29 September 2017

Independent Oil and Gas plc

Interim Results

Independent Oil and Gas plc ("**IOG**" or the "**Company**") (AIM: IOG.L), the development and production focused Oil and Gas Company, is pleased to present its unaudited interim results for the six months ended 30 June 2017.

Highlights

- Strong operational progress delivering the Company's gas hub strategy
- Acquisition of the Thames pipeline, subject to completion, for nominal consideration;
  - Creates a fully-owned export route for the Company's Southern North Sea ("SNS") gas hub;
  - Saves up to £100m of capital costs related to the development of the project;
- Extensive subsurface work programme completed, delivering a proprietary assessment of the Company's gas development resource base, and the Harvey gas appraisal asset;
- Blythe and Elgood Field Development Plan submitted to the OGA, post-period end;
- Licence P2342, Block 48/25a (NW Vulcan) awarded in Supplementary 2016 29th Licensing Round, post-period end;
- Letter of Intent ("LOI") and Consultancy Master Services Agreement ("CMSA") signed with Schlumberger in relation to the Company's SNS gas hubs, providing a framework for Schlumberger to assist IOG in the period prior to Final Investment Decision (FID) on the SNS development project, post period end;
- Board and operational teams strengthened;
  - Andrew Hockey appointed as Deputy CEO;
  - The Rt. Honourable Charles Hendry appointed as Non-Executive Director and representative of London Oil & Gas Limited ("LOG");
  - Post-period end, James Chance promoted to Chief Financial Officer and Ian Pollard, HS & E Manager and Jonathan Walker, Engineering Manager, joined the operational team;
- Advanced funding and commercial discussions with key partners for the development of the SNS gas hub continue;
- Ongoing support from LOG provides a stable financial base;
- North Sea production acquisition opportunities continue to be evaluated;
- Negotiations ongoing with Skipper Well creditors for management of liabilities due December 2017;
- CPR commissioned over the entire SNS project assets to be published in second half of 2017.

Mark Routh, CEO & Interim Executive Chairman of IOG, said: "We made excellent progress in the first half of this year as we focus our efforts on realising the potential of our Southern North Sea gas hubs. The acquisition of the Thames pipeline truly transforms the viability of this project as it can provide a stable export route for our gas straight to the currently undersupplied UK market. We are delighted with the progress we are making with industry partners on funding this project into production and look forward to making further updates in due course."

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

Enquiries:

Independent Oil and Gas plc Mark Routh (CEO & Interim Executive Chairman) James Chance (CFO)	+44 (0) 20 3879 0510
finnCap Ltd Christopher Raggett / Anthony Adams (Corporate Finance)	+44 (0) 20 7220 0500
Camarco Georgia Edmonds / Tom Huddart	+44 (0) 20 3757 4980

Notes
About Independent Oil and Gas:
IOG owns substantial low risk, high value gas resources in the UK Southern North Sea. The Company is targeting 170 MMcfd gas production from its current portfolio via an efficient gas hub strategy. Alongside this it continues to pursue value accretive acquisitions, to generate significant shareholder returns. All of IOG's licences are owned 100% and operated by IOG.

Further information can be found on www.independentoilandgas.com

The Directors present their interim report of operations and unaudited consolidated financial statements of Independent Oil and Gas plc ("the Company") and its subsidiaries ("the Group") for the six months ended 30 June 2017. All amounts are shown in Pounds Sterling, unless otherwise stated.

This interim financial report is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the Interim Report which has not been audited by the Company's auditors. In addition to the results for the first six months of 2017 ("1H 2017") comparative information is provided for the six months ended 30 June 2016 ("1H 2016") and the year ended 31 December 2016 ("FY 2016").

As disclosed in note 1**,** the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRSs").

