VICTORIA OIL & GAS PLC

UNAUDITED INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS FOR THE SIX MONTHS TO

30 NOVEMBER 2013

CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to present the Group's unaudited interim results for the six months to 30 November 2013 and to update you on recent corporate and operational developments.

This reporting period was one of the most significant in the Group's history. We faced serious challenges to operational delivery in Cameroon and the Board took comprehensive steps to address these issues.

Following the departure of John Scott, as announced at the end of September 2013, I assumed the role of interim Chief Executive. Since then we have provided comprehensive updates to the market on the Group's strategy, operations and the changes that we were implementing. The business principles guiding these changes were to:

- Quickly turn revenue into profits
- Aggressively build our market share
- Preserve the highest standards of safety, environmental compliance and corporate governance

These changes were undertaken at all levels of the Group, primarily at an expatriate level, with the senior management team in Douala being strengthened by way of new appointments in the operations, project management and sales & marketing departments. Internal systems were also overhauled with regard to the assessment of production forecasting and expansion of operations. Real production growth has been achieved.

Importantly, all changes have been successfully implemented with no further dilution to shareholders during this financial period.

We have recognised for some time that the Board of Directors needs to be substantially strengthened and with this in mind we are currently finalising the selection process for Non-Executive Directors. Announcements regarding such appointments will be made in due course.

Logbaba, Cameroon

A key event was the visit by the President of the Republic of Cameroon, His Excellency Paul Biya, to inaugurate our gas plant and pipeline on 15 November 2013. Not only did the President endorse our efforts and achievements, but he also emphasised the importance of gas as a cleaner and more efficient strategic energy source for the country. The visit attracted a lot of national press coverage and we have now earned recognition as an energy provider and growing utility company in Cameroon. This compliments our rebranding of Rodeo Development Ltd ("RDL") to Gaz du Cameroun S.A. ("GDC").

Our project teams are now focussed on:

- Pursuing and delivering against realistic targets set for pipeline laying, connection of new customers to the pipeline network and installation and commissioning of gas fired generators ("gensets")
- Building robust project management skills, tools and procedures that will form a sustainable base for future growth
- Re-emphasising the quality and health & safety elements of our business and the importance of community engagement and support

Key Developments at Logbaba

- Production levels have risen from an average of 2.0mmscf/d in July 2013 to 3.2mmscf/d in February 2014. At these current production levels we are now achieving operational break-even at Logbaba

- Total Production for the project for 6 months to 31 December 2013 was 364.3mmscf (6 months to 30 November 2012: 89.8mmscf, 12 months to 31 May 2013: 367.7mmscf). To date we have shipped 14,453 bbls of condensate

- At the period end we had made 19 gas thermal customer connections (currently 20, 31 May 2013: 19, 30 November 2012: 4) and one condensate customer.

- We currently have 15 additional thermal gas and 8 power agreements signed

- Glass manufacturer SOCAVER, part of the SABC group, was brought online in February 2014, consuming an average of 0.3mmscf/d with a peak demand estimated at 0.7mmscf/d

- GDC has also reached an agreement with Dangote, a major cement manufacturing company, to supply gas for its thermal energy requirements. GDC anticipates that the Dangote connection will be completed during Q2 2014 and it is anticipated that gas consumption will be in the order of 0.4mmscf/d

- All six 1.5MW gensets have cleared customs and are being installed at customer plants

- A collaboration agreement with AES-Sonel, the sole electric utility company in Cameroon, has been successfully negotiated. GDC and AES-Sonel will work on a technical and operational plan to progressively replace Heavy Fuel Oil and Light Fuel Oil power generation stations with gas-fired generation. It is currently intended that GDC will initially supply gas to temporary units with a combined generating capacity of 45MW. This first stage is targeted to be online by July 2014

- Now that Phase I and Phase II trunk lines have been commissioned with gas, our teams are focussed on building spur connections to customers along the line

- We have also received permits to enable us to drill under the Wouri River and lay pipe to access the gas market in Bonaberi

- Draw down on the XAF 4,000,000,000 ($8.3 million) BGFIBank loan facility

Other News

Details of the Award of the ICC International Court of Arbitration were published on 11 December 2013. The Tribunal found that RSM Production Corporation ("RSM") had not forfeited its interest in the Logbaba project but had a continuing obligation to pay the outstanding cash call to RDL (now GDC). As a result, from 30 November 2013 to date, the Group has received over $20 million from RSM and has reached an agreement to constructively work together to realise the full potential of the Logbaba Project.

