VICTORIA
OIL & GAS PLC

29 February 2016

Victoria Oil & Gas Plc
(“VOG” or “the Company”)

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 NOVEMBER 2015

Victoria Oil & Gas Plc, the integrated natural gas producing utility, today announces its unaudited interim results for the six months ended 30 November 2015.

The Company has changed its accounting reference date to 31 December and will release audited results for the seven-month period ended 31 December 2015 by the end of May 2016.

Financial Highlights

- $18.9 million Revenue for the period (six months to 30 November 2014 was $11.6 million)
- $9.0 million Adjusted EBITDA (six months to 30 November 2014 was $1.7 million)
- $6.3 million Net cash position (at 31 May 2015 was $5.1 million)

Operational Highlights

- 126% average production rate increase to 8.85mmscf/d (six months to 30 November 2014 was 3.91mmscf/d)
- Sales from the Logbaba gas and condensate field in Cameroon:
  - 1,530mmscf of gas sold (six months to 30 November 2014 was 719mmscf)
  - 23,110bbls condensate offloaded (six months to 30 November 2014 was 11,334bbls)
- Secured a 75% participating interest in the Matanda Block in Cameroon, subject to regulatory approvals

Corporate

- Ahmet Dik appointed as a Director of the Company, and Chief Executive Officer of Gaz du Cameroun S.A.
- Iain Patrick appointed as an independent Non-Executive Director of the Company
- Accounting reference date changed from 31 May to 31 December
- Improved shareholder communications through introduction of quarterly operations updates

Kevin Foo, Executive Chairman said,
“Our Company continues to deliver increased production and strong financial results. This confirms that our fully integrated gas utility business in Cameroon works well and has helped insulate us from low oil prices and extremely challenging markets. We intend to build on this foundation to increase production and cash flow in Cameroon and elsewhere in Africa.”

For further information, please visit www.victoriaoilandgas.com or contact:

Victoria Oil & Gas Plc
Kevin Foo/Laurence Read
Tel: +44 (0) 20 7921 8820

Numis Securities
John Prior/Ben Stoop
Tel: +44 (0) 20 7260 1000

Strand Hanson Limited
Angela Hallett/Stuart Faulkner
Tel: +44 (0) 20 7409 3494

Bell Pottinger
Daniel Thöle/Charles Stewart/Zara de Belder
Tel: +44 (0) 20 3772 2499

Notes to Editors

About Victoria Oil & Gas Plc

Victoria Oil & Gas (VOG.L) is a gas utility company with operations in the industrial port city of Douala in Cameroon, which is the business hub to Central Africa.

The Company's subsidiary, Gaz du Cameroun S.A. ("GDC"), supplies cost effective, clean and reliable natural gas to industries in the Douala region from its onshore Logbaba Gas Project. Industrial customers are supplied with gas through a 33km pipeline network built by GDC in Douala.

GDC's gas supply to the thermal, grid power and retail power markets in Douala, is helping to ensure that the Cameroon economy is underpinned with stable energy. By developing a fully integrated gas supply network, connected to wells located within the city itself, GDC has established a new energy supply within Douala that is cost effective, reliable, safe and cleaner than liquid fuel alternatives.

The Company generates cash flow from the Logbaba Gas and Condensate Project which is 60% owned and managed by GDC, with RSM Production Corporation, an affiliate of Grynberg Petroleum Company of Denver, Colorado holding a 40% participating interest.

VOG also holds 100% of the West Medvezhye oil and gas exploration project near Nadym, Russia. The field has C1 plus C2 reserves of 14.4MMboe (under the Russian resource classification system, analogous to proven and probable reserves under Western conventions) in addition to best estimate prospective resources of 1.4Bnboe. Given the challenging economic environment in Russia, The Company has fully impaired the West Medvezhye assets.

Cameroon Energy Market

Cameroon is a developing economy serving most of Central Africa with goods and services. A power deficit remains a major hindrance to Cameroon's economic expansion. The power grid is reliant on hydroelectric dams to supply 75% of power and the shortfall is made up from heavy fuel oil and gas. Hydroelectric dams are highly seasonal, with stream rates significantly varying from 6,000m^3 per second in the wet season to 50m^3 per second in the dry season. As with many hydro electrical systems transmission loss is also a constant issue when balancing power loads across distances to different consuming regions. The port-city of Douala is the major industrial zone within Cameroon and it requires high levels of consistently delivered grid power all year round. Currently Cameroon's energy demand is growing at 7% annually and gas is seen as a key element to Cameroons national energy strategy.

