VICTORIA OIL & GAS PLC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 NOVEMBER 2012

CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to write to you announcing our unaudited results for the six months to 30 November 2012 and update you on corporate and operational developments beyond the financial period.

Logbaba, Cameroon

There were some significant operational successes at our 95 per cent. owned and operated Logbaba gas and condensate project during the financial period to 30 November 2012. The first milestone on 9 July 2012 was the news that continuous production had commenced. For the first time, customers were taking sufficient amounts of gas for the Logbaba project to enter full cycle operations of production, processing, transmission and sales. The Company's wholly owned subsidiary, Rodeo Development Limited ("RDL") had commissioned its first three customers and announced initial combined daily demand of 0.7 million standard cubic feet per day ("mmscf/d"). This level of production allowed RDL to operate the plant safely and to specification on a continuous basis thereby becoming a revenue generator. Notably, this was also the first commercial production of domestic natural gas in Cameroon.

During the period, RDL also completed and commissioned the entire section of the Phase 1 pipeline to, and around, central Douala. A total of 13.2km of pipeline was installed, thus providing the Company with access to its first large industrial energy consumers.

Engineering, sales and marketing efforts gathered momentum throughout the financial period as customer conversion needs were better understood. By the end of the financial period, RDL had successfully secured a total of 25 thermal Gas Sales Agreements ("GSAs") and had six of these customers connected to the pipeline with a combined weighted average gas demand of 1.4 mmscf/d. There were a further nine contracted industrial customers which had conversion projects underway to take gas, and a total of 60 identified prospects (including existing contracted customers) for thermal heat and/or power within a 10km radius of central Douala. During a visit to Douala in December 2012, I observed first hand the considerable progress that the RDL team had made. I am incredibly proud of our in-country team and thank them for their hard work and commitment to deliver this exciting project.

Following installation of a tanker-loading facility in August 2012, RDL transported six tanker loads of condensate, totalling 1,268 barrels, from Logbaba to the Sonara refinery in Limbe, Cameroon. Sales were secured at a price of dated Brent minus $1.5/bbl, achieving an average sales price for the period of $111.5 per barrel. Our expectation is that sales of condensate will be sold at a premium to the dated Brent benchmark as volumes rise in the future and regular deliveries are completed. Total sales for the period were $1.7 million including gas sales at $16 per million British thermal units, the equivalent of ca. $96 per barrel of oil on the same unit basis.

The Company has made very satisfactory progress since the end of the financial period. We now have identified a total of over 80 suitable industrial targets for thermal and/or power operations (including existing contracted customers), 26 contracted customers with thermal GSAs and 15 customers taking gas for their thermal needs. Our customers and prospects are from a broad spectrum of industries and range from multi-nationals to sizeable local Cameroonian industries.

The latest distinguished multi-national that came online for thermal gas is Diageo - Guinness Cameroun. The Managing Director, Mr Baker Magunda, recently said, "This new gas equipment will secure our plant through the supply of a constant and consistent energy that enables us to achieve our business ambitions more efficiently and sustainably. I am truly delighted by that service". I am also pleased to announce that the latest GSA signed is with Dangote, the largest company by market capitalisation on the Nigerian Stock Exchange, which is building a new clinker factory in Douala, expected to come online in Q1 2014. We envisage that the Logbaba project will have a significant impact on Douala's industry in terms of reliability of supply and improved competitiveness.

Current weighted average production is 2.8 mmscf/d for a standard operating week. This equates to gross annualised sales of approximately $18 million. The production target for December 2013 envisages production of 12 mmscf/d. This comprises 6.5 mmscf/d of thermal gas sales and 5.5 mmscf/d of sales for power generation, equating to gross annualised sales of approximately $70 million.

In the short-term, we are progressing on-going discussions with other Phase 1 customers with thermal gas demand of approximately 1 mmscf/d, including several live conversion projects. Having learned valuable lessons from our experience to date, we anticipate future conversion projects requiring a maximum period of two months to conclude.

The principal capital items in the budget for 2013 include construction of Phase 2 of the pipeline and the installation of 40 megawatts ("MW") of power. I am pleased to announce that civil works for Phase 2 pipeline operations have commenced and all materials required for the pipeline have been ordered. The first 0.8km has arrived and is currently being installed. The remaining 8.2km of pipeline is in transit and will arrive in the country in several stages but the entire material requirement is expected to be delivered by the end of Q1 2013.