The Group's participating interest in Logbaba now stands at 60% through VOG's wholly owned subsidiary, GDC, with 40% held by RSM. The Government owned Société Nationale des Hydrocarbures ("SNH") is entitled to a 5% interest and we are working with them on a participation agreement.

At West Medvezhye, Russia, the Company is looking at a number of ways to derive value from West Medvezhye through farm-outs, joint ventures or mergers.

It is very pleasing to announce a profit for this period. However we acknowledge that this is essentially a reflection of the accounting adjustments made following the aforementioned ICC judgement. The full detail of the accounting treatment in this regard is set out in Note 3 of the unaudited interim condensed consolidated financial statements below.

In conclusion, 2013 was a very challenging one where hard decisions were needed and a strong refocus of the company on its core business which was to deliver a reliable gas energy source to customers. We now have the financial resources and the management team to achieve this.

Kevin Foo
Chairman

28th February 2014

FINANCIAL REVIEW

Income Statement
Revenue from the Logbaba project was $6.0 million in the six months to 30 November 2013, compared to $1.7 million in the comparative six month period, reflecting the expansion of our customer network. All gas sales were at $16/mmbtu and condensate sales averaged $107.22 per barrel.

Production royalties were $1.9 million or approximately 32% of revenue, $1.4 million of which is payable to a company in which the Group holds a 35% interest. That royalty stream will decline based on achieving certain revenue milestones such that the long term cash cost of all royalties is expected to average 17% of revenue. The $2.9 million of 'Other cost of sales' relates to operation of the wells, processing facility and pipeline network and includes $2.0 million of depreciation. Gross profit was $1.2 million compared to $0.1 million in the comparative six month period.

An income statement adjustment of $5.2 million at 1 June 2013 was necessary to reflect the outcome of the ICC Arbitration between RSM and the Group (refer to Note 3 in the unaudited interim condensed consolidated financial statements for further details). Excluding this non-recurring item, EBITDA was $0.7 million.

The profit before and after taxation for the half year was $2.5 million. Excluding the aforementioned non-recurring income statement adjustment, the Group recorded a loss of $2.6 million for the period compared to a loss in the comparative period of $5.3 million, reflecting the increase in production and the reduction in administrative expenses.

Balance Sheet and Cash Flow
The Group continued its expansion of the pipeline in Cameroon, investing $9.0 million (six months to 30 November 2012: $5.2 million). In Russia, an investment of $0.4 million (six months to 30 November 2012: $0.6 million) was made to define drilling targets.

Excluding the impact of the ICC Arbitration adjustment, working capital increased by $1.8 million, reflecting an increase of $5.4 million in trade and other receivables and an increase of $3.6 million in trade and other payables.

Net cash decreased by $11.7 million in the six months to $1.4 million. Following the year end, the Group raised $8.3 million of debt financing and has received a total of $20.4 million to date from RSM, being a payment on account for its share of downstream development costs for the Logbaba project. The total of these costs is subject to an audit to be conducted within 90 days of 1 April 2014.

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.

Outlook
Our financial strategy continues to be to develop the Logbaba asset, financed by a mixture of debt and equity, into a significant cash-generating asset in order to support future growth of the Group.

Robert Palmer
Finance Director

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 NOVEMBER 2013

	Notes	6 months ended 30 November 2013 Unaudited $000	6 months ended 30 November 2012 Unaudited $000	12 months ended 31 May 2013 Audited $000
Continuing operations	4			
Revenue		6,014	1,671	6,934
Cost of sales				
Production royalties		(1,928)	(196)	(1,100)
Other cost of sales		(2,906)	(1,337)	(5,519)
		(4,834)	(1,533)	(6,619)
Gross profit		1,180	138	315
Other income		4	–	51
Sales and marketing expenses		(817)	(175)	(437)
Administrative expenses		(1,700)	(3,670)	(11,201)
Other gains/(losses)		(130)	13	(286)
Adjustment resulting from arbitration decision	3	5,169	–	–
Operating profit/(loss)		3,706	(3,694)	(11,558)
Finance revenue		142	1	367
Finance costs		(1,308)	(1,600)	(4,744)
Profit/(loss) before taxation		2,540	(5,293)	(15,935)
Income tax expense		–	–	–
Profit/(loss) after taxation for the period		2,540	(5,293)	(15,935)
		Cents	Cents	Cents
Earnings/(loss) per share – basic	5	0.06	(0.20)	(0.52)
Earnings/(loss) per share – diluted	5	0.06	(0.20)	(0.52)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 NOVEMBER 2013

