OPHIR ENERGY PLC

Interim Results for the six months ended 30 June 2014

London, 14 August 2014: Ophir Energy plc ("Ophir", the "Company" or the "Group") announces its Interim Results for the six months ended 30 June 2014.

Financial

- Completion of the divestment of a 20% interest in Blocks 1, 3 and 4, Tanzania to Pavilion Energy for US$1.25 billion (pre-tax) with a further US$38 million payable on Final Investment Decision
- Net profit after tax of US$339.1 million reflecting the gain on sale of the Tanzanian stake to Pavilion Energy
- Net cash, cash equivalents and short-term investments of US$1,490.8 million at 30 June 2014
- Board has approved a share buyback programme of up to US$100 million

Drilling and Operations

- Four exploration wells drilled in the first half of the year: one discovery and three dry holes
- Drilled the Taachui gas discovery in Block 1, Tanzania which has partially derisked the potential of the East Pande licence where the Tende prospect will be drilled in Q4
- Three well exploration programme executed offshore Gabon. The wells were commercially unsuccessful, however the costs were substantially mitigated by carries from partners Petrobras and OMV
- Significant progress with the Floating LNG project in Equatorial Guinea. Three well exploration and appraisal programme underway
- Continued progress on the Tanzanian LNG project with the formation of an Integrated Project Team with Block 2 partners to co-ordinate the development of the shared onshore LNG facility. Pre-FEED contract awarded
- Significant new acreage footprints acquired in the Seychelles and Myanmar (subject to completion), the first exploration position for Ophir outside of Africa
- Total mean discovered resources net to the Company estimated at 830mmboe at the half year

Forward Outlook

During second half of 2014

- Drilling programme continues in Tanzania and Equatorial Guinea with two drillships: three exploration wells, two appraisal wells and two flow tests expected by the end of November
- Work on the onshore Tanzanian LNG facility continues led by the Integrated Project Team
- Midstream partner and gas terms negotiations for the Floating LNG project in Equatorial Guinea being finalised
- Continue to evaluate further portfolio additions

2015 onwards

- Further incremental value will be unlocked in Tanzania and Equatorial Guinea with pre-development work continuing on both projects
- Capital expenditure in 2015 will be approximately half the level of 2014, with the exploration focus shifting to seismic acquisition and interpretation
- The Company is well funded and remains committed to its exploration led strategy which includes the acquisition of new licences

- The Board also continues to examine options for maximising shareholder returns. These include the future business model and uses of any surplus funds, which includes the share buyback programme announced today

Commenting today, Nicholas Smith, Chairman, said:

"The highlight in the first half of 2014 was the completion of our transaction in Tanzania with Pavilion Energy. This was the culmination of several years of hard work by the Company and is testament to Ophir's strategy of monetising exploration success in a timely manner. The proceeds from the deal leave the Company well financed through 2015. After assessing our near-term capital needs and, in the opinion of the Board, with our shares trading below the core value of the business, a capital return to shareholders has been approved via a share buyback programme announced today."

Our Floating LNG project in Equatorial Guinea continues to make good progress and we hope to give further updates later in 2014 as we confirm selection of the Midstream consortium, agree gas terms and complete this year's drilling campaign. As with our Tanzanian transaction, our intent is to monetise at the point of optimum returns to shareholders. Whilst the recent drilling programme in Gabon was disappointing, we remain committed to offering shareholders exposure to a diverse portfolio of exploration prospects and plays, acknowledging that exploration is a high-risk activity. Ophir's drilling programme continues at a pace, after drilling four wells in the first half of 2014 we are undertaking a further five wells plus two flow tests in the second half of the year. Our New Ventures activity has secured acreage in Myanmar and the Seychelles and further additions are being progressed."

Nick Cooper, CEO, said:

"Ophir's model of finding and monetising resources through disciplined exploration continues along with progress in the maturation of our 830mmboe of net discovered resource towards monetisation. After a difficult period for Ophir and the independent E&P sector, capital expenditure will be reined back in 2015 as we position Ophir for the next phase of drilling. Exploration will remain central to Ophir's future business model, but may over time be supported by more mature assets if these are in the best interests of shareholders."

A call with management will be held at 0830 BST following this announcement. Participants can dial in using the following details:

Dial-in number: +44 (0)1452 555566
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Notes to Editors

Ophir Energy (OPHR.LN) is an, upstream oil and gas exploration company which is a member of the FTSE 250. The Group's headquarters are located in London (England), with operational offices in Perth (Australia), Malabo (Equatorial Guinea), Dar es Salaam and Mtwara (Tanzania), Libreville (Gabon) and Nairobi (Kenya).For further information on Ophir, please refer to www.ophir-energy.com

INTERIM MANAGEMENT REPORT
SIX MONTHS ENDED 30 JUNE 2014

STRATEGIC OVERVIEW

Ophir remains committed to its exploration led strategy and the successful monetisation of the 20% stake in Blocks 1, 3 and 4, Tanzania to Pavilion Energy highlights the significant value creation that this can deliver for shareholders. In both Tanzania and Equatorial Guinea, the Company sees the potential for further material value to be matured over the next eighteen months as the two LNG projects progress through the pre-development phase.

In recent years the focus of drilling activity has been on these core assets, but 2014 has seen this balanced by higher risk exploration activity in new basins and plays. In the first half of the year the Company drilled four exploration wells, resulting in one success (in Tanzania) and three dry holes (in Gabon). It is disappointing that the drilling in Gabon has not to date delivered commercial success, however, consistent with the strategy of mitigating the high risks and costs of deepwater drilling, Ophir's share of the dry hole costs were minimised through farm-outs to Petrobras and OMV.

Key to our strategy is offering shareholders a diverse portfolio of operated exploration plays and prospects that have significant running room in the event of success. A large portion of the existing portfolio is being drilled up in 2014, and high-impact upside still remains in the second half of the year on the liquids play in Equatorial Guinea and on East Pande in Tanzania. Across these assets Ophir will be drilling a further three exploration wells, two appraisal wells and conducting two flow tests in the second half of the year.

Ophir's New Ventures team remains active and the Company has already announced this year the acquisition of new licences in both Myanmar (subject to finalisation of PSC) and the Seychelles. Negotiations are also well advanced for further exploration portfolio additions. The Company seeks high quality plays that have not previously been available to the industry: either for geopolitical reasons or due to incorrect or outdated models and where Ophir can apply its geological expertise. The Company firmly believes that this is a good time to be acting counter-cyclically and entering new quality exploration footprints. The entry costs into exploration assets have dropped dramatically with the Majors reducing spending on discretionary projects, Independents largely in retreat from International deepwater exploration and with the oil and gas sector out of favour with equity markets. In addition, we are starting to see a significant reduction in rig rates and service costs, making our exploration activities more cost effective.