Chief Executive Review

The first half of 2017 saw strong progress for Independent Oil and Gas plc in delivering value from our gas hubs in the UK Southern North Sea ('SNS'). Our gas hubs comprise substantial recoverable gas across five 100%-owned assets, with significant further appraisal upside that, according to management estimates, could lift the total to well over half a trillion cubic feet of gas. By negotiating to acquire the Thames pipeline at a nominal cost we have created an economically robust, high-margin dual gas-hub project in familiar UK waters, with a viable potential export route and without exploration risk.

The Thames pipeline acquisition unlocks our low-risk development and production strategy. Recommissioning Thames will not only save the Group up to £100 million in capital costs, but will turn stranded fields into valuable gas assets for the benefit of all: our investors, the economy and the exchequer. IOG intends to undertake "intelligent pigging" to assess the state of the pipeline and identify any remedial work required prior to dewatering.

Our approach to financing our projects relies on aligning the interests of all project participants. In that context, the £10 million convertible debt funding in February 2016 reinforced our alliance with London Oil and Gas Limited ("LOG") and has ensured a stable financial base for the road ahead. With the high-value SNS project to be developed, we are in talks with a core group of blue-chip industry partners looking to help fast-track the dual gas hubs into development. These discussions give us confidence that the majority of the funding requirement for our SNS developments will come from contractor funding and gas offtake backed funding to be repaid from cashflows.

The Company's gas business has been greatly strengthened by extensive 3D-seismic interpretation work and reservoir modelling carried out through late 2016 and early 2017. Through it we have gained a proprietary understanding of our gas assets and substantially re-evaluated our portfolio. The emergence of Harvey as a gas appraisal asset of very exciting potential has clearly validated the investment in this work. An appraisal well may confirm it as the largest single asset in the Company's portfolio. In July, we were pleased to be awarded Licence P2342 by the UK Oil & Gas Authority ("OGA"), comprising Block 48/25a and securing our 100% ownership of the Vulcan NW accumulation. We have also recently commissioned an independent Competent Persons Report ("CPR") across the whole SNS portfolio which will be published later in 2017.

Following the submission of a draft Blythe Field Development Plan ("FDP"), in December 2016, the final version, submitted on 18 July 2017, also incorporates Elgood; this delivers a full Blythe Hub FDP which will be followed later in 2017 by the Vulcan Satellites Hub FDP. The IOG team continues to work very hard on behalf of all investors to achieve first gas from these assets in a safe and prudent manner at the earliest feasible date.

Work at Skipper, our heavy oil asset in the Northern North Sea, has led us to conclude it is less attractive than our gas portfolio, where we are now channelling our resources. We have decided not to allocate significant further capital to the Skipper asset at this stage.

Management has clear objectives for the remainder of 2017 to secure an appropriate capital structure for the Company and obtain full financing for the SNS and future UKCS opportunities. We are continuing negotiations with Skipper Well creditors. We are progressing discussions with potential new strategic partners to broaden the investor base through the introduction of additional capital and to work alongside LOG. We are also working collaboratively with LOG, major contractors, gas off-takers and banks to implement an innovative financing structure for our SNS gas hubs development.

Government support for our North Sea strategy from the OGA and the Department for Business, Energy & Industrial Strategy ("BEIS"), while something we never take for granted, has been very encouraging throughout this period.

We believe that our SNS hub strategy is entirely aligned with the OGA's tight gas strategy announced in June this year. We continue to enjoy very constructive dialogues with these bodies in 2017 on FDPs, licence milestones, and infrastructure commitments and were encouraged to receive extensions to our Harvey and Elgood licences in March 2017.

The year to date has also witnessed the continued strengthening of the Board, management and technical team. We deepened our executive team with the addition of Andrew Hockey as Deputy CEO joining the Board. We also welcomed the appointment of the vastly experienced Rt. Hon. Charles Hendry as nominee of LOG to the Board of Directors. Following the departure of Hywel John earlier in September, the Company appointed James Chance to the role of Chief Financial Officer where we can better harness his deep understanding of our assets and what is required to get them into production. We thank David Peattie, who resigned earlier this year, for his work as our Chairman and wish him well in his new role as CEO at the Nuclear Decommissioning Authority.