	6 months ended 30 November 2013 Unaudited $000	6 months ended 30 November 2012 Unaudited $000	12 months ended 31 May 2013 Audited $000
Profit/(loss) for the financial period	2,540	(5,293)	(15,935)
Exchange differences on translation of foreign operations	(1,702)	1,394	1,000
Total comprehensive income/(loss) for the period	838	(3,899)	(14,935)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 NOVEMBER 2013

	Notes	30 November 2013 Unaudited $000	30 November 2012 Unaudited $000	31 May 2013 Audited $000
Assets:				
Non-current assets				
Intangible assets	6	58,035	59,987	59,970
Property, plant and equipment	7	121,680	135,904	133,038
Unlisted investments		6,600	6,600	6,600
		186,315	202,491	199,608
Current assets				
Inventories		13	–	56
Trade and other receivables	8	30,337	2,733	5,793
Cash and cash equivalents		1,372	995	13,107
		31,722	3,728	18,956
Total assets		**218,037**	**206,219**	**218,564**
Liabilities:				
Current liabilities				
Trade and other payables	9	(12,458)	(22,410)	(11,007)
Borrowings		(6,964)	(5,109)	(8,011)
Convertible loan – debt portion		–	(3,770)	(1,482)
Derivative financial instrument		–	–	(131)
		(19,422)	(31,289)	(20,631)
Net current assets/(liabilities)		**12,300**	**(27,561)**	**(1,675)**
Non-current liabilities				
Borrowings		(247)	(2,174)	(267)
Deferred tax liabilities		(6,599)	(6,599)	(6,599)
Provisions		(9,325)	(9,464)	(9,664)
		(16,171)	(18,237)	(16,530)
Net assets		**182,444**	**156,693**	**181,403**
Equity:				
Called-up share capital		34,240	22,855	34,240
Share premium		229,556	206,735	229,556
ESOP Trust reserve		(1,138)	(1,329)	(1,061)
Translation reserve		(13,113)	(11,017)	(11,411)
Other reserves		4,162	5,043	4,583
Retained earnings – deficit		(71,263)	(65,594)	(74,504)
Total equity		**182,444**	**156,693**	**181,403**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 NOVEMBER 2013

	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 2012	20,803	200,059	(860)	(12,411)	5,440	(60,851)	152,180
Shares issued	2,052	7,153	–	–	–	–	9,205
Share issue costs	–	(477)	–	–	–	–	(477)
Shares purchased by ESOP Trust	–	–	(509)	–	–	–	(509)
Shares granted to ESOP members	–	–	71	–	–	–	71
Exchange adjustments	–	–	(31)	–	–	–	(31)
Transfer expired warrants to retained earnings	–	–	–	–	(550)	550	–
Warrants issued	–	–	–	–	153	–	153
Total comprehensive income/(loss) for the period	–	–	–	1,394	–	(5,293)	(3,899)
At 30 November 2012	22,855	206,735	(1,329)	(11,017)	5,043	(65,594)	156,693
Shares issued	11,385	25,366	(3)	–	–	–	36,748
Share issue costs	–	(2,545)	–	–	–	–	(2,545)
Shares granted to ESOP members	–	–	195	–	–	1,270	1,465
Exchange adjustments	–	–	76	–	–	–	76
Transfer expired warrants to retained earnings	–	–	–	–	(462)	462	–
Warrants issued	–	–	–	–	2	–	2
Total comprehensive income/(loss) for the period	–	–	–	(394)	–	(10,642)	(11,036)
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**