Victoria Oil & Gas Plc

Unaudited Interim Condensed Consolidated Financial Statements
For the Six Months to 30 November 2015

Chairman's Letter

Dear Shareholder,

On behalf of the Board I am pleased to report our unaudited results for the six months to 30 November 2015 and to update you on the company's developments.

Victoria Oil & Gas Plc ("VOG") has concentrated on increasing gas sales and developing our integrated natural gas producing utility company in Cameroon. 2015 saw our operating subsidiary Gaz du Cameroun S.A. ("GDC") achieve significant gas sales increases as we brought on new thermal customers and connected two regional power stations with gas for electricity generation.

As a revenue generating, fully integrated gas utility, we are neither exploring for, nor producing oil as a primary product. We therefore believe we are well insulated from the turmoil in the oil market. GDC has maintained almost all customers within our contract price bracket of $9 to $16 per mmbtu.

Douala is Cameroon's main industrial city with established seaborne and land transportation routes for heavy goods. With the support of progressive policies by the Government of Cameroon the Country has been able to accelerate energy development policies ahead of other African countries and as a result is experiencing increased levels of cross-border investment. We continue to monitor investments in and around Douala and new industrial plant construction across a range of industries, which represents a new wave of potential customers for GDC. Congestion in central Douala is leading to industrial expansion in the Bonaberi area. Our decision to extend a gas supply pipeline under the Wouri River into the Bonaberi area in 2015 leaves us well positioned to take advantage of the expansion in this area and beyond.

One of the key successes of GDC in Cameroon has been our reputation for reliability and safety. Industry in Douala is developing steadily and we have engaged with private sector businesses, infrastructure developers and power providers for new gas connections. Some customers will require large volumes of gas, so our 2016 programme aims to increase reserves and supply capability without compromising our existing sales base.

Recently we secured a 75% participating interest in the Matanda Block PSC ("Matanda") in Cameroon. Matanda is situated in the northern part of the Douala Basin, in the transitional zone between the Wouri estuary and the neighbouring onshore area to the south-west of the city of Douala. The block borders GDC's Logbaba concession at the southern boundary with approximately 70% of the block onshore. Matanda covers an area of approximately 1,235 square kilometres and is highly prospective for significant natural gas and gas condensate resources. The Group will be the operator of the Matanda PSC. Afex Global Limited holds the remaining 25% participating interest. The assignment of the participating interest is subject to approval by the Government of Cameroon and approval of a new work programme. This is an extremely important acquisition for us as it provides access to an extensive area to find much larger gas reserves and secure the long-term future of the Company. One of the key attractions of Matanda is its proximity to our existing gas processing plant and pipeline network allowing us to easily monetise any discoveries.

The key objectives for the Group for 2016 are to:

Enhance Production Capability
- Increase gas supply to customers by 30% over 2015 levels
- Successfully complete a two-well drilling program for expansion of gas reserves
- Complete designs for increasing the gas treatment plant capacity to 40mmscf/d

Expand Customer Base for Increased Capacity
- Add over 13km to our pipeline network by building in new industrial areas such as Bonaberi and the Douala port area
- Progress new market products such as Compressed Natural Gas (CNG)

Corporate Objectives
- Continue to reduce production and overhead costs across the Group
- Consolidate our advantage as a fully integrated gas utility in Cameroon by actively seeking additional sources of gas via acquisition, joint ventures or corporate deals
- Fund capital projects through revenues, partner contributions and debt
- Expand business development efforts into other parts of Africa, leveraging the successful Cameroon model
- Distinguish the Group's business and operational successes from other companies in the oil and gas sector so that the Company attracts an appropriate equity market valuation
- Continue to enhance reporting, transparency and corporate governance

At a corporate level, our challenge remains to convince the market that VOG is not an E&P stock, but a B2B utility that has built, owns and operates a full production and gas supply chain in an energy hungry part of Africa. We have strengthened our Board with the addition of Ahmet Dik (Director of VOG and Chief Executive Office of GDC) and Iain Patrick (independent Non-Executive Director).

Your Company has an exciting year ahead of it and I look forward to giving you regular updates on our progress.