Ophir remains well financed with net cash, cash equivalents and short-term investments of c.US$1.5 billion at the half year. Total capital expenditure for the year is now estimated to be c.US$600 million reflecting the increased drilling, seismic and commercial activity the Company is undertaking during 2014 as compared to prior years. The revised guidance includes activities on new licences acquired in the first half of the year, in particular seismic programmes in Myanmar and a 3D seismic programme recently completed in the Seychelles, increased activity in Blocks 1, 3 and 4 including the Taachui Drill Stem Test, and higher costs on the Affanga Deep well in Gabon. After such an active year with the drillbit in 2014, next year will see a greater focus on seismic acquisition and interpretation across the portfolio alongside analysis of the considerable volume of well data from this year's drilling activities and on ongoing pre-development work on the Company's LNG projects. This is part of the normal nature of exploration where pulses of drilling activity are followed by periods of analysis and preparation for the next phase of activity. Therefore, capital expenditure is forecast to be significantly lower in 2015 compared to this year ahead of a return to high-impact drilling in 2016 and beyond.

Ophir's Board recognises the negative market sentiment towards the E&P sector and recent disappointing exploration results by Ophir and its peers. The Board and Management continue to examine options for maximising shareholder returns. After assessing the near-term capital needs of the business and the discount the Company's shares are trading at in relation to the underlying core value of the asset base, the Board has approved a share buyback programme of up to US$100 million.

OPERATIONS REVIEW

TANZANIA

Blocks 1, 3 and 4 (20% non-operated interest)

Exploration and appraisal activities have continued across Blocks 1, 3 and 4 along with pre-development work as the focus of the Joint Venture shifts to progressing the proposed LNG development.

In June, the Taachui-1 exploration well near the north-west boundary of Block 1 was completed as a new gas discovery having encountered 155m of net gas pay within the targeted Cretaceous reservoir interval. A Drill Stem Test (DST) was subsequently performed on the well which flowed at a rate of 14.5mmcfd. Further technical work is ongoing to evaluate the results of the test and the data gathered from the well.

Plans for the Midstream LNG project are progressing. The development plan proposes the sharing of the LNG facility with the Joint Venture in Block 2 operated by Statoil and an Integrated Project Team has been formed to deliver early works. A pre-FEED contract in respect of the Midstream development has been awarded and separately a contract for pre-FEED covering the Upstream development on Blocks 1, 3 and 4 has also now been awarded.

A DST is currently being undertaken on the Mzia-3 appraisal well drilled last year and the Deepsea Metro I drillship will then move to Block 4 to drill the Kamba-1 exploration well where the mean prospective resource is estimated at c.0.5 TCF. The well has also been designed to test the low-risk Pweza North prospect with mean prospective resources of c.0.2 TCF. If successful, these prospects would be integrated into development planning for the Block 4 hub which already contains mean discovered resource of c.4.5 TCF.

Including the volumes from the Taachui discovery, 2C gross mean recoverable resources across Blocks 1, 3 and 4 are estimated at 16.7 TCF equating to net mean resource to Ophir of 2.9 TCF (484 mmboe).

East Pande (70% operated interest)

Interpretation of the Ndizi 3D survey was completed last year and confirmed multiple prospects in both Tertiary and Cretaceous aged plays. The first prospect to be drilled will be Tende which is expected to spud in early Q4 utilising the Deepsea Metro I drillship in the southern area of the licence. Tende has mean prospective resource potential of c.2.4 TCFe and whilst it is primarily expected to be a gas target, charge modelling suggests there could be the possibility of liquids at this location.

The successful Taachui well in Block 1 located near the southern boundary of the East Pande licence has reduced hydrocarbon charge and migration risk into the Tende prospect with trap integrity and reservoir quality the remaining key pre-drill risks.

Block 7 (80% operated interest)

The first well on Block 7, Mlinzi Mbali-1, was completed at the end of 2013. The well did not encounter significant hydrocarbon shows but has provided important stratigraphic and geochemical information from the deepest well drilled offshore Tanzania to date. Analysis of the well data is ongoing but there are positive indications of potential hydrocarbon generation despite the lack of shows in the Mlinzi Mbali well.

Further analysis has identified potential prospectivity in the western half of the Block, close to the Seagap Fault trend which has yielded the majority of the discoveries in Blocks 1-4 to the south.

Equatorial Guinea

Block R (80% operated interest)

Gross 2C recoverable resource estimates are currently 2.6 TCF across Block R. These volumes are enough to underpin a minimum 2.5mmtpa LNG development with the expectation that this will be upgraded to 3.0mmtpa if additional resource is proved up, including volumes being targeted with this year's drilling programme.

It was announced in February that a number of Midstream providers had been shortlisted for further assessment and that review is ongoing. A MoU with the preferred supplier is expected to be signed during this quarter. Pre-FEED work on the Upstream part of the development has commenced.

A three well exploration and appraisal well programme is currently underway utilising the Vantage Titanium Explorer drillship. The first well in the programme to complete will be Tonel North-1, an appraisal well on the Tonel structure. This will be followed by Silenus East-1 which is targeting c.0.4 TCF of low risk prospective gas resource and will be deepened to test a high-impact but high-risk oil play that on current mapping could be potentially extensive across the Block. There are several analogous shallow gas prospects to Silenus East in the Thrust Belt play sharing the same Direct Hydrocarbon Indicators. If successful, the well would derisk c.1.2 TCF of upside in total in the immediate area that could provide a separate production hub for the FLNG development. The final well will be the Fortuna-2 appraisal well which will be flow-tested to demonstrate reservoir deliverability and aid in dynamic reservoir modelling.

On completion of this drilling programme and the selection of the preferred Midstream FLNG solution, Ophir will look to invite partners into the development ahead of the Final Investment Decision.

Total mean recoverable resource net to Ophir is estimated at 2.1 TCF (346 mmboe).

Gabon

Mbeli/Ntsina (40% operated interest)

Ophir drilled two wells on the pre-salt play that runs across the Company's two northern Blocks. The first well, Padouck Deep-1 on the Ntsina Block, encountered thicker than expected, good quality reservoir sands in the Gamba and Coniquet/Dentale formations. However, the well failed to encounter a salt layer over the structure, which was the key pre-drill risk over this high relief prospect. Minor shows were interpreted at shallower intervals and a potential immature source rock was also intersected near the base of the well.

The second well, Okala-1, was drilled further to the north in the Mbeli Block. It encountered a salt section as prognosed and thick reservoir sands but without significant shows in the target horizons.

The results from both wells will now be used to rework the model of the expected sub-salt source distribution, the key remaining play risk. This analysis will then guide future exploration activity in respect of the pre-salt play. Eni's recent Nyonie Deep-1 discovery in late July 2014 reaffirms the world class potential of the pre-salt play to the east of our acreage and provides encouragement for further exploration once we have assimilated the results of the recent programme.

The separate outboard deepwater play remains a valid target of potential exploration upside, analogous to that which has been successful in the Sergipe-Alagoas basin in the conjugate margin offshore Brazil. A basin-wide, 8,500km^2 3D seismic survey encompassing the outboard area of all four existing licensed Blocks will be undertaken in the second half of this year.

Manga/Gnondo (70% operated interest)

The Gnondo Block contains a potential extension to the Ogooué Delta play, proven to the East in shallower waters on the shelf. The play was tested during the first half of the year by the Affanga Deep-1 well. The well failed to encounter hydrocarbons in the targeted Cenomanian reservoirs which were thinner and of poorer quality than expected. The disappointing result means that further exploration on the Ogooué Delta play is unlikely.

