13th September 2018

Ophir Energy plc

Half Year Results

Ophir Energy plc today reports results for the six months ended 30 June 2018.

Alan Booth, Interim CEO of Ophir, commented:

"As per the separate strategic update, the Board is rebalancing the company's portfolio towards a larger Asian production and cash flow base with the aim of building a stable, self-financing E&P company. The recent acquisition of assets from Santos is a considerable step towards this goal, doubling our production and operating cash flow.

"On Fortuna, we are continuing to work to deliver value for our shareholders whilst we are in possession of the licence. Reflecting the uncertainty surrounding this however, we have impaired the value of the asset to $300 million."

Highlights for 1H'18

- Production average of 11,400 boepd, marginally ahead of expectations
- Agreed acquisition of Southeast Asian package of assets from Santos for $205 million (as at effective date of 1 January 2018); the transaction closed in September with a net cash payment of $144 million (after adjusting for the value of cash flow from 1 January 2018)
- Revenue of $102 million and net funds flow from production of $43 million
- Impairments and write-offs of $358 million, mainly comprised of $310 million relating to Fortuna
- Closing net cash of $75 million and closing liquidity of $371 million

2018 Outlook

- Production from the Santos assets has been higher than predicted during the year which has reduced the expected payback of the transaction to 30 months
- The table below summarises the outlook on a pro-forma and accounting basis:

	Units	Proforma Basis(*)	IFRS Basis(**)
		FY 2018	**FY 2018**
Production	(Mboepd)	27.5	17.0
Net funds flow from production	($'millions)	210	130
Acquisition cost (with effective date of 1 January 2018)	($'millions)	205	144
Capital expenditure	($'millions)	145	125
Net debt	($'millions)	110	110
Gross liquidity (cash and undrawn debt facility)	($'millions)	260	260

**Guidance on a 2018 full year pro forma basis assuming accounting for the Santos acquisition from the effective date of 1 January 2018.*

***The 2018 full year financial results will reflect acquisition accounting from the completion date of 6 September 2018.*

A presentation for investors and analysts will be held at 9.30am this morning. A webcast of the event will be available on the company's website: www.ophir-energy.com/investors and a dial in is available using the following number: +44 (0)330 336 9411.

For further enquiries, please contact:

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About Ophir:

Ophir Energy is an independent Upstream oil and gas exploration and production company. It is listed on the London Stock Exchange (LEI: 213800LAZOZTKPAV258).

Operational Review

Group Production

Group production in 1H 2018 was above expectations averaging 11,400 boepd, in part thanks to the Bualuang field outperforming against budgeted production. The next phase of development drilling on Bualuang, which was scheduled to commence in July, was delayed until August as the rig arrived 6 weeks later than schedule. The drilling is now well underway and production has increased to reflect this with full year production expected to be in line with budget.

August marked the tenth anniversary of the start of production from the Bualuang field. When the field commenced production 2P reserves were estimated at 15 MMbbls and it was expected to be onstream for only 5 years. In the past ten years, the field has produced over 33 MMbbls and is expected to produce nearly 60 MMbbls in total. Phase 4 of the field development is proceeding well and the 4D seismic is helping to define areas of the field with unswept reservoirs that will be targets for future development drilling.

The Kerendan field has continued to produce in line with expectations. Interpretation is well underway on the 3D seismic that was completed at the end of 2017, and has helped to define better the reservoir distribution and indicates that the contingent resources in the field could be materially in excess of the 457 Bcf (gross) that we carry today. We expect to have more confidence by year-end 2018 on the recoverable volumes and the potential to open up new routes to commercialisation.

Sinphuhorm continues to see erratic gas offtake nominations. The first quarter saw nominations under budget and the second quarter saw nominations over budget. As guided previously, we expect to see volatility in these numbers for the rest of the year.

<u>Assets acquired from Santos</u>

On 6 September 2018, we closed the acquisition for the Santos package of producing assets, of which the principal assets are the Chim Sao/Dua oil field in Vietnam and the Madura Offshore and Sampang PSCs in Indonesia. We have received the economic benefit of the 1H 2018 production from these assets which resulted in the net cash payment to Santos being $144 million in September 2018. All of the ex-Santos fields performed ahead of expectations and as a result will generate more operating cash flow than envisaged at the time of the acquisition.

Premier Oil, the operator of the Block 12W licence in Vietnam, which contains the Chim Sao and Dua fields, recently reported that the field maintained high levels of production in 1H 2018, with daily gross production averaging 29,000 boepd (9,200 boepd net to Ophir*). Two well intervention programmes are planned for 3Q 2018 to offset natural decline from the existing wells. One of these was completed in August with the other to follow. A combination of low operating costs, at $10 per boe, and an oil that commands a premium to the Brent oil price, underpins Block 12W as highly cash generative asset.

The Madura Offshore and Sampang PSCs combined to average 9,300 boepd (net to Ophir) during 1H 2018. The fields are late stage assets but through relatively modest incremental investment, there is an opportunity to tie in satellite fields and deeper reservoirs, which will both bring new barrels on stream and extend the life of the existing production.

An example of the upside opportunities within the newly acquired assets is the potential Meliwis field development in the Madura Offshore PSC. The Meliwis field will be developed using an unmanned single well head platform that will be tied back to the Maleo production platform. A final investment decision will be made for the Meliwis development in 4Q 2018 and will convert 31 Bcf (gross) of contingent resource into 2P reserves. The development is expected to cost gross approximately $70 million (Ophir

share: $54 million) with production start-up expected twelve months after FID. Gross production is expected to plateau at 25 MMscfd for three years before starting to decline. The development of Meliwis will also extend the economic life of the Maleo field, also in the Madura Offshore PSC, which will lead to monetisation of an additional 7.6Bcf of contingent resource.

Production Outlook

Including the production from Block 12W, Vietnam and the Madura Offshore and Sampang PSCs in Indonesia, we expect (on a proforma basis*) that group production for 2018 will be around 27,500 boepd. Actual production during 2018, incorporating the assets from the completion date of 6 September 2018 is forecast to be approximately 17,000 boepd.

Our Asian production base has low operating costs, averaging $12 per boe, low maintenance capex and consequently is highly cash generative. In our base case, over the next three years we expect production from these assets to average around 25,000 boepd, with variations above and below that number on annual basis depending on timing of maintenance and drilling programmes.

At current commodity prices and after budgeted investment programmes, we expect our production base to generate free cash flow of $300 million over the next three years.

Furthermore there is identified, risked upside across all of our production assets, delivery of which would have the potential to drive production up beyond 25,000 boepd. The near field exploration and development opportunities include:

- Bualuang Phase 5
- Bualuang North
- Kerendan Phases 2 and 3
- Meliwis development
- Paus Biru near field exploration

LNG Assets

The Fortuna development suffered a setback in 1H 2018 with the dissolution of OneLNG and the subsequent effective withdrawal of Schlumberger from the Fortuna project. We continue to work to realise value for shareholders whilst we are in possession of the licence. Given the uncertainty around the value we can ultimately realise from Fortuna, we have impaired the asset to a carrying value of $300 million held on our balance sheet at the period-end.