There are several initiatives in place which are intended to improve the productivity of pipeline construction for Phase 2 compared with that achieved for Phase 1. RDL has purchased more welding machines and scanners, and there are plans to purchase a second horizontal Ditch Witch drilling machine to improve installation rates. In addition to this, we are now able to increase the lengths of shots undertaken with the existing Ditch Witch following some modifications made to the drill equipment. The open-trench scope of supply under Phase 2 operations has been redefined to better align the contractor's performance to improve rates of installations. Finally, our installation team has increased competency from direct in-country experience gained during the Phase 1 pipeline construction.

It is anticipated that the Phase 2 pipeline will be completed in Q3 2013. The balance of thermal production is expected to come from customers located on the pipeline expansion route. In total, we expect in excess of 25 thermal customers to be connected to the pipeline and consuming gas by the end of 2013.

Concerning power, we have a target in place of 40 MW to be installed by December 2013 in order to deliver our gas-to-power target of 5.5 mmscf/d. Our plan is to provide this electrical output through a combination of rental, second-hand and new generation equipment.

Until the recent fundraising, available working capital had been limited so investment in generators through cash or asset-based financing was not an option for the Company. We currently have seven letters of intent for power and options over the rental and purchase of equipment. We expect to progress the letters of intent to full contracts assuming the appropriate shareholder approvals are obtained at the general meeting of the Company to be held on 1 March 2013 ("General Meeting") in connection with the recent fundraising announced earlier this month. We anticipate being in a position to place orders for the first power installations in March 2013 which would lead to first gas-to-power operations in early Q3 2013. New generation equipment will take about nine months to procure and install, so first power will be a combination of rental and second-hand units which will gradually be replaced by permanent units.

RDL has identified an increasing number of opportunities for thermal and gas-to-power supply to industries across the Wourri River, to the west of Central Douala, and from other locations which will require extension of the Phase 2 pipeline in the port area. As a result, our engineers have started evaluating pipeline installation options as there are currently approximately 20 industrial prospects identified in these areas.

The last three years have been very challenging but VOG has progressed to become the first onshore gas producing company in Cameroon. There is a significant gas discovery under the city of Douala and we have commenced gas delivery to a market with a rapidly increasing demand for energy.

I am very excited about the future months and years for the Logbaba project. Assuming the appropriate shareholder approvals are obtained at the General Meeting, we now have sufficient funds to forge ahead with the capital expenditure needed to build Logbaba into a thriving business with utility-led returns generating significant sales and material cash flow. The thermal business is growing robustly and the power business is about to take-off.

West Medvezhye, Russia

Our 100 per cent. owned West Medvezhye (“West Med”) block lies adjacent to the Yamal Peninsula in north west Siberia. It is one of the most prolific oil and gas producing regions in the world and neighbours the giant Medvezhye and Urengoy fields. West Med covers 1,224km^2, and has a discovery well, Well-103, with “C1 plus C2” reserves of 14.4 million barrels of oil equivalent (“boe”) under the Russian resource classification system. In addition, the West Med acreage is assessed to have best estimate prospective resources of 1.4 billion boe comprising 670 million barrels of oil and 730 million boe of gas and condensate.

In August 2012, the Company received approval from the Russian Ministry of Natural Resources for its development plan for an early production scheme for Well-103 and the surrounding area. Based on our recent geotechnical work and a seismic attribute analysis from wells in the adjacent acreage carried out by Mineral LLC, the Company believes that Well-103 was drilled on the edge of a significant structure. The next drilling campaign, if in line with management expectations, would be expected to lead to a significant reserve upgrade in the Upper Jurassic as well as the Lower Cretaceous Achimov layers.

Our updated work programme was presented to the Yamal District regional petroleum authorities in Salekhard on 20 February 2013. The Company reported that the drilling design project, awarded to CJSC “TyumenNIPIneft” in 2012 is anticipated to complete in Q2 this year. As a consequence, the work programme currently envisages that the next drill campaign, comprising a two well drilling programme, will commence in the winter of 2013/2014. These wells will target the Jurassic discovery horizons successfully encountered by Well-103 and also new hydrocarbon potential horizons in the Achimov layers identified as part of the study carried out by Mineral LLC.