As highlighted above, a basin-wide 3D seismic survey over the outboard deepwater play will be undertaken in the second half of the year will include the Manga and Gnondo Blocks.

Portfolio activity

In late 2013 Ophir was awarded four deepwater blocks in the latest offshore licensing round, A3, A4, A5 and A6 outboard of its existing acreage position. The acreage contains an extension to the deepwater play outlined above. PSC negotiations are ongoing.

In December 2013, OMV farmed into the Company's four existing Blocks in exchange for paying a promoted share of the three well programme undertaken in the first half of the year. That deal was completed in July after approval was given by the Government of Gabon.

KENYA

Block L9 (90% operated interest)

Block L9 contains two principal plays: an outboard Cretaceous gas play on-trend with the Mbawa gas discovery drilled by Apache in 2012 and an inboard Miocene build-up play which has the potential to be prospective for liquids. This latter play was tested to the south by the Sunbird-1 well drilled by BG Group on Block L10A in the first half of the year. The well encountered porous carbonate reservoirs and a mixture of gas and liquids, and it has derisked certain play elements which may have an impact on the inboard potential of L9.

A 3D seismic survey is being considered over the inboard Miocene build-up trend before Ophir commits to drilling a well which is now likely in 2015.

Assessment of the 3D survey on Block L15 was completed during the first half of the year and Ophir relinquished its interest given limited prospectivity.

MYANMAR

Block AD-03 (95% operated interest)

In March Ophir announced it had been awarded Block AD-03 offshore Myanmar as part of the recent licensing round, the Company's first exploration licence outside of Africa and the only Independent E&P company to be awarded a licence in the offshore round. The Block is located in the Rakhine basin, on-trend with the large Shwe gas field which is in production and exporting volumes to China. The award is subject to finalisation of the PSC which is expected during the second half of the year.

SEYCHELLES

Blocks PEC 5B/1, PEC 5B/2 and PEC 5B/3 (75% operated interest)

Ophir farmed into WHL Energy's interests in the Seychelles Islands in March in exchange for the payment of US$4 million in back costs and funding of the acquisition of 3D seismic data. If Ophir elects to retain the interests beyond the current licence period it will pay further contributions towards the next exploration phase.

The Junon 3D seismic survey over the eastern part of the licensed acreage was completed in July covering 1,528km^2. The survey will be used to hi-grade prospects on the Junon trend, a series of potentially oil prone fault blocks with principal reservoir targets in the Jurassic.

OTHER ASSETS

***AGC** - Profond Block (79.2% operated interest)*

Interpretation of the 3D seismic survey undertaken in 2013 has continued and whilst a number of promising leads and prospects have been identified, the PSC is set to expire in September.

***Ghana** - Offshore Accra Contract Area (20% operated interest)*

Following the unsuccessful Starfish-1 well drilled in 2013, Ophir elected not to proceed into the next PSC term after the Initial Exploration period expired in March.

***SADR** - Daora, Haouza, Mahbes and Mijek Blocks (50% interest)*

Ophir is negotiating an agreement to dispose of its interests in SADR in exchange for an overriding royalty.

***Somaliland –** Blocks SL9 and SL12 (25% non-operated interest)*

Having farmed down a 50% stake in these Blocks in 2013, the Company is now in the process of divesting its remaining 25% interest. The transaction is subject to Government and Joint Venture approval.

FINANCIAL REVIEW

RESULT FOR THE PERIOD

During the first six months of 2014 the Group continued to strengthen the balance sheet with the monetisation of a 20% interest in Blocks 1, 3 and 4, Tanzania to Pavilion Energy. This increased the Group's cash position enabling it to be well funded to deliver further drilling in the second half of the year on:

- The BG operated Blocks 1,3 and 4 joint venture
- Block R (Equatorial Guinea)
- East Pande (Tanzania)

For the period ended 30 June 2014 the Group recorded a profit after tax of US$339.1 million (30 June 2013: US$19.4 million (loss) / year ended 31 December 2013: US$245.8 million (loss)). No dividends were paid or declared by the Group during the period. The profit after tax relates to the gain which occurred following the sale of part of the Group's interest in Blocks 1, 3 and 4, Tanzania to Pavilion Energy which completed on 22 March 2014, offset by exploration and general and administration expenses for the same period.

The profit for the period, includes exploration expenditure expensed of US$67.7 million (30 June 2013: US$3.8 million), general and administrative costs of US$27.2 million (30 June 2013: US$15.7 million), finance income of US$12.1 million (30 June 2013: US$0.6 million) other expenses of US$0.8 million (30 June 2013: US$0.5 million) and taxation of US$250.4 million (30 June 2013: nil).

Total cash balances and short-term investments as at 30 June 2014 were US$1,490.8 million (30 June 2013: US$839.1 million / year ended 31 December 2013: US$666.7 million).

Exploration Expenditure

Exploration expenditure comprises of pre-licence exploration costs of US$1.6 million (30 June 2013: US$0.3 million), exploration write off of US$0.2 million (30 June 2013: US$3.1 million) and provision for impairment of US$65.9 million (30 June 2013: nil) following the unsuccessful drilling of the Affanga Deep-1 well in the Gnondo Block offshore Gabon announced on 27 May 2014.

Administrative Expenses

Administrative expenses totalled US$27.2 million (30 June 2013: US$15.7 million). These consist of ongoing salaries and wages, professional and corporate, office and IT costs. The increase in administrative expenses is due to higher headcount in line with the increased activities of the Group in the first half of the year.

Finance Expenses

Finance income for the period of US$12.1 million (30 June 2013: US$0.6 million) relates to foreign exchange gains arising on the fluctuation of the Group's functional currency, the US Dollar, against other currencies and interest income.

Other Expenses

Other expenses of US$0.8 million (30 June 2013: US$0.5 million) mainly consisted of depreciation and amortisation and relate to the write down of the Group's furniture and equipment and geological databases over their estimated useful lives.

CASH FLOW

The Groups net cash inflow for the period was US$527.0 million (30 June 2013: US$255.8 million).

Operating Cash Flow

The Groups net cash used in operating activities was US$232.0 million (30 June 2013: US$21.2 million). The Group made corporation tax payments of US$224.5 million (30 June 2013: nil) primarily related to the divestment in Tanzania of a 20% interest in Blocks 1, 3 and 4.

Investing Activities

Cash flow from/(used in) investing activities was US$757.5 million (30 June 2013: (US$526.1 million)). Exploration expenditure of US$183.9 million (30 June 2013: US$168.9 million) related to amounts spent on the drilling activities in Blocks 1, 3 and 4 in Tanzania, and on drilling the Padouck Deep-1, Affanga Deep-1 and Okala-1 wells in Gabon. Proceeds from the partial sale of Tanzania Blocks 1, 3 and 4 totalled US$1,251.8 million.

Financing Activities

The net cash inflow for financing activities was US$1.5 million (30 June 2013: US$803.1 million) which related to proceeds received from the issuance of share options. As at 30 June 2014, the Group's cash and cash equivalents were US$1,040.8 million (30 June 2013: US$485.6 million).