Kevin Foo
Executive Chairman
26 February 2016

Operations Review

The sales figures from the Logbaba Gas and Condensate Project in Cameroon are as follows:

	6 months ended 30 November 2015	6 months ended 30 November 2014
Gas sales – Thermal and Retail Power (mmscf)	**656**	719
Gas sales – Grid Power (mmscf)	**874**	Nil
Gas sales – Total (mmscf)*	**1,530**	719
Average daily gas production (mmscf/d)*	**8.85**	3.91
Condensate sold (bbls)	**23,110**	11,334

* This represents 100% of the sales of the Logbaba Project. During 2016 GDC will enter a new phase of the Logbaba Project whereby revenues, which to date have fully accrued to GDC, will be split in accordance with the participating interests.

The reporting period overlaps the operations updates released for Q2, Q3 and Q4 2015. ENEO Cameroon S.A. ("ENEO"), the national power joint venture entity with Actis Capital, has minimum take-or-pay levels built into their agreement and are split into six-month periods covering the dry (January – June) and wet seasons (July – December). ENEO consumed at the higher dry season level for June 2015 before reducing to the lower wet season take-or-pay levels for the remaining five months of the period.

January 2016 marks the return to the dry season and associated higher gas utilisation, with the grid power sector now recording consistent consumption in excess of 9.0mmscf/d. January 2016 produced an average total production of 13.9scf/d with a peak of 16.6mmscf/d.

Within the period GDC commenced the supply of gas to Dangote Cement Cameroon S.A., a 1.5 million tonnes per year clinker cement plant and also connected Société Industrielle Camerounaise des Cacaos S.A. ("Sic Cacaos"), a subsidiary of Barry Callebaut, a Swiss-owned chocolate group and one of the world's largest producers of cocoa. Sic Cacaos increased its capacity from 32,000 to 50,000 tonnes per year of cocoa following connection to GDC gas.

Condensate sales are a by-product of the gas production process and volumes sold are expected to reflect the volumes of gas produced.

Planning for the drilling programme in 2016 continues with the assistance of SPD Petrofac as project consultants. Post period end the first purchase orders for long-lead items have been placed. The Company remains on track to spud the first of the two new wells by mid-year.

Ahmet Dik
Chief Executive Officer GDC
26 February 2016

Financial Review

Revenue and Results

For the six-month period ended (in $000 unless stated)	30 November 2015	30 November 2014
Performance		
Revenue	**18,860**	11,562
Operating profit/(loss)	**740**	(51,582)
Depreciation	**7,185**	3,517
Impairment of exploration and evaluation assets	**–**	49,775
Adjusted EBITDA	**7,925**	1,710
Loss per share – basic and diluted (cents)	**(0.85)**	(50.73)
Operational		
Gas sales (mmscf)	**1,530**	719
Condensate sales (bbls)	**23,110**	11,334

As at (in $000)	30 November 2015	31 May 2015
Financial Position		
Net cash position	**6,319**	5,093

Performance

The Group's revenue for the current period was $18.9 million, $7.3 million higher than the comparative period in 2014. The increase, which is reflected in the increased gas and condensate sales volumes, is largely due to the gas consumed by ENEO, a grid power customer. VOG signed a two-year take-or-pay agreement with ENEO and commenced with the supply of gas to generate electricity in March 2015.

Gas is sold to 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.

Revenue is derived entirely from the Logbaba gas and condensate field in Cameroon. In accordance with the Logbaba Concession contract GDC is entitled to 100% of the revenues generated until such time as the exploration costs, which GDC incurred, have been recovered. Thereafter revenues will be shared in accordance with the participating interests in the Logbaba Concession, of which GDC owns 60%. Management expect to reach the point of revenue sharing during the first quarter of 2016.

The total gas sold during the six-month period was 1,530mmscf, together with 23,110bbls of condensate. While gas prices remained largely 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.

Cost of sales of $12.5 million for the period included $3.1 million of production royalties, $7.0 million of depreciation linked to revenue generating assets and $2.4 million of other production related expenditure. Production royalties and depreciation are variable costs associated with the volumes of gas produced during the period.

Adjusted EBITDA, which excludes depreciation and impairment charges from operating profit/(loss) prior to financing charges and tax, reflects earnings of $7.9 million, a $6.2 million improvement on the comparative period in 2014. This reflects the increase in revenue generated.