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 30 NOVEMBER 2013

	6 months ended 30 November 2013 Unaudited $000	6 months ended 30 November 2012 Unaudited $000	12 months ended 31 May 2013 Audited $000
Cash flows from operating activities			
Profit/(loss) for the period	2,540	(5,293)	(15,935)
Finance revenue recognised in the Income Statement	(142)	(1)	(367)
Finance costs recognised in the Income Statement	1,308	1,600	4,744
Depreciation and amortisation of non-current assets	2,149	663	2,955
Other (gains)/losses recognised in the Income Statement	130	(76)	286
Shares vested by ESOP Trust recognised in Income Statement	–	71	609
Adjustment relating from arbitration decision	(5,169)	–	–
	816	(3,036)	(7,708)
Movements in working capital			
Increase in trade and other receivables	(5,434)	(929)	(3,984)
(Increase)/decrease in inventories	21	–	(56)
Increase/(decrease) in trade and other payables	3,571	4,385	(1,696)
Net cash (used in)/generated from operating activities	**(1,026)**	**420**	**(13,444)**
Cash flows from investing activities			
Payments for intangible fixed assets	–	(550)	(1,765)
Payments for property, plant and equipment	(9,451)	(5,229)	(7,763)
Interest received	11	1	17
Net cash used in investing activities	**(9,440)**	**(5,778)**	**(9,511)**
Cash flows from financing activities			
Proceeds from issue of equity shares	–	8,184	44,516
Payment of equity share issue costs	–	(322)	(2,867)
Proceeds from borrowings	438	750	2,783
Repayment of borrowings	(1,676)	(4,153)	(7,630)
Finance costs	(268)	–	(2,186)
Net cash generated from financing activities	**(1,506)**	**4,459**	**34,616**
Net (decrease)/increase in cash and cash equivalents	**(11,972)**	**(899)**	**11,661**
Cash and cash equivalents – beginning of the period	13,107	1,887	1,887
Effects of exchange rate changes on the balance of cash held in foreign currencies	237	7	(441)
Cash and cash equivalents – end of the period	**1,372**	**995**	**13,107**

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2013

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of Victoria Oil & Gas Plc and its subsidiaries ("the Group") are prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 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 2013.

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 2013, 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*
IAS 1 *Presentation of Financial Statements*	1 July 2012
IFRS 13 *Fair Value Measurement*	1 January 2013
IAS 19 *Employee Benefits*	1 January 2013

3. ADJUSTMENT RESULTING FROM ARBITRATION DECISION

On 11 December 2013, the International Chamber of Commerce ("ICC") published its decision on the Arbitration brought by RSM Production Corporation ("RSM") against the Group. A number of claims were withdrawn or rejected but the ICC found that RSM had not forfeited its interest in the Logbaba project due to its failure to pay its cash calls on time.

The Tribunal found that RSM was in default for non-payment of the cash calls. It also found that whilst the parties had conflicting but equally plausible interpretations of the First Arbitration Award in May 2011, there was sufficient uncertainty in the resulting application of the findings in that Award to the contractual forfeiture provisions under Texas law to avoid upholding the forfeiture of RSM's interest.

In the six months to 30 November 2012 and twelve months to 31 May 2013 (the comparative periods for the purposes of this report), the financial statements were prepared on the basis that RSM had forfeited its interest in the Logbaba Concession as that was the legal contractual position pending clarifications in the Arbitration, which the Directors expected to be resolved in the Group's favour.

These interim financial statements for the six months to 30 November 2013 include an adjustment as at 1 June 2013 necessary to reflect the ICC Arbitration decision on the participating interests in the Logbaba gas and condensate project. The adjustment has resulted in:

- a credit of $5.2 million to the income statement in relation to RSM's share of prior period operating expenses. An analysis of these costs which were expensed through the income statements in prior periods, is as follows:

	$000
Cost of sales	
Production royalties	222
Other cost of sales	2,207
Increase in gross profit	2,429
Sales and marketing expenses	175
Administrative expenses	1,875
Other gains/(losses)	(29)
Increase in operating profit	4,450
Finance costs	719
Income statement adjustment	**5,169**

- the following Balance Sheet reclassifications to record the transfer to RSM of its participating share of assets and liabilities incurred on the project. Previously these assets and liabilities had been accounted for as if they were held 100% by the Group:

	$000
Assets:	
Non-current assets	
Intangible assets	(219)
Property, plant and equipment	(18,253)
Current assets	
Inventories	(22)
Trade and other receivables	(862)
Liabilities:	
Current liabilities	
Trade and other payables	2,423
Borrowings	1,550
Non-current liabilities	
Borrowings	107
Provisions	688
Income statement adjustment (see above)	(5,169)
Receivable from RSM at 1 June 2013	**19,757**

Please refer to Note 12 for further information regarding the RSM Arbitration.