The Company, as recently announced, has signed an engagement letter with Renaissance Capital to explore all strategic options concerning our interest in the project.

The Company believes that there is considerable value in West Med with highly prospective acreage. This value has been augmented by recent significant mooted tax concessions on minerals extraction tax and export duties. This is expected to be ratified by the Russian government at the end of Q2 2013 which will significantly enhance the value of the asset and interest of other oil and gas companies to invest in the region.

Corporate

The Company has now invested over $100 million of shareholders’ funds into the Logbaba project and this funding has been secured in highly challenging capital markets.

During the period under review, the Company raised approximately £5.2 million for working capital, to complete the Phase 1 pipeline operations and commence customer conversions for thermal connections at Logbaba.

In addition, in August 2012, we announced that we had mandated a top-tier bank to arrange a $30 million senior-secured credit facility to advance operations for the build-out phase of the Logbaba project.

In order to facilitate this senior secured borrowing facility and, at the request of the lender, the Company undertook:

- An updated reserves report completed by ERC Equipoise Limited
- An independent gas market study to, *inter alia*, project the gas demand potential for thermal gas and on-site gas fired power generation to year-end 2017 completed by Challenge Energy Limited
- An assessment, action plan and consultation process of the Logbaba project against the Equator Principals Framework and IFC Performance Standards and Environmental Health and Safety Guidelines completed by Environ
- A review of the Company’s insurance arrangements; and
- A review of the credit off-take quality of RDL’s existing and potential customers

This work culminated in a commitment from Societe Generale, announced on 30 January 2013, for an initial $15 million under a reserve based lending facility for a term of three years, subject to completion and signing of the loan documentation. Following completion of its due diligence process, the remaining $15 million is now being syndicated to a number of third parties.

In February 2013, the Company announced it had raised a further £23.4 million before expenses, of which £15.3 million is conditional on shareholder approval to update the Directors' authorities to allot shares. We have spoken to a number of shareholders and are conscious of the frustration some feel as a consequence of this fundraise but this placing allows us to get on with the job of building out our Cameroon business without chronic cash shortages.

Subject to such shareholder approval being obtained at the General Meeting, the Company will now be well capitalised to complete the pipeline and procure and install the first 40 MW of power into Logbaba by December 2013. Our capital plans for this year envisage a total of $40 million of additional invested capital into Logbaba, which is expected to be financed from a combination of funds from the current placing, debt and cash flow from operations. The remainder of funds raised will be used to strengthen the balance sheet including settlement of outstanding trade and financial creditors.

The Company is entering a new period of growth with a strengthened board, focusing on West and Central Africa, and streamlining of its interests in Russia. With this in mind, I am delighted to welcome aboard John Scott, ex-CFO of Indus Gas Plc, a successful gas business in India and one of the largest companies by market capitalisation on AIM. He has helped steer Indus Gas through a period of tremendous growth in shareholder value and has excellent operational and corporate experience in Africa and Russia. We believe John is the right man to lead VOG through to the next stage of its transition to a successful mid-cap oil and gas company over the next few years.

We also have some management changes in Cameroon. I would personally like to thank Jonathan Scott-Barrett, who is retiring as Managing Director of RDL, for his three years service to the Company. Jonathan has spent the last two years in Cameroon working tirelessly to implement the first stages of the Logbaba project. Jonathan has done a tremendous job and we wish him well in his retirement.

Jonathan's replacement is Bruce Lumley as the new Country Manager of Cameroon. Bruce is a graduate of the WA School of Mines in Kalgoorlie and has 30 years experience within natural resource industries. He has significant experience in Africa, including having worked for the past four years in West Africa as senior manager of the Nordgold African Operations. Bruce specialises in business optimisation and change management of operations and will be a welcome addition to RDL.

We are actively looking to further strengthen the team at VOG board and management level with experienced oil and gas professionals and senior executives. I am excited about our future. We are well capitalised and have tremendous cash flow growth potential going forward. I believe VOG will look a very different company in 12 months with utility led returns in Africa and a successful model that can be replicated in analogous regions in the future.