The loss after taxation of the Group for the six months to 30 November 2015 amounted to $0.9 million. The comparative period losses of $53.4 million include an impairment charge of $49.8 million against the Group's Russian West Medvezhye asset and management's view is that this impairment provision should be retained.

Financial position

Intangible Assets

The increase in intangible assets during the period of $0.4 million resulted from the capitalisation of the initial well design and procurement costs for the upcoming well drilling programme. The West Medvezhye exploration and evaluation asset was fully impaired during the comparative period (see notes 3 and 6).

Property, plant and equipment

Oil and gas assets, which include the Logbaba processing plant and the pipeline assets, are depreciated on a 'unit of production' basis. The increased production during the period resulted in a depreciation charge for the period of $7.2 million. Additions during the period, predominantly pipeline related, amounted to $1.7 million (see note 7).

Investment in associate

During the prior year a change in accounting treatment resulted in Cameroon Holdings Limited being treated as an associate and equity accounted (previously treated as an unlisted investment and accounted for at cost at initial recognition). The 35% ownership in Cameroon Holdings Limited recovers a portion of the royalties paid by GDC, and is reflected in the consolidated accounts as 'Share of profit of associate'.

Deferred tax asset

The deferred tax asset relates to unused tax losses in Cameroon.

Financial Review continued

Trade and other receivables
Trade and other receivables at 30 November 2015 included $4.8 million (31 May 2015: $2.2 million) due from RSM. This relates to RSM's funding obligation for its 40% participating interest in the Logbaba Concession. Trade receivables, excluding RSM, are slightly lower than the comparative period.

Borrowings
Total borrowings have reduced by $3.7 million from $10.9 million in the comparative period to $7.2 million at 30 November 2015 as the Group has repaid borrowings in accordance with the relevant facility agreements.

Provisions
Provisions of $11.2 million, have increased by $0.6 million from 31 May 2015 largely as a result of the unwinding of discount on the non-current liability portion which is charged to the Income Statement.

Net cash and liquidity risk
The Group was in a net cash position of $6.3 million at 30 November 2015 (31 May 2015: $5.1 million). The capital projects planned for 2016 will be funded through a combination of strong and established operational cash flows, partner contributions and debt.

Cash Flow
Operating activities
The Group had positive cash flows from operating activities of $2.9 million during the period, after financing the increased working capital demand of $5.8 million related to the ongoing reduction of trade and other payables.

Investing activities
Investing activities related primarily to the expansion of the pipeline network in Cameroon, with payments of $1.7 million for property, plant and equipment (six months to 30 November 2014: $3.7 million).

Additionally, the Company received $1.0 million of dividends from associate (accounted for as an unlisted investment at 30 November 2014).

Financing activities
Financing cash outflows in the period of $3.9 million relate to the repayment of debt and associated interest.

Commitments
At 30 November 2015 GDC did not have any capital commitments pertaining to the drilling programme for 2016. At the reporting date GDC has placed orders and other commitments of $7.3 million as the drilling programme gathers momentum. Spudding of the wells is anticipated by mid-year 2016.

Matanda acquisition
On 17 February 2016 the Group reached an agreement with Glencore Exploration Cameroon Limited to acquire a 75% participating interest in the Matanda Block PSC. The Matanda Block is a neighbour to the Logbaba Block in Douala, Cameroon. VOG will be the operator of the PSC. VOG will assume responsibility for carrying out a proposed work programme, to be agreed by the Government of Cameroon. The assignment is conditional on the proposed work programme being agreed and other customary approvals from the Government of Cameroon.

Principal risks and uncertainties
The Board determines the key risks for the Group and monitors mitigation plans and performance on a monthly basis. The principal risks the Group has identified for the next six months are summarised as follows:

- External risks: Capital constraints, global economic volatility, commodity price risk, legal compliance regulatory or litigation risk, adverse market sentiment, political and country risk.
- Strategic risks: Investment decisions, inadequate resources and reliance on key personnel.
- Operational risks: HSE and security incidents, title and licence risks, drilling operations and discovery risk, well/process plant/pipeline integrity risks, reliance on key customer risk.
- Financial risks: Funding risk, counterparty credit risk, management of costs and capital spending, tax risk.

A more detailed listing of risks and uncertainties facing the Group's business is listed on page 20 of the May 2015 Annual Report available on the Victoria Oil & Gas Plc website www.victoriaoilandgas.com.

Going Concern
The Directors are satisfied that the Group has sufficient resources and facilities 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.