Société Nationale des Hydrocarbures ("SNH"), the state-owned national oil and gas company of Cameroon, is entitled to acquire a 5% interest in the Logbaba Concession but has not yet signed a participation agreement. Accordingly, these interim financial statements have been prepared on the basis that the Group and RSM have 60% and 40% interests respectively in the Concession. In the event that SNH signs the participation agreement for its 5% interest, the interests of the Group and RSM will be reduced to 57% and 38% respectively, and SNH will be required to reimburse 5% of costs relating to the project to date.

4. SEGMENTAL ANALYSIS

The Group operates in one class of business being 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 2013 (Unaudited)	**Cameroon $000**	**Russia $000**	**Kazakhstan $000**	**Corporate $000**	**Total $000**
Revenue	6,014	–	–	–	6,014
Cost of sales					
Production royalties	(1,928)	–	–	–	(1,928)
Other cost of sales	(2,906)	–	–	–	(2,906)
	(4,834)	–	–	–	(4,834)
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 tax	4,705	(129)	(430)	(1,606)	2,540
Taxation	–	–	–	–	–
Profit/(loss) after tax	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)

Six months to 30 November 2012 (Unaudited)	**Cameroon $000**	**Russia $000**	**Kazakhstan $000**	**Corporate $000**	**Total $000**
Revenue	1,671	–	–	–	1,671
Cost of sales					
Production royalties	(196)	–	–	–	(196)
Other cost of sales	(1,337)	–	–	–	(1,337)
	(1,533)	–	–	–	(1,533)
Gross profit	138	–	–	–	138
Sales and marketing expenses	(175)	–	–	–	(175)
Administrative expenses	(1,395)	(330)	(146)	(1,799)	(3,670)
Other gains and (losses)	49	–	–	(36)	13
Operating loss	(1,383)	(330)	(146)	(1,835)	(3,694)
Finance revenue	–	–	–	1	1
Finance costs	(579)	(29)	–	(992)	(1,600)
Loss before tax	(1,962)	(359)	(146)	(2,826)	(5,293)
Taxation	–	–	–	–	–
Loss after tax	(1,962)	(359)	(146)	(2,826)	(5,293)
Total Assets	145,152	59,595	114	1,358	206,219
Total Liabilities	(40,785)	(366)	(2)	(8,373)	(49,526)

Twelve months to 31 May 2013 (Audited)	**Cameroon $000**	**Russia $000**	**Kazakhstan $000**	**Corporate $000**	**Total $000**
Revenue	6,934	–	–	–	6,934
Cost of sales					
Production royalties	(1,100)	–	–	–	(1,100)
Other cost of sales	(5,519)	–	–	–	(5,519)
	(6,619)	–	–	–	(6,619)
Gross profit	315	–	–	–	315
Other income	51	–	–	–	51
Sales and marketing expenses	(437)	–	–	–	(437)
Administrative expenses	(5,027)	(572)	(307)	(5,295)	(11,201)
Other gains and (losses)	(58)	(17)	–	(211)	(286)
Operating loss	(5,156)	(589)	(307)	(5,506)	(11,558)
Finance revenue	–	–	–	367	367
Finance costs	(2,271)	(28)	–	(2,445)	(4,744)
Loss before tax	(7,427)	(617)	(307)	(7,584)	(15,935)
Taxation	–	–	–	–	–
Loss after tax	(7,427)	(617)	(307)	(7,584)	(15,935)
Total Assets	145,748	59,515	120	13,181	218,564
Total Liabilities	(29,137)	(369)	(9)	(7,646)	(37,161)

5. 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.

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

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

	30 November 2013 Unaudited $000	**30 November 2012 Unaudited $000**	**31 May 2013 Audited $000**
Earnings/(loss)			
Earnings/(loss) for the purposes of basic earnings/(loss) per share	2,540	(5,293)	(15,935)
	Number	**Number**	**Number**
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	4,108,299,238	2,607,956,721	3,048,827,596
	Cents	**Cents**	**Cents**
Earnings/(loss) per share – basic and diluted	0.06	(0.20)	(0.52)

6. INTANGIBLE ASSETS

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

Six months to 30 November 2012 (Unaudited)	**Exploration and evaluation assets**	**Software**	**Total**
Cost	**$000**	**$000**	**$000**
Opening balance	92,186	23	92,209
Exchange adjustments	1,225	–	1,225
Additions	550	–	550
Closing balance	93,961	23	93,984
Accumulated amortisation and impairment			
Opening balance	33,997	–	33,997
Closing balance	33,997	–	33,997
Carrying amount 30 November 2012	59,964	23	59,987