Kevin Foo
Chairman

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 30 NOVEMBER 2012

	Notes	6 months ended 30 November 2012 Unaudited $000	6 months ended 30 November 2011 Unaudited $000	12 months ended 31 May 2012 Audited $000
Continuing operations	4			
Revenue		1,671	–	–
Cost of sales		(1,533)	–	–
GROSS PROFIT		138	–	–
Sales and marketing expenses		(175)	–	–
Administrative expenses		(3,670)	(2,108)	(4,526)
Foreign exchange gains and (losses)		13	418	(62)
OPERATING LOSS		(3,694)	(1,690)	(4,588)
Finance revenue		1	7	200
Finance costs		(1,600)	(652)	(3,337)
LOSS BEFORE TAXATION		(5,293)	(2,335)	(7,725)
Income tax expense		–	–	–
LOSS AFTER TAXATION FOR THE PERIOD		(5,293)	(2,335)	(7,725)
		Cents	Cents	Cents
Loss per share – basic	3	(0.20)	(0.10)	(0.33)
Loss per share – diluted	3	(0.20)	(0.10)	(0.33)

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 NOVEMBER 2012

	6 months ended 30 November 2012 Unaudited $000	6 months ended 30 November 2011 Unaudited $000	12 months ended 31 May 2012 Audited $000
Loss for the financial period	(5,293)	(2,335)	(7,725)
Exchange differences on translation of foreign operations	1,394	(3,402)	(4,111)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(3,899)	(5,737)	(11,836)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2012

	Notes	30 November 2012 Unaudited $000	30 November 2011 Unaudited $000 *Restated	31 May 2012 Audited $000
ASSETS:				
NON CURRENT ASSETS				
Exploration and evaluation assets	5	59,987	59,759	58,212
Property, plant and equipment	6	135,904	118,838	131,318
Unlisted investments	7	6,600	6,600	6,600
		202,491	185,197	196,130
CURRENT ASSETS				
Trade and other receivables	8	2,733	788	1,805
Cash and cash equivalents		995	8,348	1,887
		3,728	9,136	3,692
TOTAL ASSETS		**206,219**	**194,333**	**199,822**
LIABILITIES:				
CURRENT LIABILITIES				
Trade and other payables	9	(22,410)	(19,827)	(14,260)
Borrowings		(5,109)	(1,103)	(7,440)
Convertible loan – debt portion		(3,770)	–	(3,066)
		(31,289)	(20,930)	(24,766)
NET CURRENT LIABILITIES		**(27,561)**	**(11,794)**	**(21,074)**
NON-CURRENT LIABILITIES				
Borrowings		(2,174)	–	(3,178)
Convertible loan – debt portion		–	(1,160)	–
Derivative financial instruments		–	(28)	–
Deferred tax liabilities		(6,599)	(6,599)	(6,599)
Provisions		(9,464)	(9,522)	(13,099)
		(18,237)	(17,309)	(22,876)
NET ASSETS		**156,693**	**156,094**	**152,180**
EQUITY:				
Called-up share capital	10	22,855	20,541	20,803
Share premium		206,735	198,973	200,059
ESOP Trust reserve		(1,329)	(921)	(860)
Translation reserve		(11,017)	(11,702)	(12,411)
Other reserves		5,043	4,664	5,440
Retained earnings – deficit		(65,594)	(55,461)	(60,851)
TOTAL EQUITY		**156,693**	**156,094**	**152,180**

*See Note 7 Unlisted Investments.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 NOVEMBER 2012