In Tanzania, there have been no material steps forward although the government is running a tender process for advisors to engage with the industry and help with a view to delivering the project.

Exploration

In the short term, exploration will focus on near field opportunities with the rest of the portfolio being evaluated to minimise capital exposure to long payback, frontier exploration until the company has become self-sustaining.

The most immediate exploration well will be the Bualuang North well that is expected to be drilled in October. The well is expected to cost less than $1.5 million on a post-tax (dry hole cost) basis and is targeting between one and five million barrels of prospective resources with a greater than 50% chance

of success. In the event of success, the intention is to tie Bualuang North back to the existing production facilities and any discovery of over one million barrels is expected to payback in less than 18 months.

In Equatorial Guinea, we were awarded an 80% operated interest in Block EG-24, we subsequently farmed out a 40% interest to Kosmos Energy who in return will shoot a block wide 3D seismic survey, for which Ophir is fully cost carried, and partially carried on the cost of a well if a decision to drill is made. The 3D survey commenced in May and is 63% complete.

**on a proforma basis assuming accounting for acquisition from the effective date of 1 January 2018.*

Financial Review

Sources and Uses of Funds Summary

	Units	1H 2018	1H 2017	FY 2017
Total Production:				
Bualuang	Mboepd	7.8	8.1	8.4
Kerendan	Mboepd	2.3	1.7	2.1
Sinphuhorm	Mboepd	1.3	1.5	1.2
Net Sources of Funds:				
Revenue	$'millions	102.0	88.3	188.5
Kerendan Take or Pay (1)	$'millions	(0.1)	2.0	-
Cost of production (2)	$'millions	(30.4)	(36.0)	(70.0)
Investment Income	$'millions	1.8	2.6	4.2
Income Tax Charge	$'millions	(30.4)	(17.0)	(32.6)
Net funds flow from production (3)	$ 'millions	42.9	39.9	90.0
Net Uses of Funds:				
Capital Expenditure (including pre-licence expenditure) (3)	$'millions	49.7	45.4	101.1
Net administration cost	$'millions	6.5	5.8	11.3
Net interest cost	$'millions	6.6	7.0	13.2
Net uses of funds (3)	$'millions	62.8	58.2	125.6
Financing:				
Closing net cash	$'millions	75.3	129.9	117.1
Closing debt	$'millions	104.7	106.6	106.7
Undrawn Debt Facilities	$'millions	190.7	177.5	203.5
Closing liquidity	$'millions	370.7	414.0	427.3

1. Represents the movement on the non-current trade and other payables balance of $(0.1)m (FY17:$(4.9)m, 1H17:$5.5m) and the current trade and other payables balance, take or pay portion of nil (FY17:$4.9m, HY17 $(3.5)m)
2. Includes operating expenses, royalty payments and movement in inventories of oil.
3. Net funds flow from production and net uses of funds have been presented to eliminate the effects of short-term working capital adjustments
4. Adjusted to eliminate non-cash movements for decommissioning of $0.5m (FY17: $0.7m, HY17: $0.5m)

Net Sources of Funds

Working interest production from Kerendan and Bualuang for the period averaged 10,100 boepd and generated revenues of $102 million, up $14 million or 16% on the same period in 2017. As a result of our low unit operating costs of $12 per boe (HY'17: $14 per boe), the assets generated $43 million of net funds flow from production (HY'17: $40 million), or $23 per boe (HY'17: $21 per boe).

The Kerendan field generated revenue of $11 million (HY'17: $8 million) at an average gas price of $5.43 per Mscf (HY'17: $5.23). Revenue from the Bualuang field totalled $95 million (HY'17: $81 million) or $67 per bbl for the period compared to $50 per bbl for the same period last year. The increased average realised oil price arose from both a higher Dubai price, and a reduction in 2H 2017 of the contracted Dubai discount from $1.65 per bbl to $1.23 per bbl. From August 2018 the discount is further reduced to $1.08 per bbl.

In late 2017, we implemented a commodity price hedging programme in respect of the full calendar year 2018. A Brent-swap was purchased at an average price of $60 per bbl and a call was purchased at an average price of $68 per bbl, both trades for 3,200 bopd. The hedge represents approximately 27% of forecast 2018 production.

In addition, the Sinphuhorm field contributed $2 million of investment income (HY'17: $3 million), the asset realising a gas price of $5.26 per Mscf (HY'17: $4.36 per Mscf).

Net Uses of Funds

Capital expenditure during the period was held constant against the same period last year and totalled $50 million. The primary investments during 1H 2018 comprised:

- Mexico exploration $11 million
- West Bangkanai seismic $4 million
- Fortuna $6 million
- Bualuang Phase 4 $10 million
- Kerendan seismic $4 million

The original capital expenditure guidance for 2018 included $55 million of post-FID spend on the Fortuna project that has been deferred now until we have greater certainty on phasing. The Board has provisioned up to $150 million for forward expenditure on Fortuna ahead of first gas and has no intention at this time of increasing the amount.

Full year 2018 capital expenditure forecast, including the newly acquired Asian assets, remains, on a full year proforma basis, as previously guided at approximately $145 million (excluding the acquisition costs of the Santos assets). Capital expenditures for 2H 2018, comprises predominantly:

- Mexico exploration $13 million
- Bualuang Phase 4 development $35 million
- Santos acquired assets $25 million

Longer-term, outstanding financial commitments to host governments for exploration total $85 million, to be discharged in a five-plus years' programme. In line with our objective to only pursue selective exploration, steps will be taken to minimise and reduce this exposure where we can going forward.

Balance sheet

The reserves based lending facility was undrawn at the end of the period with a borrowing base amount available of $191 million. This has been subsequently drawn to an amount of $150 million, in part to fund the acquisition of the Santos package of assets.

Net interest charges in the period of $7 million arose predominantly on our net outstanding $104 million Nordic Bond. The average cost of borrowing for 1H 2018 was 10% (HY'17: 10%).

We ended the period with a cash and cash equivalents of $180 million, and with our undrawn reserves based lending facility, total liquidity available at 30 June 2018 of $371 million (HY 2017: $414 million).

With the increase to operating cash flow, forecast net debt at year-end 2018 is revised to $110 million, and with our current 2018 refinance plans gross liquidity to $260 million. Year-end liquidity (gross debt / EBITDAX) and gearing (debt / debt + equity) ratios are forecast to be very modest at below 2.0 and 25% respectively.

As part of the mid-year reporting process, the carrying value of all assets was reviewed. We concluded for Fortuna that, although we continue to work to deliver value, uncertainty remains as to whether this can be realised before the licence expires. We have consequently impaired the asset to a carrying value of $300 million held on our balance sheet at 30 June 2018. This carrying value of $300 million is not based on any one specific outcome but has been determined by considering different scenarios and a range of possible outcomes. Once we reach an outcome, a further impairment may be required. In addition to the impairment of Fortuna, we also wrote-off exploration expenses in 1H 2018 of $48 million (HY'17: $77 million), predominantly in respect of interests we hold in Indonesia.