Change of accounting reference date
The Company has changed its accounting reference date from 31 May to 31 December. Accordingly the Company and Group will report a seven-month period end at 31 December 2015.

Directors' responsibility statement
The Directors confirm that to the best of their knowledge that the unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'.

Since the publication of the Annual Report for the year ended 31 May 2015, James McBurney resigned as a Director on 17 November 2015 and Iain Patrick was appointed as an independent Non-Executive Director on 16 December 2015. A list of the current Directors is available on the Company's website: www.victoriaoilandgas.com.

Robert Palmer
Finance Director
26 February 2016

Condensed Consolidated Income Statement

For the six-month period ended	Notes	30 November 2015 Unaudited $000	30 November 2014 Unaudited $000
Continuing operations			
Revenue		**18,860**	11,562
Cost of sales		**(12,542)**	(8,388)
Production royalties		**(3,060)**	(2,441)
Other cost of sales		**(9,482)**	(5,947)
Gross profit		**6,318**	3,174
Other income		**–**	103
Sales and marketing expenses		**(113)**	(872)
Administrative expenses		**(6,280)**	(5,032)
Other (losses)/gains		**(307)**	820
Share of profit of associate		**1,122**	–
Impairment of exploration and evaluation assets	3	**–**	(49,775)
Operating profit/(loss)		**740**	(51,582)
Finance revenue		**–**	19
Finance costs		**(525)**	(173)
Profit/(loss) before taxation		**215**	(51,736)
Income tax expense		**(1,105)**	(1,652)
Loss for the period – attributable to shareholders of the parent		**(890)**	(53,388)

		Cents	Cents
Loss per share – basic and diluted	5	**(0.85)**	(50.73)

Condensed Consolidated Statement of Comprehensive Income

For the six-month period ended	30 November 2015 Unaudited $000	30 November 2014 Unaudited $000
Loss for the period	**(890)**	(53,388)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**70**	(8,331)
Total comprehensive loss for the period – attributable to shareholders of the parent	**(820)**	(61,719)

Condensed Consolidated Statement of Financial Position

As at	Notes	30 November 2015 Unaudited $000	31 May 2015 Audited $000
Assets:			
Non-current assets			
Intangible assets	6	**463**	91
Property, plant and equipment	7	**115,916**	121,353
Investment in associate		**5,549**	5,398
Deferred tax assets		**2,176**	3,627
		124,104	130,469
Current assets			
Inventories		**10**	21
Trade and other receivables	9	**13,564**	11,325
Cash and cash equivalents	8	**13,565**	15,963
		27,139	27,309
Total assets		**151,243**	157,778
Liabilities:			
Current liabilities			
Trade and other payables		**3,841**	7,803
Provisions	10	**2,000**	–
Borrowings	8	**4,535**	6,925
		10,376	14,728
Net current assets		**16,763**	12,581
Non-current liabilities			
Borrowings	8	**2,711**	3,945
Deferred tax liabilities		**4,540**	4,914
Provisions	10	**9,218**	10,611
		16,469	19,470
Net assets		**124,398**	123,580
Equity:			
Called-up share capital		**34,246**	34,240
Share premium		**230,194**	229,556
ESOP Trust reserve		**(1,031)**	(1,061)
Translation reserve		**(17,644)**	(17,714)
Other reserve		**3,167**	3,321
Retained earnings – deficit		**(124,534)**	(124,762)
Total equity		**124,398**	123,580

Condensed Consolidated Statement of Changes in Equity

	Share capital $000	Share premium $000	ESOP Trust reserve $000	Translation reserve $000	Other reserves $000	Retained earnings/ (deficit) $000	Total $000
For the six months ended 30 November 2014							
At 31 May 2014	34,240	229,556	(1,165)	(10,063)	4,197	(75,468)	181,297
Effects of movement in foreign exchange	–	–	75	–	–	–	75
Transfer expired warrants to retained earnings	–	–	–	–	(135)	135	–
Total comprehensive 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
For the six months ended 30 November 2015							
At 31 May 2015	34,240	229,556	(1,061)	(17,714)	3,321	(124,762)	123,580
Shares issued	6	638	29	–	–	964	1,637
Effects of movement in foreign exchange	–	–	1	–	–	–	1
Transfer expired warrants to retained earnings	–	–	–	–	(154)	154	–
Total comprehensive loss for the period	–	–	–	70	–	(890)	(820)
At 30 November 2015	**34,246**	**230,194**	**(1,031)**	**(17,644)**	**3,167**	**(124,534)**	**124,398**