	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 2011	17,178	183,867	(587)	(8,300)	4,408	(53,126)	143,440
Shares issued	3,363	16,401	(506)	–	–	–	19,258
Share issue costs	–	(1,039)	–	–	–	–	(1,039)
Recognition of share based payments	–	(256)	–	–	256	–	–
Credit for value of shares vested by ESOP	–	–	172	–	–	–	172
Total comprehensive income/(loss) for the period	–	–	–	(3,402)	–	(2,335)	(5,737)
At 30 November 2011	20,541	198,973	(921)	(11,702)	4,664	(55,461)	156,094
Shares issued	262	1,862	1	–	–	–	2,125
Share issue costs	–	(1,032)	–	–	–	–	(1,032)
Recognition of share based payments	–	256	–	–	776	–	1,032
Credit for value of shares vested by ESOP	–	–	16	–	–	–	16
Exchange adjustments	–	–	44	–	–	–	44
Total comprehensive income/(loss) for the period	–	–	–	(709)	–	(5,390)	(6,099)
At 31 May 2012	20,803	200,059	(860)	(12,411)	5,440	(60,851)	152,180
Shares issued	2,052	7,153	(509)	–	–	–	8,696
Share issue costs	–	(477)	–	–	–	–	(477)
Recognition of share based payments	–	–	–	–	153	–	153
Credit for value of shares vested by ESOP	–	–	71	–	–	–	71
Exchange adjustments	–	–	(31)	–	–	–	(31)
Transfer on expiry of warrants	–	–	–	–	(550)	550	–
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**

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 30 NOVEMBER 2012

	6 months ended 30 November 2012 Unaudited $000	6 months ended 30 November 2011 Unaudited $000 *Restated	12 months ended 31 May 2012 Audited $000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period	(5,293)	(2,335)	(7,725)
Finance costs recognised in the Income Statement	1,600	652	3,337
Investment revenue recognised in profit and loss	(1)	(7)	(12)
Fair value gain on embedded derivatives	–	–	(188)
Depreciation and amortisation of non current assets	663	39	485
Net foreign exchange (loss)/gain	(76)	418	106
Value of shares vested by ESOP Trust	71	172	188
	(3,036)	(1,061)	(3,809)
MOVEMENTS IN WORKING CAPITAL			
(Increase)/decrease in trade and other receivables	(929)	1,955	(943)
Increase in trade and other payables	4,385	2,938	9,293
NET CASH USED IN OPERATING ACTIVITIES	**420**	**3,832**	**4,541**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for intangible fixed assets	(550)	(314)	(358)
Payments for property, plant and equipment	(5,229)	(11,508)	(23,445)
Payment for investments	–	(5,600)	(5,600)
Interest received	1	7	12
NET CASH USED IN INVESTING ACTIVITIES	**(5,778)**	**(17,415)**	**(29,391)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares	8,184	14,666	14,666
Payment of equity share issue costs	(322)	(1,039)	(1,039)
Proceeds from borrowings	750	–	5,500
Repayment of borrowings	(4,153)	–	(200)
Payment of loan issue costs	–	–	(497)
NET CASH GENERATED FROM FINANCING ACTIVITIES	**4,459**	**13,627**	**18,430**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(899)**	**44**	**(6,420)**
CASH AND CASH EQUIVALENTS BEGINNING OF THE PERIOD	1,887	8,425	8,425
Effects of exchange rate changes on the balance of cash held in foreign currencies	7	(121)	(118)
CASH AND CASH EQUIVALENTS END OF THE PERIOD	**995**	**8,348**	**1,887**

*$2.9 million proceeds from issue of equity shares and $1.0 million of payment for intangible fixed assets have been reclassified as movements in trade and other payables to conform with the accounting treatment adopted in the audited annual accounts at 31 May 2012.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2012

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of Victoria Oil & Gas Plc 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 2012.

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 2012.

During the period since 31 May 2012, the Group generated sales revenue for the first time. The Group's policy on sales revenue recognition is disclosed below.

Sales revenue

Revenue comprises the fair value of consideration received or receivable for the sale of gas and condensate in the ordinary course of the Group's activities. Revenue is stated at invoice value net of VAT.

Revenue from the sale of gas and condensate is recognised when the significant risks and rewards of ownership have been transferred to a third party purchaser. Transfer of ownership occurs once the gas and condensate has been delivered as per the terms of the sales contract.

3. 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. Basic and diluted loss per share are the same, as the effect of the outstanding warrants is anti-dilutive and is therefore excluded.