Post balance sheet events

On 6 September 2018 we completed the acquisition of the Southeast Asian package of assets from Santos with an effective date of 1 January 2018. At the time of announcing the transaction in May 2018, the headline consideration was $205 million, which was to be funded partly from an eighteen month bridge facility of up to $130 million, with the balance being met from existing funds.

Through a combination of production outperformance year to date and higher than expected commodity prices, the assets we acquired generated $61 million of net cash in the period between the effective date and the completion date of the transaction reducing the consideration payable to Santos at closing to $144 million, with an effective pay-back of 30% of the acquisition cost in eight months.

The bridge facility was executed on 7 June 2018 with a number of our existing lenders. With the reduced consideration payable to Santos, $103 million of the bridge was drawn-down. The bridge facility with a bullet payment is expected to be refinanced into our longer-term reserves based lending facility in the coming months. On drawing the bridge, we entered into an additional commodity price hedging programme against the Chim Sao asset comprising buying of a swap at an average strike price of $70 per bbl and buying a call at an average strike price of $78 per bbl, both trades for 2,000 bbl per day, for the period 6 September 2018 to 5 September 2019.

Financial Guidance

Full year 2018 guidance is revised as follows:

	Units	Proforma Basis[1]	IFRS Basis[2]
		FY 2018	**FY 2018**
Production	(Mboepd)	27.5	17.0
Net funds flow from production	($'millions)	210	130
Acquisition cost (with effective date of 1 January 2018)	($'millions)	205	144
Capital expenditure	($'millions)	145	125
Net debt	($'millions)	110	110
Gross liquidity (cash and undrawn debt facility)	($'millions)	260	260

1. *Full year 2018 pro forma basis assuming accounting for the Santos acquisition from the effective date of 1 January 2018.*
2. *Full year 2018 IFRS basis with acquisition accounting for the transaction from the closing date of 6 September 2018, and as will be reported in the company's consolidated 2018 financial statements*

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Looking forward to 2019, full year production is forecast at 25,000 boepd against which we expect to generate operating cash flow, at an average Brent oil price of $73 per bbl, of $200 million.

Our pre-budget estimate of forecast 2019 capital expenditure is $175 million. Commitment exploration expenditure is forecast at $50 million and in line with our objective to only pursue selective exploration, steps will be taken to minimise and reduce this exposure where we can. Maintenance and sanctioned development capital expenditure, including Bualuang Phase 4 development, is forecast at $100 million.

Additionally, whilst the board has provisioned up to $150 million for post-FID spend on Fortuna, nothing is included in this estmate pending a firm outcome on Fortuna being determined and capital expenditure phasing being known with more certainty. On this basis, we expect to see at year-end 2019 net debt remain approximately unchanged at $105 million with gross liquidity at $215 million. Year-end 2019 liquidity and gearing ratios are forecast to remain at 2.0 and 25% respectively.

Outlook

As outlined in the separate release today, the focus going forward is on building a strong, cash generative production and development base which will serve as a platform for further growth and shareholder returns. The addition of the Santos package of assets was the first step in this direction. Delivering material free cash flow to drive net asset growth and returns to shareholders is the priority.

Furthermore, we will look to selectively evaluate and action opportunities for consolidation that could rapidly and effectively deliver our objectives of materiality, sustainability and shareholder returns.

Our LNG options have potential value that is not today reflected in our share price despite a rapidly improving LNG landscape. We will consider options to unlock this value and intend to ensure that our shareholders share appropriately in any value subsequently realised.

We are taking further action to right size the cost structure of the business. We propose to further downsize our London office, following workforce consultation, and within 12 months establish a fit for purpose Asian based HQ, which will serve as the hub for our ongoing business, generating material cost savings.

The Board believes that these actions will create a focused, efficient business generating a significant amount of free cash flow. This will provide a strong platform for the new CEO who will be able to determine, with the Board, an appropriate strategy for capital allocation to further grow the business and maximise value creation.

Risk Management

The principal risks and uncertainties affecting Ophir are described in the risk management section of the Ophir Annual Report 2017 (pages 26-31) and are summarised below.

- External Risks: Low commodity price and adverse market sentiment towards the E&P sector, global economic volatility, capital constraints, legal compliance regulatory or litigation risk, stakeholder sentiment, political risk, climate change.
- Strategic Risks: Investment decisions, inadequate resource and reliance on key personnel.
- Operational Risks: HSE and security incident, drilling operations risk, discovery risk and success rate, IT risk.
- Financial Risks: Inability to fund exploration work programmes, counterparty credit risk, cost and capital spending, interest rate and foreign exchange risk.

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

Alan Booth

Interim Chief Executive Officer
12 September 2018

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 2018 which comprises 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 the related explanatory notes that have been reviewed. 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 Guidance 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 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 2018 is

not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
12 September 2018

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED 30 JUNE 2018

	NOTES	6 MONTHS ENDED 30 JUNE 2018 (UNAUDITED) $'000	6 MONTHS ENDED 30 JUNE 2017 (UNAUDITED) $'000	YEAR ENDED 31 DECEMBER 2017 $'000
Consolidated income statement				
Continuing operations				
Revenue	4	102,066	88,293	188,527
Cost of sales	5a	(67,827)	(69,386)	(147,577)
Gross profit		**34,239**	**18,907**	**40,950**
Share of profit of investments accounted for using the equity method	18	1,818	2,560	4,181
Impairment reversal of oil and gas properties		-	23,681	23,681
Impairment of investments accounted for using the equity method		-	-	(7,800)
Impairment of non-current assets held for sale	8	(309,887)	-	-
Exploration expenses	5b	(52,983)	(77,126)	(91,836)
General & administration expenses	5c	(6,464)	(5,839)	(11,279)
Other operating (expenses)/income	5d	27	(1,361)	(11,699)
Operating loss		**(333,250)**	**(39,178)**	**(53,802)**
Net finance expense	6	(7,565)	(6,463)	(12,907)
Other financial gains		160	-	2,300
Loss from continuing operations before taxation		**(340,655)**	**(45,641)**	**(64,409)**
Taxation (expense)/benefit	7	(34,753)	(38,977)	(47,383)
Loss from continuing operations for the period attributable to:		**(375,408)**	**(84,618)**	**(111,792)**
Equity holders of the Company		(375,408)	(84,618)	**(111,792)**
Non-controlling interest		-	-	-
		(375,408)	**(84,618)**	**(111,792)**
Earnings per share				
Basic – Loss for the period attributable to equity holders of the Company		(53.1) cents	(12.0) cents	(15.8) cents
Diluted – Loss for the period attributable to equity holders of the Company		(53.1) cents	(12.0) cents	(15.8) cents