NON-CURRENT ASSETS

As at 30 June 2014, intangible assets consisted of exploration and evaluation assets totalling US$722.5 million (30 June 2013: US$1,119.8 million) and goodwill of US$20.9 million (30 June 2013: US$57.2 million). The movement in the period to 30 June 2014 consisted predominately of additions of US$230.4 million (30 June 2013: US$161.2 million) to the Group's existing exploration and evaluation assets offset by US$566.2 million recovery of costs from the farmout and the provision for impairment of US$65.9 million (30 June 2013: nil).

CURRENT ASSETS

The Group's current assets increased to US$1,550.4 million (30 June 2013: US$869.5 million) as a result of the increase in cash and cash equivalents following the partial sale of the Group's interests in Tanzania Blocks 1, 3 and 4 interests to Pavilion Energy.

LIABILITIES

Total liabilities as at 30 June 2014 were US$295.2 million (30 June 2013: US$162.2 million / year ended 31 December 2013: US$177.2 million). This consists of a deferred tax liability of US$27.0 million (30 June 2013: US$57.0 million), US$211.4 million (30 June 2013: $104.1 million) of expenditure accrued or recognised as due to be paid on recent drilling activities in Tanzania and Gabon and taxation payable of US$21.2 million arising predominately from the divestment in Tanzania of a 20% interest in Blocks 1, 3 and 4. An amount of US$35.8 million (30 June 2013: US$1.2 million) relates to provisions which is predominately unchanged to the amount of US$35.6 million provided for in the full year 2013 financial statements.

COMMITMENTS AND CONTINGENT LIABILITIES

In acquiring its oil and gas interests, the Group has pledged that various work programmes will be undertaken on each permit/interest. The exploration commitments are tabulated in note 16 to the Interim Financial Statements and are an estimate of the minimum expected cost of performing these work programmes. Details of contingent liabilities are disclosed in note 18 of the Interim Financial Statements.

RISK MANAGEMENT

The Executive Directors continually monitor the Group's risk exposures and report to the Audit Committee and Board of Directors on a six monthly basis or more frequently as required.

The principal risks of the Group remain as detailed on pages 34 to 37 of the 2013 Annual Report and Accounts:

Strategic Risks:	Political risk, inadequate resource and reliance on key personnel, investment decisions.
Operational Risks:	HSE Incident risk, security, drilling operations risk, discovery risk and success risk, IT risks, availability of rigs and services.
Financial Risks:	Inability to fund exploration work programmes, counterparty credit risk, cost and capital spending, interest rate and foreign exchange risk.
External Risks:	Sovereign and country risk, legal, regulatory or litigation risk, stakeholder sentiment.

FUNDING OF ACTIVITIES

Our funding strategy continues to be to actively manage our exploration activities using existing cash resources and to also continue to utilise effective portfolio management by way of farm downs and monetisation of discovered resources.

The financial position of the Group, its cash flows, liquidity position and borrowing facilities, and its business activities, together with the factors likely to affect its future development, performance and position are set out in this Business and Operations Review and in the Group's 2013 Annual Report and Accounts on pages 12 to 33.

The Financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Company will have sufficient funds to meet its obligations and capital commitments for expenditure over the next 12 months.

RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:

a the condensed set of financial statements has been prepared in accordance with IAS 34 “Interim Financial Reporting”;

b the half year report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);

c the half year report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein);

The Directors of Ophir Energy plc are as listed in the Company Information section at the back of this report.

By order of the Board

Nicholas Smith

Chairman
13 August 2014

INDEPENDENT REVIEW REPORT TO OPHIR ENERGY PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 which comprises the condensed consolidated income statement and statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes 1 to 18. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

London
13 August 2014

The maintenance and integrity of the Ophir Energy plc web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial information since it was initially presented on the web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Condensed consolidated income statement and statement of comprehensive income
Six months ended 30 June 2014

	Notes	6 Months Ended 30 June 2014 (Unaudited) $'000	6 Months ended 30 June 2013 (Unaudited) $'000	Year ended 31 December 2013 $'000
Consolidated Income Statement				
Continuing Operations				
Gain on farm out	3a	**673,020**	**-**	**-**
Other income		-	12	12
Exploration expenses	3b	(67,706)	(3,779)	(229,103)
General & administration expenses	3c	(27,217)	(15,723)	(32,098)
Other operating expenses	3d	(774)	(520)	(46,357)
Operating profit / (loss)		**577,323**	**(20,010)**	**(307,546)**
Net finance income	4	12,113	636	27,079
Profit / (loss) from continuing operations before taxation		**589,436**	**(19,374)**	**(280,467)**
Taxation	6	(250,383)	-	34,660
Loss from continuing operations for the period attributable to:		**339,053**	**(19,374)**	**(245,807)**
Equity holders of the Company		339,053	(19,348)	(245,777)
Non-controlling interest		-	(26)	(30)
		339,053	**(19,374)**	**(245,807)**
Earnings per share (pence)				
Basic – Profit/(loss) for the period attributable to equity holders of the Company		33.7 pence [1]	(2.5) pence [3]	(29) pence [4]
Diluted – Profit/(loss) for the period attributable to equity holders of the Company		33.3 pence [2]	-	-
Statement of Comprehensive Income				
Profit / (loss) from continuing operations for the period		**339,053**	**(19,374)**	**(245,807)**
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on retranslation of foreign operations net of tax		151	(1,122)	(1,396)
Other comprehensive income for the period, net of tax		**151**	**(1,122)**	**(1,396)**
Total comprehensive income / (loss) for the period, net of tax attributable to:				
Equity holders of the Company		**339,204**	**(20,470)**	**(247,173)**
Non-controlling interest		**-**	**(26)**	**(30)**
		339,204	**(20,496)**	**(247,203)**

[1] 57.3 cents per share
[2] 56.6 cents per share
[3] (3.8) cents per share
[4] (45.0) cents per share

Condensed consolidated statement of financial position
As at 30 June 2014

	Notes	As at 30 June 2014 (unaudited) $'000	As at 30 June 2013 (unaudited) $'000	As at 31 December 2013 $'000
Non-current assets				
Exploration and evaluation assets	7	722,528	1,119,795	1,124,423
Goodwill	8	20,868	57,165	20,868
Property, plant and equipment		6,821	2,341	3,237
Financial assets		16,460	7,453	4,773
		766,677	**1,186,754**	**1,153,301**
Current assets				
Inventory	9	23,316	15,372	25,890
Trade and other receivables	10	36,269	15,039	8,236
Cash and cash equivalents	11	1,040,823	485,603	506,762
Investments	12	450,000	353,467	159,921
		1,550,408	**869,481**	**700,809**
Total assets		**2,317,085**	**2,056,235**	**1,854,110**
Current liabilities				
Trade and other payables	13	(211,367)	(104,072)	(120,787)
Taxation payable		(21,157)		
Provisions		(35,398)	(909)	(35,371)
		(267,922)	**(104,981)**	**(156,158)**
Non-current liabilities				
Deferred income tax		(26,968)	(56,996)	(20,806)
Provisions		(354)	(255)	(237)
		(27,322)	**(57,251)**	**(21,043)**
Total liabilities		**(295,244)**	**(162,232)**	**(177,201)**
Net assets		**2,021,841**	**1,894,003**	**1,676,909**
Capital and reserves				
Called up share capital	14	2,471	2,453	2,466
Reserves	15	2,019,646	1,891,822	1,674,719
Equity attributable to equity shareholders of the Company		2,022,117	1,894,275	1,677,185
Non-controlling interest		(276)	(272)	(276)
Total equity		**2,021,841**	**1,894,003**	**1,676,909**