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

	30 November 2012 Unaudited $000	30 November 2011 Unaudited $000	31 May 2012 Audited $000
Numerator:			
Numerator for basic EPS – retained loss	(5,293)	(2,335)	(7,725)
	Number	**Number**	**Number**
Denominator:			
Denominator for basic EPS and diluted EPS	2,607,956,721	2,248,271,174	2,339,317,651
	Cents	**Cents**	**Cents**
Loss per share – basic and diluted	(0.20)	(0.10)	(0.33)

4. SEGMENTAL ANALYSIS

The Group operates in one class of business being the exploration for, development and production of, oil and gas and in three geographical segments: namely the Russian Federation, Republic of Cameroon and the Republic of Kazakhstan.

The analysis by geographical segment is shown below:

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	(1,533)	–	–	–	(1,533)
Gross profit	138	–	–	–	138
Sales and marketing expenses	(175)	–	–	–	(175)
Administrative expenses	(1,395)	(330)	(146)	(1,799)	(3,670)
Foreign exchange 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)

Six months to 30 November 2011 (Unaudited)	**Cameroon $000**	**Russia $000**	**Kazakhstan $000**	**Corporate $000**	**Total $000**
Administrative expenses	(1,004)	(83)	(157)	(864)	(2,108)
Foreign exchange gains and (losses)	421	(3)	–	–	418
Operating loss	(583)	(86)	(157)	(864)	(1,690)
Finance revenue	–	–	–	7	7
Finance costs	(357)	(16)	–	(279)	(652)
Profit/(loss) before tax	(940)	(102)	(157)	(1,136)	(2,335)
Taxation	–	–	–	–	–
Profit/(loss) after tax	(940)	(102)	(157)	(1,136)	(2,335)
Total Assets	127,789	58,065	120	8,359	194,333
Total Liabilities	(28,794)	(280)	(6)	(9,159)	(38,239)

Twelve months to 31 May 2012 (Audited)	**Cameroon $000**	**Russia $000**	**Kazakhstan $000**	**Corporate $000**	**Total $000**
Administrative expenses	(3,008)	(211)	(333)	(974)	(4,526)
Foreign exchange gains and (losses)	84	–	–	(146)	(62)
Operating loss	(2,924)	(211)	(333)	(1,120)	(4,588)
Finance revenue	–	–	–	200	200
Finance costs	(1,410)	(34)	–	(1,893)	(3,337)
Loss before tax	(4,334)	(245)	(333)	(2,813)	(7,725)
Taxation	–	–	–	–	–
Loss after tax	(4,334)	(245)	(333)	(2,813)	(7,725)
Total Assets	139,032	58,137	126	2,527	199,822
Total Liabilities	(37,419)	(336)	(15)	(9,872)	(47,642)

5. EXPLORATION AND EVALUATION ASSETS

The movement on exploration and evaluation assets, which relate to oil and gas interests, during the period was:

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

Six months to 30 November 2011 (Unaudited)	**Cameroon $000**	**Russia $000**	**Total $000**
Opening balance	69,586	61,313	130,899
Exchange	(973)	(2,316)	(3,289)
Transfer from other receivables	28,652	–	28,652
Additions	43	571	614
Transfer to property, plant and equipment	(97,117)	–	(97,117)
Closing balance	191	59,568	59,759

Twelve months to 31 May 2012 (Audited)	**Cameroon $000**	**Russia $000**	**Total $000**
Opening balance	69,586	61,313	130,899
Exchange	(327)	(3,917)	(4,244)
Transfer from other receivables	30,137	–	30,137
Additions	43	315	358
Transfer to property, plant and equipment	(98,938)	–	(98,938)
Closing balance	501	57,711	58,212

Oil and gas interests at 30 November 2012 represent exploration and related expenditure on the Group's licences and permits in the geographical areas noted above. The realisation of these intangible assets by the Group is dependent on the discovery and successful development of economic reserves and the ability of the Group to raise sufficient funds to develop these interests. Should the development of economic reserves prove unsuccessful, the carrying value in the statement of financial position will be written off.

The Directors have considered whether facts or circumstances exist that indicate that exploration and evaluation assets are impaired and considered that no impairment loss is required to be recognised as at 30 November 2012. Exploration and evaluation assets have been assessed for impairment having regard to the likelihood of further expenditures and ongoing appraisal for each geographical area.