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

	NOTES	6 MONTHS ENDED 30 JUNE 2018 (UNAUDITED) $'000	6 MONTHS ENDED 30 JUNE 2017 (UNAUDITED) $'000	YEAR ENDED 31 DECEMBER 2017 $'000
Consolidated statement of comprehensive income				
Loss from continuing operations for the period		**(375,408)**	**(84,618)**	**(111,792)**
Other comprehensive (loss)/income				
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on retranslation of foreign operations net of tax		(31)	-	-
Cash flow hedges marked to market		(5,186)	-	(5,882)
Cash flow hedges reclassified to the income statement		4,459	-	-
Other comprehensive income/(loss) for the period, net of tax		**(758)**	**-**	**(5,882)**
Total comprehensive loss for the period, net of tax attributable to:				
Equity holders of the Company		**(376,166)**	**(84,618)**	**(117,674)**
Non-controlling interest		**-**	-	-
		(376,166)	**(84,618)**	**(117,674)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	NOTES	AS AT 30 JUNE 2018 (UNAUDITED) $'000	AS AT 30 JUNE 2017 (UNAUDITED) $'000	AS AT 31 DECEMBER 2017 $'000
Non-current assets				
Exploration and evaluation assets	9	223,736	240,462	247,944
Oil and gas properties	10	676,044	719,350	699,669
Other property, plant and equipment		1,718	2,811	2,211
Other long term receivables		19,948	22,541	21,205
Investments accounted for using the equity method	18	123,445	130,388	120,964
		1,044,891	**1,115,552**	**1,091,993**
Current assets				
Assets classified as held for sale	8	300,000	596,999	604,432
Inventory	11	39,543	40,718	40,647
Trade and other receivables		41,459	39,821	24,656
Taxation receivable		9,128	9,124	9,125
Cash and cash equivalents	12	180,036	236,523	223,779
		570,166	**923,185**	**902,639**
Total assets		**1,615,057**	**2,038,737**	**1,994,632**
Current liabilities				
Trade and other payables	13	(43,531)	(73,304)	(52,374)
Taxation payable		(29,003)	(19,016)	(30,282)
Provisions	16	(8,889)	(10,017)	(9,399)
Derivative financial instruments		(5,116)	-	(3,582)
		(86,539)	**(102,337)**	**(95,637)**
Non-current liabilities				
Other Payables	13	(15,169)	(15,866)	(15,279)
Interest-bearing bank borrowings	14	-	-	-
Bonds payable	15	(104,733)	(106,651)	(106,651)
Deferred tax liability	7d	(268,894)	(271,575)	(264,491)
Provisions	16	(52,503)	(51,725)	(51,265)
		(441,299)	**(445,817)**	**(437,686)**
Total liabilities		**(527,838)**	**(548,154)**	**(533,323)**
Net assets		**1,087,219**	**1,490,583**	**1,461,309**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018 (CONTINUED)

	NOTES	AS AT 30 JUNE 2018 (UNAUDITED) $'000	AS AT 30 JUNE 2018 (UNAUDITED) $'000	AS AT 31 DECEMBER 2017 $'000
Capital and reserves				
Called up share capital	17	3,061	3,061	3,061
Reserves	19	1,084,158	1,487,802	1,458,528
Equity attributable to equity shareholders of the Company		1,087,219	1,490,863	1,461,589
Non-controlling interest		-	(280)	(280)
Total equity		**1,087,219**	**1,490,583**	**1,461,309**

Approved by the Board on 12 September 2018

Alan Booth
Interim Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 30 JUNE 2018

	CALLED UP SHARE CAPITAL $'000	TREASURY SHARES $'000	OTHER RESERVES [1] $'000	NON-CONTROLLING INTEREST $'000	TOTAL EQUITY $'000
As at 1 January 2017	**3,061**	**(153)**	**1,572,449**	**(280)**	**1,575,077**
Loss for the period, net of tax	-	-	(84,618)	-	(84,618)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss, net of tax	-	-	(84,618)	-	(84,618)
Exercise of options	-	-	-	-	-
Share-based payment	-	-	124	-	124
As at 30 June 2017 (Unaudited)	**3,061**	**(153)**	**1,487,955**	**(280)**	**1,490,583**
Loss for the period, net of tax	-	-	(27,174)	-	**(27,174)**
Other comprehensive loss, net of tax	-	-	(5,882)	-	**(5,882)**
Total comprehensive loss, net of tax	-	-	(33,056)	-	**(33,056)**
Exercise of options	-	1	-	-	**1**
Share-based payment	-	-	3,781	-	3,781
As at 31 December 2017	**3,061**	**(152)**	**1,458,680**	**(280)**	**1,461,309**
Loss for the period, net of tax	-	-	(375,408)	-	(375,408)
Other comprehensive income, net of tax	-	-	(758)	-	(758)
Total comprehensive loss, net of tax	-	-	(376,166)	-	(376,166)
Dispoal of Non-Controlling Interest	-	-	(280)	280	-
Exercise of options	-	3	-	-	3
Share-based payment[2]	-	-	2,073	-	2,073
As at 30 June 2018 (Unaudited)	**3,061**	**(149)**	**1,084,307**	**-**	**1,087,219**

[1] Refer to note 20 – Other reserves
[2] Refer to note 5c

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED 30 JUNE 2018

	NOTES	6 MONTHS ENDED 30 JUNE 2018 (UNAUDITED) $'000	6 MONTHS ENDED 30 JUNE 2017 (UNAUDITED) $'000	YEAR ENDED 31 DECEMBER 2017 $'000
Operating activities				
Loss before taxation		(340,655)	(45,641)	(64,409)
Adjustments to reconcile loss before taxation to net cash provided by operating activities				
Exploration expenses	5b	47,993	77,126	76,108
Impairment of non-current assets held for sale	8	309,887	-	-
Depreciation and amortisation		37,777	34,508	79,230
Net Impairment on reversal on oil and gas assets and gain on disposal of fixed assets and investments in minority interest		(174)	(23,607)	(16,061)
Share of profits from joint ventures	18	(1,818)	(2,560)	(4,181)
Net charge for interest	6	7,303	7,649	14,724
Net foreign currency losses/(gains)	6	262	(1,062)	(1,817)
Share-based payment expense	5c	2,073	124	3,905
(Decrease)/increase in provisions		221	4,590	9,381
Cash flow from operation before working capital adjustments		62,869	51,127	96,880
Increase in inventories		1,594	4,331	7,123
(Decrease)/increase in other current and non-current payables		(297)	3,241	1,962
(Increase)/decrease in other current and non-current assets		(14,878)	(7,177)	10,147
Cash generated from operations		49,288	51,522	116,112
Interest received		1,075	983	2,057
Income taxes paid		(31,668)	(5,147)	(9,485)
Net cash (used in)/generated by operating activities		18,695	47,358	108,684
Investing activities				
Additions to Exploration and Evaluation assets		(37,566)	(52,347)	(95,827)
Additions to property, plant and equipment		(14,841)	(20,250)	(47,179)
Dividends received from joint ventures	18	951	3,126	6,523
Funding provided to joint ventures	18	(1,614)	(218)	(370)
Proceeds from disposals of assets		-	-	428
Net cash used in investing activities		(53,070)	(69,689)	(136,425)
Financing activities				
Interest paid		(9,564)	(7,908)	(15,217)
Repayment of debt		-	(93,656)	(93,656)
Net issue/(repurchase) of shares		3	-	1
Net cash used in financing activities		(9,561)	(101,564)	(108,872)
Currency translation differences relating to cash and cash equivalents		193	(6)	(32)
Decrease in cash and cash equivalents		(43,743)	(123,901)	(136,645)
Cash and cash equivalents at beginning of period		223,779	360,424	360,424
Cash and cash equivalents at end of period		180,036	236,523	223,779

1 Corporate information

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

The principal activity of the Group is the development of offshore oil and gas exploration assets. The Company has an extensive and diverse portfolio of exploration interests across Africa and Southeast Asia.