Approved by the Board on 13th August 2014

Nicholas Smith
Chairman

Lisa Mitchell
Chief Financial Officer

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 30 JUNE 2014

	CALLED UP SHARE CAPITAL $'000	RESERVES (1) $'000	NON-CONTROLLING INTEREST $'000	TOTAL EQUITY $'000
As at 1 January 2013	**1,739**	**1,102,957**	**(246)**	**1,104,450**
Loss for the period, net of tax	-	(19,348)	(26)	**(19,374)**
Other comprehensive income, net of tax	-	(1,122)	-	**(1,122)**
Total comprehensive income, net of tax	-	(20,470)	(26)	**(20,496)**
New ordinary shares issued to third parties	711	802,383	-	**803,094**
Exercise of options	3	1,630	-	**1,633**
Share-based payments	-	5,322	-	**5,322**
As at 30 June 2013 (Unaudited)	**2,453**	**1,891,822**	**(272)**	**1,894,003**
Loss for the period, net of tax	-	(226,429)	(4)	**(226,433)**
Other comprehensive income, net of tax	-	(274)	-	**(274)**
Total comprehensive income, net of tax	-	(226,703)	(4)	**(226,707)**
New ordinary shares issued to third parties	-	134	-	**134**
Exercise of options	13	5,694	-	**5,707**
Share-based payments	-	3,772	-	**3,772**
As at 1 January 2014	**2,466**	**1,674,719**	**(276)**	**1,676,909**
Profit for the period, net of tax	-	339,053	-	**339,053**
Other comprehensive income, net of tax	-	151	-	151
Total comprehensive income, net of tax	-	339,204	-	**339,204**
Exercise of options	5	1,481	-	**1,486**
Share-based payments	-	4,242	-	**4,242**
As at 30 June 2014 (Unaudited)	**2,471**	**2,019,646**	**(276)**	**2,021,841**

(1) Refer to Note 15

Condensed consolidated statement of cash flows
Six months ended 30 June 2014

	Notes	6 Months Ended 30 June 2014 (unaudited) $'000	6 Months ended 30 June 2013 (unaudited) $'000	Year ended 30 December 2013 $'000
Operating activities				
Profit / (loss) before taxation		589,436	(19,374)	(280,467)
Adjustments to reconcile loss before tax to net cash flows				
Gain on farm out	3a	(673,020)	-	-
Interest income	4	(5,232)	(810)	(2,410)
Foreign exchange gains	4	(6,881)	-	(16,977)
Depreciation of property, plant and equipment	3d	775	507	1,049
Impairment of goodwill	3d	-	-	36,297
(Profit)/loss on disposal of assets	3d	(1)	13	11
Provision for employee entitlements		146	55	(203)
Allowance for provision		-	-	9,000
Share-based payments	3c	4,242	5,322	9,094
Exploration expenditure – pre license costs	3b	1,560	277	2,351
Exploration expenditure – written off	3b	205	3,116	54,006
Exploration expenditure – provision for impairment	3b	65,941	-	172,360
Inventory write off	3b	-	386	386
Working capital adjustments				
Increase/(decrease) in trade and other payables		7,522	(11,401)	393
Decrease/(increase) in trade and other receivables		2,630	(2,693)	(584)
Decrease/(increase) in other current assets		-	3,140	-
Cash utilised in operations		**(12,677)**	**(21,462)**	**(15,694)**
Income taxes paid		(224,510)	-	-
Interest income		5,232	219	793
Net cash flows used in operating activities		**(231,955)**	**(21,243)**	**(14,901)**
Investing activities				
Proceeds from farm out		1,251,840	-	-
Purchases of property, plant & equipment		(4,358)	(714)	(2,016)
Exploration expenditure		(183,911)	(168,918)	(363,207)
Proceeds on disposal of assets		1	-	3
Purchase of inventory		(4,307)	(2,948)	(13,625)
Cash placed on deposit		(290,079)	(353,467)	(159,921)
Security (deposits) / refunds		(11,687)	-	(5,820)
Net cash flows from/(used in) investing activities		**757,499**	**(526,047)**	**(532,946)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
SIX MONTHS ENDED 30 JUNE 2014

	NOTES	6 MONTHS ENDED 30 JUNE 2014 (UNAUDITED) $'000	6 MONTHS ENDED 30 JUNE 2013 (UNAUDITED) $'000	YEAR ENDED 30 DECEMBER 2013 $'000
Financing activities				
Share issue costs		-	(34,463)	(34,399)
Issue of ordinary shares		1,486	837,565	844,967
Net cash flows from financing activities		**1,486**	**803,102**	**810,568**
Increase/(decrease) in cash and cash equivalents for the period		**527,030**	**255,812**	**262,721**
Effect of exchange rates on cash and cash equivalents		7,031	2,048	16,298
Cash and cash equivalents at the beginning of the period		506,762	227,743	227,743
Cash and cash equivalents at the end of the period		**1,040,823**	**485,603**	**506,762**

1 General information

Ophir Energy plc (the "Company" and the ultimate parent of the Group) is a public limited company incorporated, domiciled and listed in England and Wales. Its registered offices are located at 123 Victoria Street, London SW1E 6DE.

The Company's business is the development of offshore and deepwater oil and gas exploration assets. The Company has an extensive and diverse portfolio of exploration interests across East and West Africa.

The Income Statement and Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and associated Notes to the Financial Statements for the financial year ended 31 December 2013 included in the 30 June 2014 half yearly financial report do not constitute the Group's statutory accounts, as defined under section 434 of the Companies Act 2006. The Group's statutory financial statements for the financial year ended 31 December 2013 have been audited by the Group's external auditor and lodged with the United Kingdom Companies House. The auditor's opinion on these accounts was unqualified and did not contain a statement under either Section 498(2) or 498(3) of the Companies Act 2006.

The condensed consolidated interim financial statements are unaudited but have been formally reviewed by the auditors and their report to the company is included on page 12. These condensed interim financial statements of the Group for the six months ended 30 June 2014 were approved and authorised for issue by the Board of the Directors on 13 August 2014.

2 Accounting policies

2.1 Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2014 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial statements are presented in US Dollars rounded to the nearest thousand dollars ($'000) except as otherwise indicated.

The half yearly financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. The half yearly financial information should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2013.

Certain 30 June 2013 comparative disclosures have been reclassified to reflect the presentation adopted for the 31 December 2013 Annual Report and Accounts and 30 June 2014 interim financial statements.

2.2 Changes in accounting policy and disclosures

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013, except for the new accounting standards and interpretations effective as of 1 January 2014.