Condensed Consolidated Cash Flow Statement

For the six–month period ended	30 November 2015 Unaudited $000	30 November 2014 Unaudited $000
Cash flows from operating activities		
Loss for the period	**(890)**	(53,388)
Income tax expense	**1,105**	1,629
Share of profit in associate	**(1,122)**	–
Finance revenue	**–**	(19)
Finance costs	**525**	173
Depreciation and amortisation	**7,186**	3,517
Other losses/(gains)	**307**	(820)
Impairment of exploration and evaluation assets	**–**	49,775
Share based payments	**1,608**	–
	8,719	867
Movements in working capital		
Increase in trade and other receivables	**(2,237)**	(10,720)
Decrease in inventories	**11**	–
(Decrease)/increase in trade and other payables	**(3,587)**	2,312
Net cash generated from/(used in) operating activities	**2,906**	(7,541)
Cash flows from investing activities		
Payments for intangible assets	**(379)**	(207)
Payments for property, plant and equipment	**(1,742)**	(3,688)
Loan repayments received	**–**	1,445
Dividends received from associate	**971**	–
Interest received	**–**	19
Net cash used in investing activities	**(1,150)**	(2,431)
Cash flows from financing activities		
Repayment of borrowings	**(3,055)**	(958)
Finance costs paid	**(871)**	(376)
Net cash used in financing activities	**(3,926)**	(1,334)
Net decrease in cash and cash equivalents	**(2,170)**	(11,306)
Cash and cash equivalents – beginning of period	**15,963**	17,018
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(228)**	97
Cash and cash equivalents – end of period	**13,565**	5,809

Notes to the Interim Condensed Consolidated Financial Statements

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 2015 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 2015.

The Group's presentation currency is the US Dollar and amounts are rounded to the nearest thousand dollars ($000) except as otherwise indicated.

2. ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for the revaluation of certain financial instruments.

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 2015.

3. IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

For the six-month period ended	**30 November 2015 Unaudited $000**	30 November 2014 Unaudited $000
Impairment of carrying value of West Med license interest:		
Intangible assets	–	49,702
Property, plant and equipment	–	52
Current assets	–	21
	–	49,775

For some time, the Directors have been actively engaging with interested parties in an effort to derive value from the Group's Russian exploration and evaluation asset, West Medvezhye, through farmout, joint venture or sale. When assessing the asset for impairment at 30 November 2014, the Directors considered that the political issues in Russia, combined with the weakness in the world oil price, made deriving value from the asset increasingly difficult, and they took the view that it would be prudent to fully provide against the asset.

Because of the level of uncertainty regarding monetisation of the asset, it was difficult for the Directors to form a view on the value that the asset should be held at in the accounts, and as a result the decision was taken to completely write down the asset. There has been no change in circumstances during the current period that would cause the Directors to revise their opinion and the asset remains fully impaired.

Notes to the Interim Condensed Consolidated Financial Statements continued

4. SEGMENTAL ANALYSIS

The Group has one class of business: development, production and distribution of hydrocarbons and related activities, which is reported to the Executive Chairman (the chief operating decision maker) in the form of internal management reports on a regular basis.

The reportable segments are 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 2015 (Unaudited)	Cameroon $000	Russia and Kazakhstan $000	Corporate $000	Total $000
Revenue	**18,860**	**–**	**–**	**18,860**
Segment result	**3,438**	**(464)**	**(2,234)**	**740**
Finance revenue	–	–	–	–
Finance costs	**(439)**	**–**	**(86)**	**(525)**
Profit/(loss) before taxation	**2,999**	**(464)**	**(2,320)**	**215**
Income tax expense	**(1,077)**	**–**	**(28)**	**(1,105)**
Profit/(loss) for the period	**1,922**	**(464)**	**(2,348)**	**(890)**
Total assets	**135,723**	**116**	**15,404**	**151,243**
Total liabilities	**(23,341)**	**(258)**	**(3,246)**	**(26,845)**
Other segment information				
Capital expenditure:				
Intangible assets	**378**	**–**	**–**	**378**
Property, plant and equipment	**1,737**	**–**	**5**	**1,742**
Depreciation and amortisation	**7,182**	**–**	**3**	**7,185**