The Company also undertook extensive M&A activity, evaluating several potential acquisition opportunities. It remains one of the Company's strategic objectives to acquire value accretive producing assets that can provide a predictable operating cashflow to the business, help fund development activities and further enhance our operating capabilities. We have the skills in the team to do just that and we also have the benefit of significant tax losses that came with the Vulcan Satellites acquisition. It is, however, critical to remain disciplined in such processes and to ensure the right balance of risk and reward. Some of these discussions remain live at the time of writing, while further suitable opportunities are also likely to arise later in 2017 and beyond. As ever, the management and Board will be primarily focused on finding compelling value propositions where we believe we have a differentiated position as a buyer.

IOG has a busy work programme over the coming months and the newly strengthened management and operations teams are focused on successfully delivering our gas hub strategy alongside pursuing acquisition opportunities which are value accretive and a strategic fit.

Operational Review

UK – Southern North Sea

Blythe

The Blythe/Elgood reservoir modelling by ERC Equipoise was completed and preliminary well design work was also completed. Management estimates of Blythe GIIP are 32-48-66 bcf and recoverable resources 24-39-56 bcf (Low-Mid-High). Further refinement to the cost model was made.

A combined Blythe/Elgood Field Development Plan was then submitted to the OGA on 18 July 2017. On current estimates Blythe is expected to reach first gas in the second quarter of 2019.

The Sale and Purchase Agreement for the acquisition of the Thames pipeline for a nominal sum was signed on 10 April 2017 and will facilitate the export of IOG's gas from all of its portfolio to the Bacton Gas Terminal onshore. The acquisition of the line will involve the transfer of PL370 to IOG and IOG becoming the Pipeline Operator. To allow time for this regulatory process to complete, intelligent pigging and engineering and execution work and field surveys will not commence until late 2017.

Elgood

Following reservoir modelling at ERC Equipoise, management estimates of Elgood GIIP are 22-29-36 bcf and recoverable resources 18-26-32 bcf. Preliminary well design work was also completed on Elgood and the cost model refined. A combined Blythe/Elgood Field Development Plan was then submitted to the OGA on 18 July 2017. On current estimates Elgood is expected to reach first gas in 2H 2019 and export to Bacton via a subsea tieback to Blythe.

In early 2017 it was decided to relinquish the southern half of the Licence containing the Hambleton Prospect owing to its limited size. This was done in April 2017.

Vulcan Satellites

Seismic interpretation and mapping was carried out on the three fields, Vulcan South, Vulcan North West and Vulcan East, and was complete by early June 2017. Hydraulic stimulation studies for the Vulcan Satellites by Fenix Delft were completed in June 2017. Reservoir modelling at ERC Equipoise was completed in September 2017 and has led to revised management estimates of volumes. Preliminary well design work was also completed for the Vulcan Satellites and the cost model was further refined. Work commenced on a Vulcan Satellites Field Development Plan which is to be submitted later in 2017. On current estimates first gas at the Vulcan Satellites is expected in 2Q 2019 from Vulcan South via an unmanned wellhead platform exporting to Bacton via the re-commissioned Thames Pipeline. Engineering work continues with the selection of platform facilities and pipelines which will allow the Company to confirm economics and schedules further.

An application was made in the 29th Offshore 2016 Supplementary Offshore Licensing Round for Block 48/25a to secure the western end of the Vulcan NW structure. Licence P2342 was subsequently awarded to IOGUKL in August 2017 by the OGA. A request for an extension to Licence P130 was also made. £750,000 was paid to Verus on 1 August 2017 being the initial deferred consideration being part of the financial transaction to acquire the assets.

Harvey

IOG has a 100% working interest in licence P2085 to the east of Blythe (Blocks 48/23c & 48/24b), which was awarded in the 27th licensing round. 3D seismic reprocessing and mapping by Beagle Geoscience Limited on behalf of IOG led to an improved understanding of the complex faulting that exists in the overlying strata. Based on this work, the internal management probabilistic estimates of the P90/P50/P10 gas initially in place for Harvey are 77/176/403 BCF and probabilistic estimates of the P90/P50/P10 resources are 44/113/290 BCF.