6. PROPERTY PLANT AND EQUIPMENT

Six months to 30 November 2012 (Unaudited)	**Plant and equipment $000**	**Oil and gas interest $000**	**Assets under construction at cost $000**	**Total $000**
Cost				
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

Six months to 30 November 2011 (Unaudited)	**Plant and equipment**	**Oil and gas interest**	**Assets under construction at cost**	**Total**
Cost	**$000**	**$000**	**$000**	**$000**
Opening balance	1,366	2,090	6,852	10,308
Additions	2,731	–	11,183	13,914
Transfer from exploration & evaluation assets	–	97,117	–	97,117
Disposals	(20)	–	–	(20)
Closing balance	4,077	99,207	18,035	121,319
Depreciation				
Opening balance	459	2,042	–	2,501
Disposals	(20)	–	–	(20)
Closing balance	439	2,042	–	2,481
Carrying amount 30 November 2011	3,638	97,165	18,035	118,838

Twelve months to 31 May 2012 (Audited)	**Plant and equipment**	**Oil and gas interest**	**Assets under construction at cost**	**Total**
Cost	**$000**	**$000**	**$000**	**$000**
Opening balance	1,366	2,090	6,852	10,308
Additions	1,526	3,815	19,720	25,061
Transfer from exploration and evaluation assets	–	98,938	–	98,938
Disposals	(23)	(4)	–	(27)
Closing balance	2,869	104,839	26,572	134,280
Depreciation				
Opening balance	459	2,042	–	2,501
Disposals	(20)	(4)	–	(24)
Charge for financial period	257	228	–	485
Closing balance	696	2,266	–	2,962
Carrying amount 31 May 2012	2,173	102,573	26,572	131,318

Segmental analysis

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

Six months to 30 November 2011 (Unaudited)	Cameroon	Russia	Corporate	Total
Cost	**$000**	**$000**	**$000**	**$000**
Opening balance	7,916	2,351	41	10,308
Additions	13,914	–	–	13,914
Transfer from exploration & evaluation assets	97,117	–	–	97,117
Disposals	–	–	(20)	(20)
Closing balance	118,947	2,351	21	121,319
Depreciation				
Opening balance	177	2,299	25	2,501
Disposals	–	–	(20)	(20)
Closing balance	177	2,299	5	2,481
Carrying amount 30 November 2011	118,770	52	16	118,838

Twelve months to 31 May 2012 (Audited)	Cameroon	Russia	Corporate	Total
Cost	**$000**	**$000**	**$000**	**$000**
Opening balance	7,916	2,351	41	10,308
Additions	25,053	–	8	25,061
Transfer from exploration and evaluation assets	98,938	–	–	98,938
Disposals	–	–	(27)	(27)
Closing balance	131,907	2,351	22	134,280
Depreciation				
Opening balance	177	2,299	25	2,501
Disposals	–	–	(24)	(24)
Charge for financial period	482	–	3	485
Closing balance	659	2,299	4	2,962
Carrying amount 31 May 2012	131,248	52	18	131,318

7. UNLISTED INVESTMENTS

	30 November 2012 Unaudited $000	30 November 2011 Unaudited $000 *Restated	31 May 2012 Audited $000
Unlisted investments	6,600	6,600	6,600

*The Company's 35% interest in Cameroon Holdings Limited ("CHL") was disclosed as an investment in an associate in the interim condensed consolidated financial statements for the six months to 30 November 2011. The Directors of the Company do not consider that the Company had, or has, significant influence over CHL, and the investment in CHL was reported as an unlisted investment in the audited financial statements for the year ended 31 May 2012. The 30 November 2011 comparative has been re-presented to show the investment as an unlisted investment.

8. TRADE AND OTHER RECEIVABLES

	30 November 2012 Unaudited $000	30 November 2011 Unaudited $000	31 May 2012 Audited $000
Amounts due within one year:			
Trade receivables	1,191	–	–
VAT recoverable	62	340	156
Prepayments	583	235	523
Other receivables	897	213	1,126
	2,733	788	1,805

All trade receivables due at 30 November 2012 have subsequently been received.