Six months to 30 November 2014 (Unaudited)	Cameroon $000	Russia and Kazakhstan $000	Corporate $000	Total $000
Revenue	11,562	–	–	11,562
Segment result	169	(49,768)	(1,983)	(51,582)
Finance revenue	–	–	19	19
Finance costs	–	(13)	(160)	(173)
Profit/(loss) before taxation	169	(49,781)	(2,124)	(51,736)
Income tax expenses	(1,547)	–	(105)	(1,652)
Profit/(loss) for the period	(1,378)	(49,781)	(2,229)	(53,388)
Total assets	147,595	119	11,231	158,945
Total liabilities	(33,922)	(289)	(5,081)	(39,292)
Other segment information				
Capital expenditure:				
Intangible assets	–	207	–	207
Property, plant and equipment	3,684	–	4	3,688
Depreciation and amortisation	3,521	(8)	4	3,517
Impairment of exploration and evaluation assets	–	49,775	–	49,775

Notes to the Interim Condensed Consolidated Financial Statements continued

5. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after tax for the period available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend, excluding those held by the ESOP Trust. Basic and diluted loss per share are the same, as the effect of any potential ordinary shares is anti-dilutive and is therefore excluded.

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

For the six-month period ended	30 November 2015 Unaudited $000	30 November 2014 Unaudited $000
Loss		
Loss for the period	**(890)**	(53,388)
	Number	Number
Number of shares		
Weighted number of ordinary shares for the purpose of basic and diluted earnings per share	**105,236,040**	105,232,532
	Cents	Cents
Loss per share – basic and diluted	**(0.85)**	(50.73)

6. INTANGIBLE ASSETS

Six months to 30 November 2015 (Unaudited)	Exploration and evaluation assets $000	Software $000	Total $000
Cost			
Opening balance	83,304	37	83,341
Additions	355	23	378
Effects of movement in foreign exchange	(3,711)	–	(3,711)
Closing balance	79,948	60	80,008
Accumulated amortisation and impairment			
Opening balance	83,235	15	83,250
Charge for the period	–	6	6
Effects of movement in foreign exchange	(3,711)	–	(3,711)
Closing balance	79,524	21	79,545
Carrying amount 30 November 2015	424	39	463

Notes to the Interim Condensed Consolidated Financial Statements continued

6. INTANGIBLE ASSETS CONTINUED

Twelve months to 31 May 2015 (Audited)	Exploration and evaluation assets $000	Software $000	Total $000
Cost			
Opening balance	91,613	62	91,675
Transfer to property, plant and equipment	(299)	–	(299)
Additions	276	–	276
Disposals	–	(25)	(25)
Effects of movement in foreign exchange	(8,286)	–	(8,286)
Closing balance	83,304	37	83,341
Accumulated amortisation and impairment			
Opening balance	33,850	28	33,878
Transfer to property, plant and equipment	(27)	–	(27)
Disposals	–	(25)	(25)
Provision for impairment (refer Note 3)	49,702	–	49,702
Charge for the period	–	12	12
Effects of movement in foreign exchange	(290)	–	(290)
Closing balance	83,235	15	83,250
Carrying amount 31 May 2015	69	22	91

7. PROPERTY, PLANT AND EQUIPMENT

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.

Six months to 30 November 2015 (Unaudited)	Plant and equipment $000	Oil and gas interest $000	Assets under construction $000	Total $000
Cost				
Opening balance	**37,583**	**102,102**	**661**	**140,346**
Additions	**243**	**1,131**	**368**	**1,742**
Transfer to plant and equipment	**845**	**–**	**(845)**	**–**
Disposals	**(145)**	**–**	**–**	**(145)**
Closing balance	**38,526**	**103,233**	**184**	**141,943**
Depreciation				
Opening balance	**2,720**	**16,273**	**–**	**18,993**
Disposals	**(145)**	**–**	**–**	**(145)**
Charge for the period	**185**	**6,994**	**–**	**7,179**
Closing balance	**2,760**	**23,267**	**–**	**26,027**
Carrying amount 30 November 2015	**35,766**	**79,966**	**184**	**115,916**