This technical work on Harvey has therefore indicated an exciting gas discovery lying between our two SNS gas hubs and located in the well understood Leman Sandstone Formation play. If successfully appraised, Harvey has the potential to be the largest gas discovery in the IOG portfolio and significantly enhance the economics of IOG's Southern North Sea business.

The Oil and Gas Authority ("OGA") has confirmed the continuation of licence P2085 until 20 December 2017. A commitment to drill the appraisal well is required to extend the term further and IOG would expect to make that commitment later in 2017. This appraised well would be required before a reservoir model could be built and a development plan could be prepared. If the appraisal well is successful, Harvey could be tied back to the Thames Pipeline, creating valuable economies of scale with IOG's other two gas hubs.

UK – Northern North Sea

Skipper

Early in 2017, the Company received further results from the analysis of the oil samples retrieved from the Skipper appraisal well drilled in July-August 2016. The oil has a high density of approximately 11 °API, a high viscosity and a high Total Acid Number. However, the Skipper oil is mobile in the very high permeability reservoir and is also mobile at ambient conditions thanks to its very low wax content. The Skipper licence continues up to February 2019 and the Company is undertaking limited further technical and commercial evaluation, including building a reservoir model to simulate the oil's mobility in the reservoir. If a field development plan can be designed to enable the economic extraction of oil from the Skipper field, the oil properties will present a challenge for refining and marketability. Depending on where and when the oil is sold, the Company anticipates the crude would trade at a significant discount to the prevailing quoted Brent oil price. In recognition of these factors, Skipper was written down at 31 December 2016.

The total cost of the Skipper appraisal well was £10 million. As previously announced this has been part financed via loans and deferred payments which are due to be repaid at the end of 2017. The total loans and deferred payments drawn for this purpose was approximately £6.8 million. Discussions with the creditors for the remaining liabilities relating to the Skipper well are progressing with a view to either repaying, rescheduling or converting part of these into equity before the end of 2017.

Financial Review

Income statement

The post-tax loss for the first six months of 2017 was £1.41 million, compared to £1.06 million for the first six months of 2016 and £21.44 million for full year 2016.

The current period loss includes charges of £0.31 million for other administration expenses (1H 2016 – £0.61 million), project and pre-acquisition expenses of £0.55 million (1H 2016 - £0.17 million), an exchange gain of £0.14 million (1H 2016 - £0.16 million loss) and finance expenses of £0.66 million (1H 2016 - £0.12 million).

The increase in project and pre-acquisition expenses reflect higher levels of new business and project activity. Full year 2016 results included a £20.01 million net impairment of oil and gas properties, including the full write down of the Skipper asset. An exchange gain of £0.14 million for the current period, compared to a loss of £0.16 million for the equivalent period of 2016, reflects fluctuations in exchange rates for US$ denominated trade and loan creditors. Finance expenses include £0.17 million (1H 2016 - £0.03 million) of loan and financing charges calculated on an effective interest rate basis plus £0.49 million (1H 2016 - £0.09 million) of accrued loan and other interest.

Balance sheet

Oil and gas properties held as non-current assets of £17.43 million at 30 June 2017 (31 December 2016 - £13.33 million) represents the additional consideration on the Blythe acquisition, together with expenditures incurred on the Group's Blythe, Elgood and Vulcan pre-development interests plus the Harvey appraisal property. Current assets include an advance of £0.20 million (31 December 2016 - £0.20 million) representing cash collateral paid against future Vulcan decommissioning. Current liabilities include an amount of £2.95 million due to GE Oil & Gas UK Limited (31 December 2016 - £2.85 million) representing amounts on both the outstanding loan and payment for Skipper goods and services, together with a further amount of £3.67 million (31 December 2016, £3.77 million) for those remaining Skipper trade creditors. There is also included an amount of £0.75 million due to Oyster Petroleum Holdings Limited (31 December 2016 - £0.75 million) representing deferred consideration on the acquisition of the Vulcan assets (subsequently paid on 1 August 2017). Non-current liabilities include £8.72 million owing to London Oil & Gas Limited ('LOG') (31 December 2016 - £4.73 million) representing amounts on the outstanding LOG loans less prepaid financing costs. Also included is a provision of £3.18 million for the deferred consideration on the Blythe acquisition, as referred to above. There is also a decommissioning provision of £3.60 million (31 December 2016 - £3.60 million) representing the abandonment liability which was included with the Vulcan assets' acquisition in 2016.