The Income Statement and Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and associated Notes to the Financial Statements for the financial year ended 31 December 2017 included in the 30 June 2018 half yearly financial report do not constitute the Group's statutory accounts, as defined under section 435 of the Companies Act 2006. The Group's statutory financial statements for the financial year ended 31 December 2017 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 Group's condensed consolidated interim financial statements are unaudited but have been reviewed by the auditors and their report to the Company is included on page 11-12. These condensed consolidated interim financial statements of the Group for the six months ended 30 June 2018 were approved and authorised for issue by the Board of the Directors on 12 September 2018.

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2018 included in this interim report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union, and have been prepared on the basis of the accounting policies set out in the Group's Annual Report for year ended 31 December 2017.

The unaudited condensed consolidated interim financial statements are prepared on a going concern basis as the Directors, having considered available relevant information, have a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future.

The consolidated financial statements have been prepared on a historical cost basis and are presented in US Dollars rounded to the nearest thousand dollars ($'000) except as otherwise indicated.

Comparative figures for the period to 31 December 2017 are for the year ended on that date.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements in the Ophir Energy plc Annual Report and Accounts for the year ended 31 December 2017. The accounting policies adopted in the preparation of the interim financial statements, the significant judgements made by management in applying these policies, and key sources of estimation uncertainty are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2017, with the exception of the implementation of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' from 1 January 2018.

2.2 New International Financial Reporting Standards adopted

Ophir adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' with effect from 1 January 2018. Information on the implementation of new accounting standards is included in Ophir Annual Report - Note 1 Basis of preparation and significant accounting policies, and also outlined below:

Basis of preparation - New International Financial Reporting Standards adopted (continued)

IFRS 9 'Financial Instruments'

IFRS 9 provides a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Under the new standard the group's financial assets are classified as measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income. For financial liabilities the existing classification and measurement requirements of IAS 39 are largely retained. Whilst financial assets have been reclassified into the categories required by IFRS 9, the group has not identified any impacts on the measurement of its financial assets and financial liabilities as a result of the classification and measurement requirements of the new standard. Trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group has continued to measure these at amortised cost under IFRS 9.

Under IFRS 9, impairments of financial assets classified as measured at amortised cost are recognised on an expected loss basis which incorporates forward-looking information when assessing credit risk. Movements in the expected loss reserve are recognised in profit or loss. Due to the short-term nature and high quality of the financial assets, the Group has not recognised any impacts on the adoption of IFRS 9.

The hedge accounting requirements of IFRS 9 have been simplified and are more closely aligned to an entity's risk management strategy. Under IFRS 9 all existing hedging relationships will qualify as continuing hedging relationships. IFRS 9 also introduces a new way of treating fair value movements on the time value of certain hedging instruments. Whereas under IAS 39 these movements were recognised in profit or loss, under IFRS 9 they are initially recognised in equity to the extent that they relate to the hedged item. An adjustment to the 2018 opening balance sheet has been made to transfer $2.3 million of gains from retained earnings to the hedging reserve for relevant hedging instruments existing on transition (see note 20). As permitted by IFRS 9 comparatives were not restated.

IFRS 15 'Revenue from Contracts with Customers'

Under IFRS 15, revenue from contracts with customers is recognised as or when the group satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when the customer obtains control of that good or service. The transfer of control of oil and gas sold by the group coincides with title passing to the customer and the customer taking physical possession. The group satisfies its performance obligations at a point in time. The accounting for revenue under IFRS 15 does not, therefore, represent a change from the group's previous practice for recognising revenue from sales to customers.

An analysis of revenue from contracts with customers by product is presented in note 4 and by product and segment in note 3.

2.3 Update to accounting judgements – Balance Sheet classification and recoverability of asset carrying values – non-current assets held for sale

The classification of the group's share of the Block R licence in Equatorial Guinea as a non-current asset held for sale was reviewed during the first half of 2018. Despite the dissolution of OneLNG and the expiry of the current licence on 31 December 2018, management continue to work to deliver value from the licence. Financing for the project has not yet been secured resulting in delay to achieving FID. Discussions with potential counterparties to unlock the value of Fortuna are ongoing and the Company remains committed to a plan with an active programme in place to locate a buyer. It is due to this that management believe the classification of the Block R licence as a non-current asset held for sale continues to meet the IFRS 5 criteria. However, given the increased uncertainty as outlined above, future cash flows have been adjusted for the specific risks. Details of the impairment charge related to non-current assets held for sale are shown in note 8.

For further information on the group's accounting policy on significant estimates and judgements relating to non-current assets held for sale, see Ophir Annual Report 2017 - Financial statements - Note 2.4 Significant accounting judgements, estimates and assumptions.

3 Segmental analysis

The Group's reportable and geographical segments are Africa, Asia and Other. Other relate substantially to activities in the UK.

Segment revenues and results

The following is an analysis of the Group's revenue and assets by reportable segment:

	Six months ended 30 June 2018			
	Africa $'000	Asia $'000	Other $'000	Total $'000
Oil revenue from contracts with customers	-	95,408	-	95,408
Gas revenue from contracts with customers	-	11,117	-	11,117
Loss relating to oil derivatives	-	(4,459)	-	(4,459)
Operating profit/(loss)	(310,095)	(10,995)	(12,160)	(333,250)
Net finance (expense) and other financial gains	(183)	(175)	(7,047)	(7,405)
Profit/(loss) before tax	(310,278)	(11,170)	(19,207)	(340,655)
Taxation	(1,341)	(33,412)	-	(34,753)
Profit/(loss) after tax	(311,619)	(44,582)	(19,207)	(375,408)
Total assets	429,225	1,077,257	108,575	1,615,057

	Six months ended 30 June 2017			
	Africa $'000	Asia $'000	Other $'000	Total $'000
Oil revenue from contracts with customers	-	80,753	-	80,753
Gas revenue from contracts with customers	-	7,540	-	7,540
Operating profit/(loss)	(58,071)	35,848	(16,955)	(39,178)
Net finance (expense)/income	120	(302)	(6,281)	(6,463)
Profit/(loss) before tax	(57,951)	35,546	(23,236)	(45,641)
Taxation	4,891	(43,865)	(3)	(38,977)
Profit/(loss) after tax	(53,060)	(8,319)	(23,239)	(84,618)
Total assets	725,279	1,128,047	185,411	2,038,737

	Year ended 31 December 2017			
	Africa $'000	Asia $'000	Other $'000	Total $'000
Oil revenue from contracts with customers	-	169,461	-	169,461
Gas revenue from contracts with customers	-	19,066	-	19,066
Operating profit/(loss)	(58,783)	34,604	(29,623)	(53,802)
Net finance (expense)/income and other financial gains	157	(901)	(9,863)	(10,607)
Profit/(loss) before tax	(58,626)	33,703	(39,486)	(64,409)
Taxation	5,296	(52,676)	(3)	(47,383)
Profit/(loss) after tax	(53,330)	(18,973)	(39,489)	(111,792)
Total assets	729,337	1,113,555	151,740	1,994,632