Notes to the Interim Condensed Consolidated Financial Statements continued

7. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Twelve months to 31 May 2015 (Audited)	Plant and equipment $000	Oil and gas interest $000	Assets under construction $000	Total $000
Cost				
Opening balance	29,974	98,579	2,865	131,418
Additions	974	3,224	4,435	8,633
Transfer to plant and equipment	–	–	(6,639)	(6,639)
Transfer from assets under construction	6,639	–	–	6,639
Transfer from exploration and evaluation assets	–	299	–	299
Disposals	(4)	–	–	(4)
Closing balance	37,583	102,102	661	140,346
Depreciation				
Opening balance	1,645	8,001	–	9,646
Transfer from exploration and evaluation assets	–	27	–	27
Disposals	(2)	–	–	(2)
Charge for the period	1,077	8,193	–	9,270
Provision for impairment	–	52	–	52
Closing balance	2,720	16,273	–	18,993
Carrying amount 31 May 2015	34,863	85,829	661	121,353

8. NET CASH

As at	**30 November 2015 Unaudited $000**	31 May 2015 Audited $000
Cash and cash equivalents	**13,565**	15,963
Borrowings: Current liabilities	**(4,535)**	(6,925)
Borrowings: Non-current liabilities	**(2,711)**	(3,945)
	6,319	5,093

9. TRADE AND OTHER RECEIVABLES

As at	**30 November 2015 Unaudited $000**	31 May 2015 Audited $000
Trade receivables	**6,836**	7,059
Amounts due from Concession partner	**4,758**	2,163
Other receivables	**1,970**	2,103
	13,564	11,325

Notes to the Interim Condensed Consolidated Financial Statements continued

10. PROVISIONS

As at	30 November 2015 Unaudited $000	31 May 2015 Audited $000
Decommissioning provisions	2,094	1,738
Reserve bonus provision	8,434	8,200
Production bonus provision	690	673
	11,218	10,611

Decommissioning provisions relate to the Logbaba Concession and Russian assets. Reserve bonus and production bonus provisions relate to the Logbaba Concession. At 30 November 2015 $2.0 million of the reserve bonus provision has been classified as a current liability. The balance of the reserve bonus provision and other provisions are considered to be non-current.

11. CAPITAL COMMITMENTS

GDC has engaged an engineering contractor to manage the initial well design and services procurement phase of the 2016 well drilling programme. At 30 November 2015 GDC has no drilling related capital commitments. At the time of reporting GDC has issued a letter of credit in the amount of $2.0 million to a drill rig supplier for mobilisation costs. An additional $2.0 million is committed upon presentation of a valid bill-of-lading of the specified drill rig. Further drilling-related purchase orders and commitments to date amount to $3.3 million.

12. RELATED PARTY TRANSACTIONS

H J Resources Ltd (“HJR”) exercised options over 1,506,812 ordinary shares of 0.5p each in the Company that were granted by the Victoria Oil & Gas ESOP Trust (“Trust”). Kevin Foo and certain members of his family are the potential beneficiaries of a discretionary trust that owns HJR. The Trust has not subscribed for any new Ordinary Shares in the Company in order to settle this exercise.

Cameroon Holdings Limited (“CHL”) is held jointly by Victoria Oil & Gas Plc (35%) and Logbaba Projects Limited (65%). HJR has a 67% interest in Logbaba Projects Limited. CHL is entitled to a production royalty based on GDC revenue. The details of the royalty are explained in the Group’s Annual Report at 31 May 2015. During the period royalties of $2.7 million were paid to CHL by GDC. Dividends of $1.0 million were paid to Victoria Oil & Gas Plc and are reflected as ‘dividends received from associate’ in the cash flow statement.

No further related party transactions have taken place during the six-month period ended 30 November 2015 which have materially affected the financial position or the performance of the Group during that period. The nature and amounts of related party transactions in the first six months of the current financial year are consistent with those reported in the Group’s Annual Report as at 31 May 2015.

13. POST BALANCE SHEET EVENTS

Board Appointment

Iain Patrick was appointed as an independent Non-Executive Director effective 16 December 2015.

Matanda acquisition

On 17 February 2016 VOG the Group reached an agreement with Glencore Exploration Cameroon Limited to acquire a 75% participating interest in the Matanda Block PSC. VOG, as operator, will assume responsibility for carrying out a proposed work programme, to be agreed by the Government of Cameroon. The assignment is conditional on the proposed work programme being agreed and other customary approvals from the Government of Cameroon, which will determine the acquisition date.

There were no other significant post balance sheet events.

14. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 26 February 2016.

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