Cash flow

After adjustment for non-cash items, cash used in operations was £1.09 million (1H 2016 – £0.39 million). Investing activities comprised the purchase and acquisition of oil and gas properties of £0.44 million (1H 2016 - £1.92 million). This was principally funded through net borrowings of £1.45 million (1H 2016 - £2.40 million).

Funding and liquidity

The Board has reviewed the Group's cash flow forecasts up until December 2018 having regard to its current financial position and operational objectives. These forecasts indicate that the Group will need additional funding to enable it to meet its liabilities as they fall due in the next eighteen months. The Board is satisfied that the Group will have sufficient financial resources available to meet its commitments based on the amount of available cash within the Group, its existing debt facilities that can be drawn down, the likelihood of it being able to secure additional funding from existing stakeholders or new investors and to agree either the rescheduling of certain existing liabilities to creditors or conversion of such amounts to equity. Additionally, the Group can cut discretionary expenditure and reduce headcount to reduce financing requirements further. Accordingly, the Board continues to adopt the going concern basis for the preparation of this financial information; however, at the date of this financial information there are no legally binding agreements in place relating to either fundraising or the deferral or settlement of existing creditors through equity issues.

Risks and uncertainties

The Group operates in the oil and gas industry, an environment subject to a range of inherent risks and uncertainties. Being at an early stage in the Group lifecycle, the prime risks to which the Group is subject to are the access to sufficient funding to continue its operations, the status and financing of its partners, changes in cost and reserves estimates for its assets, operational delays and failures, changes in forward commodity prices and the successful development of its oil and gas reserves. Further details can be found in the audited Financial Statements for the year ended 31 December 2016.

Key performance indicators

The Group's main business is the acquisition and exploitation of oil and gas acreage. Non-financial performance is tracked through the accumulation of licence interests and the successful discovery and exploitation of oil and gas reserves.

Outlook

The Company made excellent progress in the first half of 2017, focusing its efforts on realising the potential of its Southern North Sea gas hubs. The acquisition of the Thames pipeline transforms the viability of this project as it can provide a stable export route for the Company's gas assets straight to the UK market. Progress is being made with industry partners on funding the project into production. These efforts have set the Company up for delivery of further project progress in 2H 2017.

Independent Oil and Gas plc

Consolidated statement of comprehensive income
for the six months ended 30 June 2017

	Unaudited 1H 2017 £000	Unaudited 1H 2016 £000	Audited FY 2016 £000
Other administration expenses	(306)	(608)	(279)
Impairment of oil and gas properties	-	-	(20,013)
Impairment of creditors	-	-	307
Project, pre-acquisition and exploration expenses	(545)	(167)	(712)
Net (loss)/gain on settlement of liabilities	(37)	-	458
Foreign exchange gain/(loss)	138	(163)	(299)
Total administration and other expenses	(750)	(938)	(20,538)
Operating loss	**(750)**	**(938)**	**(20,538)**
Finance expenses	(663)	(123)	(899)
Loss for the period before tax	**(1,413)**	**(1,061)**	**(21,437)**
Taxation	-	-	-
Total comprehensive loss for the period attributable to equity holders of the parent	**(1,413)**	**(1,061)**	**(21,437)**
Loss for the period per ordinary share – basic	**(1.3) p**	**(1.2) p**	**(23.2) p**
Loss for the period per ordinary share – diluted	**(1.3) p**	**(1.2) p**	**(23.2) p**

The loss for the period arose from continuing activities.