2.3 Accounting standards and interpretations

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2014 for the historical information presented for the six months ended 30 June 2014:

IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IAS 32 Financial Instruments: Presentation
IAS 36 Impairment of Assets
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities

The new and amended standards and interpretations had no material impact on the financial information for the six months ended 30 June 2014.

	6 MONTHS ENDED 30 JUNE 2014 (UNAUDITED) $'000	6 MONTHS ENDED 30 JUNE 2013 (UNAUDITED) $'000	YEAR ENDED 30 DECEMBER 2013 $'000
3 Operating profit / (loss) before taxation			
The Group operating profit / (loss) from continuing operations before taxation is stated after charging/(crediting):			
(a) Gain on farm out			
- Gain on farm out (note 7)	(673,020)	-	-
	(673,020)	-	-
(b) Exploration expenses			
- Pre licence exploration costs	1,560	277	2,351
- Inventory write down	-	386	386
- Exploration expenditure written off	205	3,116	54,006
	1,765	3,779	56,743
- Provision for impairment (note 7)	65,941	-	172,360
	67,706	3,779	229,103
(c) General & administration expenses include:			
- Operating lease payments – minimum lease payments	2,414	1,273	2,376
- Share-based compensation charge	4,242	5,322	9,094
	6,656	6,595	11,470
(d) Other expenses			
- (Profit) / loss on disposal of assets	(1)	13	11
- Depreciation of property plant & equipment	775	507	1,049
- Impairment of goodwill	-	-	36,297
- Provision for exiting contract	-	-	9,000
	774	520	46,357
4 Net finance income			
- Interest income on short-term bank deposits	1,813	810	2,410
- Other interest income (note 7)	3,419	-	-
- Net foreign currency exchange gains/(losses)	6,881	(174)	24,669
	12,113	636	27,079

The Group reclassified interest income as finance income for the year ended 31 December 2013. Previously, such income had been classified as revenue. The classification of interest income as finance income is considered to be consistent with industry standards and facilitates accurate comparison of Group results with industry peers. Comparatives for the 6 months ended 30 June 2013 have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the previously reported loss from operations before taxation or cash flows.

5 Segment information

The Group operates in one segment being the exploration and evaluation of oil & gas related projects located in Africa.

	As at 30 June 2014 (Unaudited) $'000	As at 30 June 2013 (Unaudited) $'000	Year ended 31 December 2013 $'000
6 Taxation			
(a) Taxation charge / (credit)			
Current income tax:			
UK Corporation tax	-	-	1,530
UK Corporation tax – Prior year	(58)	-	-
Foreign tax	244,280	-	-
Total current income tax charge	244,222	-	1,530
Deferred tax:			
Origination and reversal of temporary differences	6,161	-	(36,190)
Total deferred tax charge / (credit)	6,161	-	(36,190)
Total tax charge / (credit) in the income statement	250,383	-	(34,660)
(b) Reconciliation of the total tax charge / (credit)			
The tax benefit not recognised in the income statement is reconciled to the standard rate of corporation tax in the UK of 21.50% (31 December 2013: 23.25%). The differences are reconciled below:			
Profit / (loss) on operations before taxation	589,436	(19,374)	(280,467)
Profit / (loss) on operations before taxation multiplied by the UK standard rate of corporation tax of 21.50% (30 June 2013: 23.25% / 31 December 2013: 23.25%)	126,729	(4,504)	(65,209)
Non-deductible expenditure	2	(385)	14,517
Share-based payments	-	760	953
Utilisation of losses brought forward not recognised	(5)	-	-
Unrecognised deferred tax assets	18,333	2,457	12,417
Effect of overseas tax rates	105,382	1,672	2,662
Prior year adjustments	(58)	-	-
Total tax charge / (credit) in the income statement	250,383	-	(34,660)

	As at 30 June 2014 (Unaudited) $'000	As at 30 June 2013 (Unaudited) $'000	Year ended 31 December 2013 $'000
7 Exploration and evaluation assets			
Cost			
Balance at the beginning of the period	1,296,783	961,713	961,713
Additions [1]	230,413	161,198	389,076
Expenditure written-off [2]	(205)	(3,116)	(54,006)
Recovery of costs incurred on farm out of exploration interests [3]	(566,162)	-	-
Balance at the end of the period	960,829	1,119,795	1,296,783
Provision for impairment			
Balance at the beginning of the period	(172,360)	-	-
Additional allowance [4]	(65,941)	-	(172,360)
Balance at the end of the period	(238,301)	-	(172,360)
Net book value			
Balance at the beginning of the period	1,124,423	961,713	961,713
Balance at the end of the period	722,528	1,119,795	1,124,423

(1) Additions in the period include exploration activities in: Gabon – Gnondo Block ($100.2 million), Tanzania – Blocks 1, 3 & 4 ($50.0 million), Equatorial Guinea – Block R ($24.6 million), Gabon – Mbeli Block ($19.9 million) and Gabon – Ntsina Block ($13.6 million). (30 June 2013: Tanzania – Blocks 1, 3 & 4 ($134.7 million) and Ghana ($8.3 million); (31 December 2013: Tanzania – Blocks 1, 3 & 4 ($266.2 million), Tanzania – Block 7 ($61.8 million) and Equatorial Guinea – Block R ($16.3 million).

(2) Expenditure written off for the period ended 30 June 2013 comprise: Congo – Marine IX Block ($3.3 million); 31 December 2013: Madagascar – Marovoay Block ($19.0 million), Kenya – Block L15 ($17.4 million), Ghana – Accra Block ($14.3 million) and Congo – Marine IX Block ($3.3 million). The Group has relinquished its interest in these assets.

(3) Recovery of costs incurred on farm out of exploration interest relates to the Group's disposal of a 20% interest in Tanzania Blocks 1, 3 and 4 to Pavilion Energy PTE LTD. The transaction completed on 22 March 2014. The Group received cash consideration of $1,250 million plus a completion adjustment of $5.3 million to reflect interest ($3.4 million – refer to note 4) and working capital movements ($1.9 million) from the effective date of the transaction of 1 January 2014. A further $38.0 million is payable following the final investment decision in respect of the development of Blocks 1, 3 and 4, currently expected in 2016.
The total gain on disposal, after taking into account working capital adjustments and direct costs of the transaction ($12.7 million), recognised for the 6 months ended 30 June 2014 was $673.0 million.

(4) Allowance for impairment of $65.9 million comprise:

- Impairment loss of $65.9 million in respect of Gabon – Gnondo Block. The trigger for the impairment test was the conclusion of the Affanga Deep-1 drilling operations which did not encounter live hydrocarbons and called into question the economic recovery of the block. The cash generating unit ("CGU") applied for the purpose of the impairment assessment is the block and the recoverable amount was based on management's estimate of value in use.