	6 MONTHS ENDED 30 JUNE 2018 (UNAUDITED) $'000	6 MONTHS ENDED 30 JUNE 2017 (UNAUDITED) $'000	YEAR ENDED 31 DECEMBER 2017 $'000
4 Revenue			
Sales of crude oil	95,408	80,753	169,461
Sales of gas	11,117	7,540	19,066
Revenue from contracts with customers	106,525	88,293	188,527
Loss relating to oil derivatives	(4,459)	-	-
	102,066	88,293	188,527
5 Operating profit/(loss) before taxation			
The Group operating profit/(loss) from continuing operations before taxation is stated after charging/(crediting):			
(a) Cost of sales:			
- Operating costs	21,660	24,418	48,864
- Royalty payable	7,242	7,189	14,057
- Depreciation and amortisation of oil and gas properties (note 10)	37,333	33,445	77,529
- Movement in inventories of oil	1,592	4,334	7,127
	67,827	69,386	147,577
(b) Exploration expenses:			
- Pre licence and other exploration costs	4,990	7,909	15,728
- Exploration expenditure written off (note 9)	47,926	69,217	76,652
- Exploration inventory provision expense/(reversal)	67	-	(544)
	52,983	77,126	91,836
(c) General & administration expenses include:			
- Operating lease payments – minimum lease payments	1,492	1,602	3,424
- Share-based payment/(release)	2,073	124	3,905
	3,565	1,726	7,329
(d) Other operating (income)/expenses:			
- (Gain)/loss on disposal of minority interest and fixed assets	(174)	74	(180)
- Depreciation of other property plant and equipment	99	167	288
- Provision for exiting contract (note 16)	-	-	8,900
-Restructuring Costs	-	1,124	1,935
- Other	48	(4)	756
	(27)	1,361	11,699

	6 MONTHS ENDED 30 JUNE 2018 (UNAUDITED) $'000	6 MONTHS ENDED 30 JUNE 2017 (UNAUDITED) $'000	YEAR ENDED 31 DECEMBER 2017 $'000
6 Net finance (expense)/income			
Interest income on short-term bank deposits	1,075	1,107	2,057
Interest expense on long-term borrowings	(7,646)	(7,909)	(15,218)
Unwinding of discount (note 16)	(732)	(723)	(1,449)
Net foreign currency exchange (losses)/gains	(262)	1,062	1,817
Other Interest (expense)/income	-	-	(114)
	(7,565)	(6,463)	(12,907)

	AS AT 30 JUNE 2018 (UNAUDITED) $'000	AS AT 30 JUNE 2017 (UNAUDITED) $'000	YEAR ENDED 31 DECEMBER 2017 $'000
7 Taxation			
(a) Taxation charge			
Current income tax:			
Foreign tax:			
Special remuneratory benefit	17,453	5,855	13,696
Other foreign tax	12,968	6,138	13,901
Special remuneratory benefit – adjustment in respect of prior periods	(24)	-	-
Foreign tax – adjustment in respect of prior periods	(10)	4,997	4,997
Total current income tax charge	30,387	16,990	32,594
Deferred tax:			
Special remuneratory benefit	9,886	31,094	27,378
Other foreign tax	(5,520)	(9,107)	(12,589)
Total deferred tax (credit)/charge	4,366	21,987	14,789
Total tax charge in the income statement	34,753	38,977	47,383

Special Remuneratory Benefit (SRB) is a tax that arises on one of the Group's assets, Bualuang in Thailand at rates that vary from zero to 75% of annual petroleum profit depending on the level of annual revenue per cumulative metre drilled. The current rate for SRB for 2018 was 29% (30 June 2017: 16%, 31 December 2017: 18%). Petroleum profit for the purpose of SRB is calculated as revenue less a number of deductions including operating costs, royalty, capital expenditures, special reduction (an uplift of certain capital expenditures) and losses brought forward.

Taxation (continued)

(b) Reconciliation of the total tax charge

The tax charge recognised in the income statement is reconciled to the Group's weighted average tax rate of 47% (30 June 2017: 49%, 31 December 2017: 48%). The differences are reconciled below:

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
Loss from operations before taxation	(340,655)	(45,641)	(64,409)
Loss from operations before taxation multiplied by the Group's applicable weighted average tax rate of 47% (30 June 2017: 49% , 31 December 2017: 48%)[1]	(161,026)	(22,140)	(31,175)
Tax effect of SRB	13,657	18,475	20,537
Tax effect of share of profit of investments accounted for using the equity method	(909)	(1,280)	(2,091)
Non-deductible (income)/expenditure	129,269	20,498	27,991
Effect of different tax rates on loss making jurisdictions	46,732	20,868	30,256
Unrecognised deferred tax assets	4,559	1,964	1,096
Prior year adjustments	1,433	(5,581)	(5,580)
Other adjustments	1,038	6,173	6,349
Total tax (credit)/charge in the income statement	34,753	38,977	47,383

[1] Loss making jurisdictions have been disregarded in the calculation of weighted average tax rate

The taxation charge for SRB for the year can be reconciled to the loss from operations before tax per the consolidated income statement and statement of comprehensive income as follows:

(c) Reconciliation of special remuneratory benefit charge to loss from operations before taxation

The taxation charge for special remuneratory benefit for the year can be reconciled to the loss from operations before tax per the Income Statement as follows:

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
Loss from operations before taxation	(340,655)	(45,641)	(64,409)
Add back losses from operations before taxation for activities outside of Thailand	380,765	93,686	132,165
Profit from operations before taxation for activities in Thailand	40,110	48,045	67,756
Deduct share of profit from investments accounted for using the equity method	(1,818)	(2,560)	(4,181)
Profit before taxation for activities in Thailand	38,292	45,485	63,575
Applicable rate of special remuneratory benefit	29%	16%	18%
Tax at the applicable rate of special remuneratory benefit	11,105	7,277	11,443
Change in special remuneratory benefit average deferred tax rate	12,895	19,136	13,697
Change in special remuneratory benefit rate compared to current special remuneratory benefit rate	2,222	886	619
Prior year adjustment	(24)	7,190	7,191
Other non – deductible costs	1,117	2,460	8,124
Total special remuneratory benefit charge/(credit)	27,315	36,949	41,074

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
Taxation (continued)			
(d) Deferred income tax			
Deferred tax balances relate to the following:			
Corporate tax on fixed asset timing differences	(240,987)	(241,684)	(241,275)
SRB tax on fixed asset timing differences	(32,976)	(29,891)	(28,033)
Tax Losses	5,069	-	4,817
	(268,894)	(271,575)	(264,491)

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 Dec 2017 $'000
8 Non-current assets held for sale			
Assets			
Exploration and evaluation assets[1]	300,000	596,999	604,432
Assets classified as held for sale	300,000	596,999	604,432

[1] The asset held for sale valuation includes a $310 million impairment of the Block R licence (30 June 2017: nil, 31 December 2017: nil). The triggers for the impairment include the dissolution of the OneLNG joint venture (see paragraph below) and the fact that the current licence period ends 31 December 2018. Given the increased uncertainty, future cash flows have been adjusted for the specific risks. The Block R licence had a recoverable amount of $300m based on management's estimate of fair value less costs to sell, using discounted cash flow techniques incorporating different scenarios and a range of possible outcomes.