9. TRADE AND OTHER PAYABLES

	30 November 2012 Unaudited $000	30 November 2011 Unaudited $000	31 May 2012 Audited $000
Amounts due within one year:			
Trade payables	(17,231)	(8,453)	(9,613)
Taxes and social security costs	(527)	(1,570)	(395)
Accruals and deferred income	(4,652)	(9,804)	(4,252)
	(22,410)	(19,827)	(14,260)

10. SHARE CAPITAL

Share capital as at 30 November 2012 amounted to $22.9 million. During the six months to 30 November 2012, the Group issued 259,673,512 shares for cash or in settlement of amounts due to creditors, increasing the number of shares in issue from 2,601,717,264 to 2,861,390,776.

11. SHARE-BASED PAYMENTS

During the period, the Company issued 5,250,000 warrants in settlement of placing agreement 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 $155,000 (6 months to 30 November 2011: $256,000; 12 months to 31 May 2012: $1,032,000).

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

	30 November 2012 Unaudited	30 November 2011 Unaudited	31 May 2012 Audited
Number of warrants	5,250,000	17,745,668	45,103,516
Weighted average share price – pence	3.0	2.7 to 5.2	3.0 to 8.0
Option term – years	3.0	3.0	1.1 to 3.0
Share exercise price – pence	3.0	2.5 to 4.9	3.0 to 8.0
Risk-free rate	0.44%	0.25 to 1.89%	0.44% to 0.89%
% Expected volatility	103%	125%	72% to 125%
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.

10,332,853 warrants with a weighted average exercise price of 5.29 pence expired during the period.

12. RELATED PARTY TRANSACTIONS

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

	30 November 2012 Unaudited $000	30 November 2011 Unaudited $000	31 May 2012 Audited $000
Directors' remuneration	732	715	1,300
Other key management – short term benefits	402	258	1,249
Other key management – payment in shares	24	–	435
Other key management – professional fees	396	–	1,195

The following table provides the total amount of other transactions entered into by the Company with related parties:

	Purchases from related parties $000	Loans repaid to related parties $000	Cash advances to related parties $000	Amounts due from / (to) related parties $000
6 months to 30 November 2012 (Unaudited)				
Subsidiaries	(119)	–	4,792	102,906
Directors' other interests	–	(408)	–	(751)
Professional fees	396	–	–	(330)
6 months to 30 November 2011 (Unaudited)				
Subsidiaries	–	–	11,428	87,733
Directors' other interests	–	–	–	(103)
Professional fees	729	–	–	–
12 Months to 31 May 2012 (Audited)				
Subsidiaries	(1,420)	–	21,809	98,114
Directors' other interests	–	–	–	(407)
Professional fees	1,064	–	–	(239)

The balance of the amounts due from subsidiaries at 30 November 2012 is stated net of an allowance against the amount due from Victoria Energy Central Asia LLP of $17.2 million (30 November 2011: $17.2 million; 31 May 2012: $17.2 million).

There was no intragroup trading or transactions between Group subsidiaries.

Radwan Hadi is Chief Operating Officer of the Company and a manager of Blackwatch Petroleum Services Limited, a firm of upstream oil and gas consultants. These accounts include $396,000 for the 6 months to 30 November 2012, (6 months to 30 November 2011: $729,000; 12 months to 31 May 2012: $1.1 million) in relation to oil and gas technical services provided by Blackwatch Petroleum Services Limited to the Group.

In June 2012 and September 2012 respectively, the Group repaid $352,000 and $56,000 of unsecured loans to HJ Resources Limited, a company owned by a discretionary trust of which Kevin Foo and certain members of his family are potential beneficiaries. In November 2012, HJ Resources provided additional unsecured loans to Victoria Oil & Gas International Limited. Interest accrued at 0.5% per month. The balance outstanding at 30 November 2012 was $751,000 (30 November 2011 balance: $103,000; 31 May 2012 balance: $407,000).

13. POST BALANCE SHEET EVENTS

On 5 February 2013, the Board approved the allotment of 1,465,329,090 ordinary shares of 0.5 pence each, raising £23.4 million before expenses through a two-stage equity placing. The Company issued 510,000,000 ordinary shares on 11 February 2013 for the first stage of the placing and 955,329,090 ordinary shares will be issued in the second stage of the placing, subject to shareholder approval of an update of the Directors' authorities to allot shares. This approval will be sought at a General Meeting on 1 March 2013.

14. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 27 February 2013.

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