Independent Oil and Gas plc

Consolidated statement of changes in equity
for the six months ended 30 June 2017

	Share capital	Share premium	Share- based payment reserve	Accumulated losses	Total equity
Group	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 January 2016	787	17,649	3,347	(8,307)	13,476
Loss for the year	-	-	-	(21,437)	(21,437)
Total comprehensive expense attributable to owners of the parent	-	-	-	(21,437)	(21,437)
Settlement of creditors via issue of shares	208	2,181	-	-	2,389
Issue of warrants	-	-	31	-	31
Lapse/exercise of warrants	58	630	(186)	186	688
Issue of share options	-	-	513	-	513
Lapse/exercise of share options	40	-	(820)	820	40
At 31 December 2016	**1,093**	**20,460**	**2,885**	**(28,738)**	**(4,300)**
Loss for the period	-	-	-	(1,413)	(1,413)
Total comprehensive expense attributable to owners of the parent	-	-	-	(1,413)	(1,413)
Issue of share options	-	-	166	-	166
Exercise of share options	3	-	(59)	59	3
At 30 June 2017	**1,096**	**20,460**	**2,992**	**(30,092)**	**(5,544)**

Share capital
Amounts subscribed for share capital at nominal value.

Share premium account
Amounts received on the issue shares, in excess of the nominal value of the shares.

Share-based payment reserve
Amounts reflecting fair value of options and warrants issued.

Accumulated losses
Cumulative net losses recognised in the Statement of Comprehensive Income net of amounts recognised directly in equity.

Independent Oil and Gas plc

Consolidated statement of financial position
at 30 June 2017

	Unaudited 30 June 2017 £000	Unaudited 30 June 2016 £000	Audited 31 December 2016 £000
Non-current assets			
Intangible assets: exploration & evaluation	6,331	17,007	5,825
Intangible assets: other	2	-	2
Property, plant and equipment: development & production	11,100	-	7,506
Property, plant and equipment: other	22	-	24
	17,455	**17,007**	**13,357**
Current assets			
Other receivables and prepayments	358	1,824	285
Cash and cash equivalents	164	107	247
	522	**1,931**	**532**
Total assets	**17,977**	**18,938**	**13,889**
Current liabilities			
Loans	(2,181)	-	(4,076)
Trade and other payables	(5,839)	(1,504)	(5,782)
	(8,020)	**(1,504)**	**(9,858)**
Non-current liabilities			
Loans	(8,725)	(2,109)	(4,733)
Trade and other payables	-	(1,133)	
Provisions	(6,776)	-	(3,598)
	(15,501)	**(3,242)**	**(8,331)**
Total liabilities	**(23,521)**	**(4,746)**	**(18,189)**
NET (LIABILITIES)/ASSETS	**(5,544)**	**14,192**	**(4,300)**
Capital and reserves			
Called-up equity share capital	1,096	953	1,093
Share premium account	20,460	19,190	20,460
Share-based payment reserve	2,992	3,271	2,885
Accumulated losses	(30,092)	(9,368)	(28,738)
	(5,544)	**14,192**	**(4,300)**