On 10 November 2016 Ophir and OneLNG, a joint venture between subsidiaries of Golar LNG Limited and Schlumberger, announced that they had signed a binding Shareholders' Agreement to establish a Joint Venture ("JV") to develop the Fortuna project, in Block R, offshore Equatorial Guinea utilising Golar's FLNG technology. OneLNG and Ophir would have had 66.2% and 33.8% ownership of the JV respectively. The JV would have facilitated the financing, construction, development and operation of the integrated Fortuna project and, from FID, would have owned Ophir's share of the Block R licence. In May 2018, OneLNG made the decision to dissolve itself, however management has continued to classify the Fortuna asset as held for sale. Please see note 2.3 – Update to accounting judgements – Balance Sheet classification and recoverability of asset carrying values – non-current assets held for sale.

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
9 Exploration and evaluation assets			
Cost			
Balance at the beginning of the period	247,944	310,229	310,229
Additions [1]	29,173	18,286	40,788
Disposal of asset	-	-	(150)
Transfers to oil and gas properties	-	(10,608)	(10,608)
Reclassified as assets held for sale	(5,455)	(8,229)	(15,663)
Expenditure written-off [2]	(47,926)	(69,216)	(76,652)
Balance at the end of the period	223,736	240,462	247,944

Exploration and evaluation assets (continued)

[1] Additions for the 6 months ended 30 June 2018 were largely attributable to exploration activities in: Mexico Block 10 ($8.7 million) Equatorial Guinea – Block R ($5.4 million subsequently reclassified as asset held for sale), West Bangkanai ($3.5 million), Mexico Block 5 ($2.6 million), Equatorial Guinea (EG-24) ($2.2 million), Tanzania Block 1 ($1.4 million), Myanmar ($1.4 million) and West Papua IV ($1.2 million).
Additions for the year ended 31 December 2017 included exploration activities in: Equatorial Guinea – Block R ($15.7 million subsequently reclassified as an asset held for sale), Myanmar ($2.9 million), West Papua IV ($4.6 million) and Mexico Block 5 ($8.5 million).

[2] Expenditure written off for the period ended 30 June 2018 was $47.9 million mainly attributable to assets in Indonesia - West Papua IV ($31 million), North Ganal ($7.7 million) and Aru (8.4 milllion).

Expenditure written off for the year ended 31 December 2017 was $77 million mainly attributable to Cote d'Ivoire ($32 million) and Gabon ($32 million). The cash generating unit (CGU) applied for the purpose of the impairment assessment is the Blocks. The recoverable amount of each Block was nil. This was based on management's estimate of value in use. The trigger for expenditure write off was management's assessment that no further expenditure on exploration and evaluation of hydrocarbons in the Block was budgeted or planned within the current licence terms.

The Group generally estimates value in use using a discounted cash flow model. Future cash flows are discounted to their present values using a pre-tax discount rate ranging between 8% - 22% (30 June 2017: 15%, 31 December 2017: 8% - 22%). Adjustments to cash flows are made to reflect the risks specific to the CGU.

	AS AT 30 JUNE 2018 (UNAUDITED) $'000	AS AT 30 JUNE 2017 (UNAUDITED) $'000	YEAR ENDED 31 DECEMBER 2017 $'000
10 Oil and gas properties			
Cost			
Balance at the beginning of the period	929,795	875,278	875,278
Additions	13,708	19,506	43,909
Transfer from Exploration and evaluation	-	10,608	10,608
Balance at the end of the period	943,503	905,392	929,795
Depreciation and amortisation			
Balance at the beginning of the period	(230,126)	(176,278)	(176,278)
Charge for the period	(37,333)	(33,445)	(77,529)
Reversal of impairment[1]	-	23,681	23,681
Balance at the end of the period	(267,459)	(186,042)	(230,126)
Net book value			
Balance at the beginning of the period	699,669	699,000	699,000
Balance at the end of the period	676,044	719,350	699,669

[1] The 2017 impairment reversal was due to further increased reserves related to the Bualuang infill drilling results in Thailand which had a recoverable amount of $424m based on management's estimate of value in use. The discount rate used was 22% (pre-tax).

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
11 Inventory			
Oil and condensates	2,394	6,780	3,988
Materials and consumables	37,149	33,938	36,659
	39,543	40,718	40,647

The inventory valuation is stated net of a provision of $10.1 million (30 June 2017: 14.6 million, 31 December 2017: 10.1 million) to write inventories down to their net realisable value.

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
12 Cash and cash equivalents			
Cash	109,606	82,398	99,822
Cash equivalents	70,430	154,125	123,957
	180,036	236,523	223,779

Cash and cash equivalents comprise cash in hand, deposits and other short-term money market deposit accounts that are readily convertible into known amounts of cash. The fair value of cash and cash equivalents is $180 million (30 June 2017: $236.5 million and 31 December 2017: $223.8 million).

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
13 Trade and other payables - Current			
Trade and other payables	10,642	13,161	9,058
Accruals and deferred income	30,355	53,556	42,219
Payables owed to joint operation partners	2,534	6,587	1,097
	43,531	73,304	52,374
Trade and other payables - Non-current			
Accruals and deferred income	15,169	15,866	15,279
	15,169	15,866	15,279

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
14 Interest-bearing bank borrowings			
Long term balance at the beginning of the period	-	83,915	83,915
Short term balance at the beginning of the period	-	9,741	9,741
Acquisition of subsidiary	-	-	-
Less: amounts repaid during the period	-	(93,656)	(93,656)
Less: amounts due within one year	-	-	-
Total borrowings due after 1 year	-	-	-

In 2017, Ophir repaid it's outstanding debt on the 2012 reserves based lending (RBL) facility.
Ophir replaced this facility with a new $250 million RBL facility secured against the group's producing assets in Southeast Asia. The RBL has a seven year term and matures on 30 June 2024. In addition to the committed $250 million, a further $100 million is available on an uncommitted "accordion" basis. Interest will accrue at a rate of between 4% and 4.5% plus LIBOR depending on the maturity of the facility. The new RBL facility is currently undrawn, with an available facility as at 30/06/2018 of $191 million. Of the $5.8 million of transaction costs in relation to the facility, $4.1 million have been deferred within 'other long term receivables' on the balance sheet and are being amortised over the term of the facility.

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
15 Bonds payable			
Balance at the beginning of the period	106,651	106,651	106,651
Coupon interest charged	5,396	5,109	10,218
Interest paid	(7,314)	(5,109)	(10,218)
	104,733	106,651	106,651

The unsecured callable bonds were issued by Salamander Energy plc in December 2013 at an issue price of $150 million. The bonds have a term of six years and one month and will be repaid in full at maturity. The bonds carry a coupon of 9.75% and were issued at par.

