 30 November 2014 (Unaudited)			
Investment in subsidiaries	12,498	–	–
Purchases from/(recharges to) related parties during the period	(245)	–	714
Cash advances to/(from) related parties during the year	(5,175)	(5)	–
Amounts due from/(to) related parties at the end of the period	108,175	–	–
6 months to 30 November 2013 (Unaudited)			
Investment in subsidiaries	29,789	–	–
Advances to subsidiaries	42,379	–	–
Purchases from/(recharges to) related parties during the period	(993)	–	242
Cash advances to/(from) related parties during the year	(193)	–	–
Amounts due from/(to) related parties at the end of the period	120,799	–	(429)
12 Months to 31 May 2014 (Audited)			–
Investment in subsidiaries	29,789	–	–
Advances to subsidiaries	42,849	–	–
Purchases from/(recharges to) related parties during the year	(1,342)	5	432
Cash advances to/(from) related parties during the year	(7,983)	13	–
Amounts due from/(to) related parties at the year end	113,009	–	–

Amounts due from subsidiaries are non-interest bearing loans repayable on demand.

The balance of the amounts due from subsidiaries at 30 November 2014 is stated net of a provision against the amounts due from Victoria Energy Central Asia LLP of $17.6 million and Victoria Oil and Gas Central Asia Limited of $4.5 million (30 November 2013: $17.5 million and $5.2 million; 31 May 2014: $17.6 million and $5.1 million).

Amounts due from the Company's Russian subsidiary, ZAO SeverGas-Invest ("SGI"), are recorded as 'Advances to subsidiaries' and considered part of the Company's net investment in the Russian operations, as settlement is neither planned nor likely in the foreseeable future. As a result of the impairment of West Med (refer Note 5), a provision of $43.2 million was made during the period against the balance due to the Company by SGI, reducing the balance to nil.

Additionally, the Company's investment in subsidiaries is stated net of a provision of $17.3 million against the Company's investment in SGI.

There was no intergroup trading or transactions between Group subsidiaries.

10. POST BALANCE SHEET EVENTS

Board Appointments
John Bryant was appointed as an independent non-executive director effective 1 December 2014.

Deloitte Nigeria Audit Results and Receipt of RSM Funds
In the Annual Report for the year ended 31 May 2014, the history of the arbitration between the Group and RSM was described in detail. As at the date of publishing the Annual Report, Deloitte Nigeria had not issued its final report on the billing statement issued by the Group to RSM for its share of incurred expenses from inception of the Logbaba gas project to 31 December 2013 and the advance cash call for RSM's share of January 2014 expenses. Deloitte Nigeria had been appointed by RSM and the Group jointly under a settlement agreement announced in January 2014.

On 11 December 2014, the Company announced that the final report had been issued by Deloitte Nigeria and that RSM was due to pay $10.1 million to the Group. As at 11 December 2014, RSM had transferred $3.7 million of the amount owing. On 8 January 2015, the Company made a further announcement that the balance payment from RSM had been received. A further $6.9 million was received in February 2015 for RSM's share of incurred expenses subsequent to the period covered by Deloitte Nigeria's report. The period end receivable balance includes a further $1.2 million that remains outstanding at the date of publication of these results

11. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 27 February 2015.

Copies of the Interim report are available by download from the Company's website at: www.victoriaoilandgas.com