Allowance for impairment of $172.4 million for the year ended 31 December 2013 comprise:

- Impairment loss of $167.3 million in respect of Tanzania – Block 7. The trigger for the impairment test was the conclusion of the Mlinzi Mbali-1 drilling operations which did not encounter live hydrocarbons and called into question the economic recovery of the block. The cash generating unit ("CGU") applied for the purpose of the impairment assessment is the block and the recoverable amount was based on management's estimate of value in use; and
- Impairment loss of $5.1 million in respect of AGC – Profond Block. The trigger for impairment was management's assessment that no further expenditure on exploration and evaluation of hydrocarbons in the Block was budgeted or planned within the current license term. The CGU applied for the purpose of the impairment assessment is the block and the recoverable amount was based on management's estimate of value in use.

The Group generally estimates value in use using a discounted cash flow model. Future cash flows are discounted to their present values using a post-tax discount rate of 10%. Adjustments to cash flows are made to reflect the risks specific to the CGU.

	As at 30 June 2014 (Unaudited) $'000	As at 30 June 2013 (Unaudited) $'000	Year ended 31 December 2013 $'000
8 Goodwill			
Balance at the beginning of the period	20,868	57,165	57,165
Impairment of goodwill [(1)]	-	-	(36,297)
Balance at the end of the period	20,868	57,165	20,868

[(1)] A goodwill impairment loss of $36.3 million for the year ended 31 December 2013 was recognised in respect of Tanzania – Block 7. The impairment loss was primarily driven by the reduction in the deferred tax liability attributable to the Block, following the current year impairment loss which reduced the Block's carrying value.

The goodwill balance is largely the result of recognising a deferred tax liability on the fair value uplifts of assets following the Dominion Petroleum Limited acquisition in February 2012.

	As at 30 June 2014 (Unaudited) $'000	As at 30 June 2013 (Unaudited) $'000	Year ended 31 December 2013 $'000
9 Inventory			
Drilling consumables	23,316	15,372	25,890

	As at 30 June 2014 (Unaudited) $'000	As at 30 June 2013 (Unaudited) $'000	Year ended 31 December 2013 $'000
10 Trade and other receivables			
Trade and other debtors	32,829	13,266	6,544
Prepayments	3,440	1,773	1,692
	36,269	15,039	8,236

All debtors are current. There are no receivables that are past due or impaired. Trade and other debtors primarily relate to receivables from joint venture partners.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

	As at 30 June 2014 (Unaudited) $'000	As at 30 June 2013 (Unaudited) $'000	As at 31 December 2013 $'000
11 Cash and cash equivalents			
Cash	940,823	485,603	326,764
Short term deposits	100,000	-	179,998
	1,040,823	485,603	506,762

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates. The fair value of cash and cash equivalents is $1,040.8 million (30 June 2013: $485.6 million and 31 December 2013: $506.8 million).

	As at 30 June 2014 (Unaudited) $'000	As at 30 June 2013 (Unaudited) $'000	Year ended 31 December 2013 $'000
12 Investments			
Short term investments	450,000	353,467	159,921
	450,000	353,467	159,921

Short-term investments consists of cash deposits that are made for varying periods of between three months and twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short term investment rates. The fair value of short term investments is $450.0 million (30 June 2013: $353.5 million and 31 December 2013: $159.9 million).

	As at 30 June 2014 (Unaudited) $'000	As at 30 June 2013 (Unaudited) $'000	Year ended 31 December 2013 $'000
13 Trade and other payables			
Trade payables	5,615	6,714	3,784
Accruals	157,405	28,459	8,711
Payables in relation to joint venture partners	48,347	68,899	108,292
	211,367	104,072	120,787

Trade payables are unsecured and are usually paid within 30 days of recognition.

	As at 30 June 2014 (Unaudited) $'000	As at 30 June 2013 (Unaudited) $'000	Year Ended 31 December 2013 $'000
14 Share capital			
(a) Authorised			
2,000,000,000 ordinary shares of 0.25p each	7,963	7,963	7,963
(b) Called up, allotted and fully paid			
591,961,422 ordinary shares in issue at the beginning of the period of 0.25p each (30 June / 31 December 2013: 400,004,189)	2,466	1,739	1,739
1,085,172 ordinary shares issued of 0.25p each on exercise of options and warrants during the period (30 June 2013: 718,461 / 31 December 2013: 4,081,558)	5	3	16
Nil ordinary shares issued 0.25p each during the period (30 June / 31 December 2013: 187,875,675 [1])	-	711	711
593,046,594 ordinary shares of 0.25p each (30 June 2013: 588,598,325 / 31 December 2013: 591,961,422)	2,471	2,453	2,466

[1] 19,850,000 ordinary shares issued in relation to the placement announced by the Company on 4 March 2013 and subsequently issued on 5 March 2013. The market value of the Company's shares on these dates were: £4.62 ($6.94) and £5.13 ($7.72) respectively.

168,025,675 ordinary shares issued in relation to the 2 for 5 rights issue announced by the Company on 4 March 2013 and subsequently issued on 26 March 2013. The market value of the Company's shares on these dates were: £4.62 ($6.94) and £4.71 ($7.17) respectively.

The balances classified as called up; allotted and fully paid share capital represent the nominal value of the total number of issued shares of the company of 0.25p each.

Fully paid shares carry one vote per share and carry the right to dividends.

	SHARE (1) PREMIUM $'000	OPTIONS (2) PREMIUM RESERVE $'000	SPECIAL(3) RESERVE $'000	CONS (4) RESERVE $'000	MERGER(5) RESERVE $'000	EQUITY (6) COMPONENT ON CONVERTIBLE BOND $'000	FOREIGN (7) CURRENCY TRANSLATION RESERVE $'000	ACCUMULATED PROFITS / (LOSSES) $'000	TOTAL RESERVES $'000
15 Reserves									
As at 1 January 2013	**798,256**	**34,244**	**156,435**	**(500)**	**415,722**	**669**	**5,852**	**(307,721)**	**1,102,957**
Loss for the period, net of tax	-	-	-	-	-	-	-	(19,348)	**(19,348)**
Other comprehensive income net of tax	-	-	-	-	-	-	(1,122)	-	**(1,122)**
Total comprehensive income net of tax	-	-	-	-	-	-	(1,122)	(19,348)	**(20,470)**
New ordinary shares issued to third parties	-	-	-	-	802,383	-	-	-	**802,383**
Exercise of options	1,630	-	-	-	-	-	-	-	**1,630**
Share-based payment	-	5,322	-	-	-	-	-	-	**5,322**
Transfers within reserves [5]	-	-	(156,435)	-	-	-	-	156,435	**-**
As at 30 June 2013 (Unaudited)	**799,886**	**39,566**	**-**	**(500)**	**1,218,105**	**669**	**4,730**	**(170,634)**	**1,891,822**
Loss for the period, net of tax	-	-	-	-	-	-	-	(226,429)	**(226,429)**
Other comprehensive income net of tax	-	-	-	-	-	-	(274)	-	**(274)**
Total comprehensive income net of tax	-	-	-	-	-	-	(274)	(226,429)	**(226,703)**
New ordinary shares issued to third parties	-	-	-	-	134	-	-	-	**134**
Exercise of options	5,694	-	-	-	-	-	-	-	**5,694**