Twelve months to 31 May 2013 (Audited)	**Exploration and evaluation assets**	**Software**	**Total**
Cost	**$000**	**$000**	**$000**
Opening balance	92,186	23	92,209
Exchange adjustments	782	–	782
Additions	965	81	1,046
Disposals	(95)	–	(95)
Closing balance	93,838	104	93,942
Accumulated amortisation and impairment			
Opening balance	33,997	–	33,997
Exchange adjustments	29	–	29
Disposals	(78)	–	(78)
Charge for the year	–	24	24
Closing balance	33,948	24	33,972
Carrying amount 31 May 2013	59,890	80	59,970

Segmental Analysis

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 year	(12)	–	(12)
Closing balance	327	57,708	58,035

Six months to 30 November 2012 (Unaudited)	**Cameroon $000**	**Russia $000**	**Total $000**
Opening balance	501	57,711	58,212
Exchange	–	1,225	1,225
Additions	–	550	550
Closing balance	501	59,486	59,987

Twelve months to 31 May 2013 (Audited)	**Cameroon $000**	**Russia $000**	**Total $000**
Opening balance	501	57,711	58,212
Exchange	–	753	753
Additions	81	965	1,046
Disposals	–	(17)	(17)
Charge for the year	(24)	–	(24)
Closing balance	558	59,412	59,970

During the period, $0.2 million previously recognised as intangible assets in the Cameroon segment was transferred to other receivables following the outcome of the ICC arbitration with RSM. Refer to Note 3 and Note 12 for more details.

7. PROPERTY PLANT AND EQUIPMENT

Six months to 30 November 2013 (Unaudited)	**Plant and equipment**	**Oil and gas interest**	**Assets under construction at cost**	**Total**
Cost	**$000**	**$000**	**$000**	**$000**
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

Six months to 30 November 2012 (Unaudited)	Plant and equipment	Oil and gas interest	Assets under construction at cost	Total
Cost	**$000**	**$000**	**$000**	**$000**
Opening balance	2,869	104,839	26,572	134,280
Additions	830	44	4,355	5,229
Exchange	–	68	–	68
Closing balance	3,699	104,951	30,927	139,577
Depreciation				
Opening balance	696	2,266	–	2,962
Charge for financial period	3	660	–	663
Exchange	–	48	–	48
Closing balance	699	2,974	–	3,673
Carrying amount 30 November 2012	3,000	101,977	30,927	135,904

Twelve months to 31 May 2013 (Audited)	Plant and equipment	Oil and gas interest	Assets under construction at cost	Total
Cost	**$000**	**$000**	**$000**	**$000**
Opening balance	2,869	104,839	26,572	134,280
Additions	2,506	1,947	4,211	8,664
Transfer from assets under construction	27,690	–	(27,690)	–
Reclassification of development funding obligation	–	(4,000)	–	(4,000)
Disposals	(40)	–	–	(40)
Closing balance	33,025	102,786	3,093	138,904
Depreciation				
Opening balance	696	2,266	–	2,962
Disposals	(27)	–	–	(27)
Charge for the year	714	2,217	–	2,931
Closing balance	1,383	4,483	–	5,866
Carrying amount 31 May 2013	31,642	98,303	3,093	133,038

Segmental analysis

Six months to 30 November 2013 (Unaudited)	Cameroon	Russia	Corporate	Total
Cost	**$000**	**$000**	**$000**	**$000**
Opening balance	136,530	2,351	23	138,904
Transfer to other receivables	(19,055)	–	–	(19,055)
Additions	9,032	–	–	9,032
Closing balance	126,507	2,351	23	128,881
Depreciation				
Opening balance	3,556	2,299	11	5,866
Transfer to other receivables	(802)	–	–	(802)
Charge for financial period	2,134	–	3	2,137
Closing balance	4,888	2,299	14	7,201
Carrying amount 30 November 2013	121,619	52	9	121,680