Independent Oil and Gas plc

Consolidated cash flow statement
for the six months ended 30 June 2017

	Unaudited 1H 2017 £000	Unaudited 1H 2016 £000	Audited FY 2016 £000
Loss after tax	(1,413)	(1,061)	(21,437)
Adjustments for:			
Depreciation and amortisation	4	-	4
Impairment of oil and gas properties	-	-	20,013
Impairment of creditors	-	-	(307)
Administration expenses capitalised as non-current oil and gas assets	(278)	-	-
Loss/(gain) on settlement of liabilities	37	139	(73)
Share based payments	166	268	206
Movement in trade and other receivables	(72)	112	(146)
Movement in trade and other payables	(61)	(108)	(853)
Interest and financing fees	663	95	899
Foreign exchange (gain)loss	(138)	163	299
Net cash used in operating activities	**(1,092)**	**(392)**	**(1,395)**
Cash flows from investing activities			
Purchase of intangible oil and gas assets	(118)	(420)	(3,784)
Purchase of intangible assets - other	-	-	(3)
Purchase of property, plant and equipment – oil and gas assets	(324)	-	-
Purchase of property, plant and equipment - other	(1)	-	(30)
Acquisitions	-	(1,500)	(2,834)
Net cash used in investing activities	**(443)**	**(1,920)**	**(6,651)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares	3	30	728
Financing costs	(3)	-	-
Net proceeds from loans received/(repaid)	1,452	2,366	7,542
Net cash generated from financing activities	**1,452**	**2,396**	**8,270**
Increase/(decrease) in cash and cash equivalents in the period	(83)	84	224
Cash and cash equivalents at start of period	247	23	23
Cash and cash equivalents at end of period	**164**	**107**	**247**

Notes

(i) Basis of preparation
The financial information contained in this announcement does not constitute statutory financial statements within the meaning of Section 435 of the Companies Act 2006. The financial information for the six months ended 30 June 2017 is unaudited. It is prepared in accordance with the same accounting policies as used for the year ended 31 December 2016. In the opinion of the directors the financial information for this period fairly presents the financial position, results of operations and cash flows for the period in compliance with IFRS. An unqualified audit opinion was expressed for the year ended 31 December 2016, as delivered to the Registrar.

(ii) Loss per share
The calculation of loss per share is based upon the weighted average number of ordinary shares in issue during the period of 109,537,004 (30 June 2016: 88,210,213 and 31 December 2016: 92,489,621). Diluted loss per share is calculated based upon the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued upon conversion of potentially dilutive share options and warrants into ordinary shares. As the result for all three periods presented was a loss, the calculation of the diluted EPS was anti-dilutive and therefore the potential ordinary shares were ignored for the purposes of calculating diluted EPS. The weighted average number of ordinary shares on a diluted basis at 30 June 2017 is 135,311,520.

(iii) Dividend
The Directors do not recommend payment of a dividend.

(iv) *Intangible Assets*

	Exploration & evaluation assets	**Company & IT software assets**	**Total**
	2017 £000	**2017 £000**	**2017 £000**
At cost			
At 1 January	27,923	3	27,926
Additions	506	-	506
At 30 June	28,429	3	28,432
Impairments and write-downs			
At 1 January	(22,098)	(1)	(22,099)
At 30 June	(22,098)	(1)	(22,099)
Net book value			
At 30 June	**6,331**	**2**	**6,333**
At 1 January	**5,825**	**2**	**5,827**

Notes (cont'd)

(v) Property, plant and equipment

	Development & production assets	Company & administration assets	Total
	2017 £000	2017 £000	2017 £000
At cost			
At 1 January	7,506	30	7,536
Additions	416	1	417
Acquisitions	3,178	-	3,178
At 30 June	11,100	31	11,131
Accumulated depreciation			
At 1 January	-	(6)	(6)
DD&A	-	(3)	(3)
At 30 June	-	(9)	(9)
Net book value			
At 30 June	**11,100**	**22**	**11,122**
At 1 January	**7,506**	**24**	**7,530**

Blythe Asset Acquisition - as announced on 19 April 2016 and subsequent deal completion on 21 June 2016, further to the initial consideration payable at completion, together with interim period adjustments, the Group has now recognised the further consideration payment of USD 5.0 million, discounted, and payable upon first gas.

Independent Oil and Gas plc

INFORMATION & ADVISERS

Country of incorporation of parent company

United Kingdom

Legal form

Public limited company with share capital

Directors

Mark Routh
Andrew Hockey
Rt. Hon. Charles Hendry
Martin Ruscoe
Andrew Hay

Registered office

60 Gracechurch Street
London
EC3V 0HR

Company registered number

07434350

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Legal counsel

Fieldfisher LLP
Riverbank House
2 Swan Lane
London
EC4R 3TT