Share-based payments	-	3,772	-	-	-	-	-	-	**3,772**
As at 1 January 2014	**805,580**	**43,338**	**-**	**(500)**	**1,218,239**	**669**	**4,456**	**(397,063)**	**1,674,719**
Profit for the period, net of tax	-	-	-	-	-	-	-	339,053	**339,053**
Other comprehensive income, net of tax	-	-	-	-	-	-	151	-	**151**
Total comprehensive income net of tax	-	-	-	-	-	-	151	339,053	**339,204**
Exercise of options	1,481	-	-	-	-	-	-	-	**1,481**
Share-based payments	-	4,242	-	-	-	-	-	-	**4,242**
Transfers within reserves [5]	-	-	-	-	(876,447)	-	-	876,447	**-**
As at 30 June 2014 (Unaudited)	**807,061**	**47,580**	**-**	**(500)**	**341,792**	**669**	**4,607**	**818,437**	**2,019,646**

1) The share premium account represents the total net proceeds on issue of the Company's shares in excess of their nominal value of 0.25p per share less amounts transferred to any other reserves.
2) The option premium reserve represents the cost of share-based payments to Directors, employees and third parties.
3) The special reserve was created on reduction of the Company's share capital on 26 July 2007. Following the Company's subsequent recording of increase in paid up share capital in excess of the balance of the special reserve, the reserve was eligible for and has been realised and transferred to accumulated losses.
4) The consolidation reserve represents a premium on acquisition of a minority interest in a controlled entity.
5) In the prior year the provisions of the Companies Act 2006 relating to Merger Relief (s612 and s613) were applied to the March 2013 share placement and rights issue raising performed through a cash box structure. The "cash box" method of affecting an issue of shares for cash is commonplace and enabled the Company to issue shares without giving rise to a share premium. The premium on shares issued, net of applicable transaction costs of $34.5 million, as part of the "cash box" arrangement is instead recognised in the Merger Reserve. Following on from the completion of the Group's farm out of 20% of its interest in Tanzania Blocks 1, 3 and 4 in March 2014 Ophir Ventures (Jersey) Limited and Ophir Ventures (Jersey) No.2 Limited, which are wholly owned subsidiaries of the Company, redeemed the preference shares that had been acquired by the Company as part of the "cash box" arrangement. This has allowed the Company to realise $876.4 million of the Merger Reserve to accumulated profits / (losses) as the redemption of the preference shares was considered to be performed with qualifying consideration in the form of free cash and a readily recoverable receivable from Ophir Holdings Limited, a 100% owned subsidiary of the Company and beneficial holder of the Group's interest in Tanzania Blocks 1, 3 and 4.
6) This balance represents the equity component of the convertible bond, net of costs and tax as a result of the separation of the instrument into its debt and equity components. The bond was converted into 21,661,476 ordinary shares of 0.25p each on 21 May 2008.
7) The foreign currency translation reserve is used to record unrealised exchange differences arising from the translation of the financial statements of entities within the Group that have a functional currency other than US Dollars.

	AS AT 30 JUNE 2014 (UNAUDITED) $'000	AS AT 30 JUNE 2013 (UNAUDITED) $'000	YEAR ENDED 31 DECEMBER 2013 $'000
16 Exploration expenditure commitments			
In acquiring its oil and gas interests, the Group has pledged that various work programmes will be undertaken on each permit/interest. The exploration commitments are an estimate of the cost of performing these work programmes and includes any commitments under rig share agreements.			
Due within one (1) year	402,594	256,630	516,134
Due later than one (1) year but within two (2) years	20,000	174,117	40,877
Due later than two (2) years but within five (5) years	26,200	-	47,837
	448,794	430,747	604,848

17 Related party transactions

The Company had no related party transactions during the period.
During the year ended 31 December 2013, the Company made payments of $9,318 (30 June 2013: $9,318) to Vectis Petroleum Limited, a Company associated with Mr John Lander, for the provision of his service as a Non-Executive Director.

18 Contingent liabilities

An individual has commenced claims against the Group relating to the evaluation and subsequent disposal of an interest that was held in exploration blocks within the portfolio. Preliminary court hearings for applications relating to the claims have been held, and, to date, no material rulings have been made. Preliminary court hearings took place on 2 July 2014 and 16 July 2014, at which the court deferred its ruling on preliminary arguments to 21 August 2014 and 2 September 2014. Depending on the outcome of these hearings the matter may not proceed to a full trial, therefore it is not practicable to state whether any payment obligation may arise. The Group has taken the view that the actions are without merit and accordingly has estimated that no liability will arise as a result of proceedings and therefore no provision for any liability has been made in these financial statements.

19 Events after the reporting period

On 18 December 2013, the Group announced that it had entered into a comprehensive farm out agreement with OMV Exploration & Production GmbH ("OMV") covering its deepwater offshore blocks in Gabon. The transaction completed on 14 July 2014.

On 13 August 2014, the Board approved a share buyback programme of up to $100 million.

COMPANY INFORMATION

Directors

Chairman (Non-Executive)

Nicholas Smith

Executive Directors

Nick Cooper – Chief Executive Officer
Lisa Mitchell – Chief Financial Officer
Dennis McShane – Director Corporate Strategy

Independent Non-Executive Directors

Alan Booth
Bill Schrader
Lyndon Powell
Ron Blakely
Vivien Gibney

Company Secretary

Chandrika Kher

Registered Office and Head Office

Fourth Floor
123 Victoria Street
London SW1E 6DE
Telephone: +44 (0)20 7811 2400

Website: www.ophir-energy.com

Registrars

The Company has appointed Capita Registrars to maintain its register of members. Shareholders should contact Capita using the details below in relation to all general enquiries concerning their shareholding:

Capita Asset Services*
The Registry
34 Beckenham Road
Beckenham, Kent BR3 4TU
Telephone: 0871 664 0300**
International dialling: +44 20 8639 3399
Website: www.capitaregistrars.com
Email: shareholderenquiries@capita.co.uk

* Capita Asset Services is a trading name of Capita Registrars Limited and Capita IRG Trustees Limited. Share registration and associated services are provided by Capita Registrars Limited (registered in England and Wales, No. 2605568). Regulated services are provided by Capita IRG Trustees Limited (registered in England and Wales No. 2729260), which is authorised and regulated by the Financial Conduct Authority.
** Lines are open Monday – Friday from 9.00am – 5.30pm, excluding bank holidays. Calls to 0871 numbers are charged at 10p per minute from a BT landline. Other telephone providers' costs may vary.

Auditors: Ernst & Young LLP One More London Place London SE1 2AF United Kingdom	**Solicitors:** Linklaters One Silk Street London EC2Y 8HQ United Kingdom

COMPANY INFORMATION

Bankers: HSBC Bank plc 70 Pall Mall London SW1 5EY United Kingdom HSBC Bank Australia Limited 188-190 St George's Terrace Perth WA 6000 Australia **Financial PR Advisors:** Brunswick Group LLP 16 Lincoln's Inn Fields London WC2A 3ED United Kingdom	**Corporate brokers:** Jefferies Hoare Govett Vintners Place 68 Upper Thames Street London EC4V 3BJ United Kingdom Morgan Stanley 20 Bank Street Canary Wharf London E14 4AD United Kingdom RBC Capital Markets Thames Court, One Queenhithe London EC4V 3DQ United Kingdom