Six months to 30 November 2012 (Unaudited)	**Cameroon**	**Russia**	**Corporate**	**Total**
Cost	**$000**	**$000**	**$000**	**$000**
Opening balance	131,907	2,351	22	134,280
Additions	5,229	–	–	5,229
Exchange	–	68	–	68
Closing balance	137,136	2,419	22	139,577
Depreciation				
Opening balance	659	2,299	4	2,962
Charge for financial period	598	62	3	663
Exchange	–	48	–	48
Closing balance	1,257	2,409	7	3,673
Carrying amount 30 November 2012	135,879	10	15	135,904

Twelve months to 31 May 2013 (Audited)	**Cameroon**	**Russia**	**Corporate**	**Total**
Cost	**$000**	**$000**	**$000**	**$000**
Opening balance	131,907	2,351	22	134,280
Additions	8,663	–	1	8,664
Reclassification of development funding obligation	(4,000)	–	–	(4,000)
Disposals	(40)	–	–	(40)
Closing balance	136,530	2,351	23	138,904
Depreciation				
Opening balance	659	2,299	4	2,962
Disposals	(27)	–	–	(27)
Charge for the year	2,924	–	7	2,931
Closing balance	3,556	2,299	11	5,866
Carrying amount 31 May 2013	132,974	52	12	133,038

During the period, $18.3 million previously recognised as property, plant and equipment in the Cameroon segment was transferred to other receivables following the outcome of the ICC arbitration with RSM. Refer to Note 3 and Note 12 for more details.

8. TRADE AND OTHER RECEIVABLES

	30 November 2013 Unaudited $000	**30 November 2012 Unaudited $000**	**31 May 2013 Audited $000**
Amounts due within one year:			
Trade receivables	2,669	1,191	3,075
VAT recoverable	156	62	91
Prepayments	648	583	735
Other receivables	26,864	897	1,892
	30,337	2,733	5,793

Other receivables at 30 November 2013 includes the net amount of $25.9 million owed by RSM to the Group. This amount includes the adjustment at 1 June 2013 following the ICC Arbitration decision and, additionally, the amount receivable from RSM for its share of costs for the six months to 30 November 2013.

Allowances for doubtful debts of $0.3 million and $0.2 million have been applied to trade receivables and other receivables respectively. These allowances relate to individually impaired receivables due from thermal gas customers who have been disconnected from the pipeline network. In prior periods, no impairment was recognised. The Group does not hold any collateral over these balances.

9. TRADE AND OTHER PAYABLES

	30 November 2013 Unaudited $000	30 November 2012 Unaudited $000	31 May 2013 Audited $000
Amounts due within one year:			
Trade payables	(10,450)	(17,231)	(8,955)
Taxes and social security costs	(370)	(527)	(305)
Accruals	(1,638)	(4,652)	(1,747)
	(12,458)	(22,410)	(11,007)

During the period, $2.4 million previously recognised as trade and other payables was transferred to other receivables following the outcome of the ICC Arbitration with RSM. Refer to Note 3 and Note 12 for more details.

10. SHARE-BASED PAYMENTS

Other than as disclosed below, no grants of warrants or options were made in the current or prior periods.

Warrants to subscribe for Ordinary Shares

During the period, Victoria Oil & Gas Plc ("the Company") issued 30,000,000 warrants in settlement of financial arrangement fees. Each warrant entitles the holder to purchase an ordinary share in the Company. The fair value of warrants issued, calculated using a Black-Scholes model, was $280,000. In the six months to 30 November 2012 and 12 months to 31 May 2013, 5,250,000 warrants with a total fair value of $155,000 were issued.

The inputs into the Black-Scholes model were as follows:

	30 November 2013 Unaudited	30 November 2012 Unaudited	31 May 2013 Audited
Number of warrants	30,000,000	5,250,000	5,250,000
Weighted average share price – pence Sterling	1.6	3.0	3.0
Option term – years	2.0	3.0	3.0
Share exercise price – pence Sterling	1.6	3.0	3.0
Risk-free rate	0.25%	0.44%	0.44%
% expected volatility	96%	103%	103%
Expected dividend yield	Nil	Nil	Nil

The expected volatility was determined based on the historical movement in the Company's share price over a period equivalent to the option period.

11,076,445 warrants with a weighted average exercise price of 3.8 pence expired during the period.

11. RELATED PARTY TRANSACTIONS

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

	30 November 2013 Unaudited $000	30 November 2012 Unaudited $000	31 May 2013 Audited $000
Directors' remuneration – cash payments	716	409	940
Directors' remuneration – shares in lieu	–	77	149
Directors' remuneration – awarded by ESOP	–	246	246
Directors' remuneration – consultancy fees	–	–	16
Other key management – short term benefits	687	402	1,123
Other key management – payment in shares	–	24	989
Other key management – professional fees	242	396	844

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 2013 (Unaudited)			
Advances to subsidiaries during the period that form part of the Company's net investment in subsidiaries	509	–	–
Advances to subsidiaries during the period that form part of the Company's receivables	7,289	–	–
Purchases from/(recharges to) related parties during the period	(993)	–	242
Amounts due from/(to) related parties at the end of the period	120,799	–	(429)
6 months to 30 November 2012 (Unaudited)			
Advances to subsidiaries during the period that form part of the Company's net investment in subsidiaries	349	–	–
Advances to subsidiaries during the period that form part of the Company's receivables	4,792	–	–
Purchases from/(recharges to) related parties during the period	(119)	–	396
Loans repaid to related parties during the period	–	408	–
Amounts due from/(to) related parties at the end of the period	102,906	(751)	(330)
12 Months to 31 May 2013 (Audited)			
Advances to subsidiaries during the period that form part of the Company's net investment in subsidiaries	837	–	–
Advances to subsidiaries during the period that form part of the Company's receivables	22,848	–	–
Purchases from/(recharges to) related parties during the year	(510)	–	844
Loans repaid to related parties during the year	–	407	–
Amounts due from/(to) related parties at the year end	120,992	–	(432)

The carrying value of investments in subsidiaries by the Company at 30 November 2013 was $29.9 million (30 November 2012 and 31 May 2013: $29.9 million). The balance of advances to subsidiaries by the Company that were treated as part of the Company's net investments in subsidiaries at 30 November 2013 was $42.4 million (30 November 2012: $41.4 million; 31 May 2013: $41.9 million).

The balance of the amounts due from subsidiaries at 30 November 2013 is stated net of an allowance against the amounts due from Victoria Energy Central Asia LLP of $17.5 million and Victoria Oil and Gas Central Asia Limited of $5.2 million (30 November 2012: $17.2 million and $5.1 million; 31 May 2013: $17.6 million and $5.1 million).

There was no intragroup trading or transactions between Group subsidiaries.

Radwan Hadi is included in key management personnel due to his position as Chief Operating Officer of the Company, and he is also a Director of Blackwatch Petroleum Services Limited, a firm of upstream oil and gas consultants. These accounts include professional fees of $0.2 million for the 6 months to 30 November 2013 (6 months to 30 November 2012: $0.4 million; 12 months to 31 May 2013: $0.8 million) in relation to oil and gas technical services provided by Blackwatch Petroleum Services Limited to the Group.

12. POST BALANCE SHEET EVENTS

RSM arbitration

In December 2013, the award in the ICC Arbitration proceedings brought by RSM was handed down to the parties. The contractual forfeiture of RSM's interest in the Logbaba Concession was not upheld, and RSM became liable for its participating interest share of incurred expenses.

Following the arbitration decision, RSM paid $4.1 million in settlement of the outstanding July 2011 cash call (the subject of the second arbitration). Additionally, the Company issued cash calls of:

- $24.0 million being RSM's participating interest share of incurred expenses since the end of the first arbitration (July 2011); and
- $2.0 million being the January 2014 advance on RSM's participating interest share of expenses for the month.

RSM failed to pay the two additional cash calls, and commenced emergency arbitration proceedings.

In January 2014, the Company reached a settlement with RSM whereby RSM agreed to pay $16.3 million towards the cash calls for expenses with an agreement for an audit to determine the final balance payable by or to be refunded to RSM. RSM withdrew its emergency application to the ICC and third arbitration request, and the Company withdrew the notices of default served on RSM. The audit is due to commence in April 2014 and will be undertaken by an independent auditor, jointly instructed in accordance with the terms of the operating agreement, and will be completed within 90 days of commencement.

BGFIBank loan and customs bond

On 17 January 2014, the Company announced that its subsidiary, Gaz du Cameroun S.A., had secured the following financial facilities with a Cameroonian bank:

- XAF 4,000,000,000 ($8.3 million) loan to facilitate new customer connections
- XAF 800,000,000 ($1.7 million) customs bond supporting the waiver of duty on the temporary importation of gas-powered generator equipment

13. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 27 February 2014.

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