	DECOMMISSIONING AND RESTORATION OF OIL AND GAS ASSETS $'000	LITIGATION AND OTHER CLAIMS $'000	OTHER PROVISIONS $'000	TOTAL $'000
16 Provisions				
As at 30 June 2017	51,725	4,675	5,342	61,742
Arising during the period	-	-	-	-
Utilised/paid	-	(4,675)	(4,835)	(9,510)
Unwinding of discount (note 6)	726	-	-	726
Amounts released	-	-	-	-
Remeasurement	(1,194)	-	-	(1,194)
Additions	-	-	8,900	8,900
As at 1 January 2018	51,257	-	9,407	60,664
Arising during the period	-	-	-	-
Utilised/paid	-	-	(510)	(510)
Unwinding of discount (note 6)	732	-	-	732
Amounts released	-	-	-	-
Additions	506	-	-	506
As at 30 June 2018	52,495	-	8,897	61,392
As at 30 June 2018				
Current	-	-	8,889	8,889
Non-current	52,495	-	8	52,503
	52,495	-	8,897	61,392

Decommissioning and restoration of oil and gas assets

The provision outstanding at 30 June 2018 is expected to fall due from 2032 onwards.

Litigation and Other Claims

Litigation and other claims consist of claims arising from trading activities, were settled by 31 December 2017.

Other provisions

Amounts provided at 30 June 2018 comprise $8.9 million representing the unavoidable net cost of exiting a contract.

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
17 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			
746,019,407 ordinary shares of 0.25p in issue at the beginning of the period (30 June and 31 December 2017: 746,019,407)	3,061	3,061	3,061
Nil ordinary shares issued 0.25p each during the period (30 June and 31 December 2017: Nil)	-	-	-
746,019,407 ordinary shares of 0.25p each (30 June and 31 December 2017: 746,019,407)	3,061	3,061	3,061

The balances classified as called up; allotted and fully paid share capital represents 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.

Of the 746,019,407, 38,959,780 relates to treasury shares (30 June 2017: 39,778,765 31 December 2017: 39,710,823).

	As at 30 June 2018 (Unaudited) Percentage Holding	As at 30 June 2017 (Unaudited) Percentage Holding	As at 31 December 2017 (Unaudited) Percentage Holding
18 Investments accounted for using the equity method			
Company			
APICO LLC	27.18%	27.18%	27.18%
APICO (Khorat) Holdings LLC	27.18%	27.18%	27.18%
APICO (Khorat) Limited	27.18%	27.18%	27.18%

The investments in the jointly controlled entities have been classified as joint ventures under IFRS 11 and therefore the equity method of accounting has been used in the consolidated financial statements.

The table below shows the movement in investments in the jointly controlled entities:

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
Balance at the beginning of the period	120,964	130,736	130,736
Share of profit of investments	1,818	2,560	4,181
Impairment	-	-	(7,800)
Dividends received	(951)	(3,126)	(6,523)
Additions	1,614	218	370
	123,445	130,388	120,964

	As at 30 June 2018 (Unaudited) $'000	As at 30 June 2017 (Unaudited) $'000	Year ended 31 December 2017 $'000
19 Reserves			
Treasury shares	(149)	(153)	(152)
Other reserves (note 20)	1,084,307	1,487,955	1,458,680
	1,084,158	1,487,802	1,458,528
Non-controlling interest [1]	-	(280)	(280)
	1,084,158	1,487,522	1,458,248

[1] The non-controlling interest relates to Dominion Uganda Limited, where the Group acquired a 95% shareholding during 2012. The entity was dissolved in the first half of 2018.

	Share premium [1] $'000	Capital redemption [2] reserve $'000	Options premium [3] reserve $'000	Consolidation [4] reserve $'000	Merger [5] reserve $'000	Equity [6] component on convertible bond $'000	Foreign [7] currency translation reserve $'000	Cash flow [8] hedges $'000	Accumulated profits / (losses) $'000	Total other reserves $'000
20 Other reserves										
As at 1 January 2017	**807,427**	**160**	**57,794**	**(500)**	**667,337**	**669**	**5,569**	**-**	**33,993**	**1,572,449**
Loss for the period, net of tax	-	-	-	-	-	-	-	-	(84,618)	**(84,618)**
Other comprehensive loss, net of tax	-	-	-	-	-	-	-	-	-	**-**
Total comprehensive loss, net of tax	-	-	-	-	-	-	-	-	(84,618)	**(84,618)**
Share-based payments	-	-	124	-	-	-	-	-	-	**124**
As at 30 June 2017 (Unaudited)	**807,427**	**160**	**57,918**	**(500)**	**667,337**	**669**	**5,569**	**-**	**(50,625)**	**1,487,955**
Loss for the period, net of tax	-	-	-	-	-	-	-	-	(27,174)	**(27,174)**
Other comprehensive income, net of tax	-	-	-	-	-	-	-	(5,882)	-	**(5,882)**
Total comprehensive loss, net of tax	-	-	-	-	-	-	-	(5,882)	(27,174)	**(33,056)**
Share-based payments	-	-	3,781	-	-	-	-	-	-	**3,781**
Transfers within reserves	-	-	-	-	(341,792)	-	-	-	341,792	**-**
As at 31 December 2017	**807,427**	**160**	**61,699**	**(500)**	**325,545**	**669**	**5,569**	**(5,882)**	**263,993**	**1,458,680**
Adjustment on adoption of IFRS 9	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,300**	**(2,300)**	**-**
As at 1 January 2018	**807,427**	**160**	**61,699**	**(500)**	**325,545**	**669**	**5,569**	**(3,582)**	**261,693**	**1,458,680**
Loss for the period, net of tax	-	-	-	-	-	-	-	-	(375,408)	**(375,408)**

Other reserves (continued)	Share premium [1] $'000	Capital redemption [2] reserve $'000	Options premium [3] reserve $'000	Consolidation [4] reserve $'000	Merger [5] reserve $'000	Equity [6] component on convertible bond $'000	Foreign [7] currency translation reserve $'000	Cash flow [8] hedges $'000	Accumulated profits / (losses) $'000	Total other reserves $'000
Other Comprehensive loss, net of tax	-	-	-	-	-	-	(31)	(727)	-	**(758)**
Total comprehensive loss, net of tax	-	-	-	-	-	-	(31)	(727)	(375,408)	**(376,166)**
Disposal of Non-Controlling Interest	-	-	-	-	-	-	-	-	(280)	**(280)**
Share-based payments	-	-	2,073	-	-	-	-	-	-	**2,073**
Transfers within reserves			(7,868)						7,868	**-**
As at 30 June 2017 (Unaudited)	**807,427**	**160**	**55,904**	**(500)**	**325,545**	**669**	**5,538**	**(4,309)**	**(106,127)**	**1,084,307**

[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 capital redemption reserve represents the nominal value of shares transferred following the Company's purchase of them.

[3] The option premium reserve represents the cost of share-based payments to Directors, employees and third parties.

[4] The consolidation reserve represents a premium on acquisition of a minority interest in a controlled entity.

[5] In 2017, the premium arising on the 2012 Dominion Petroleum acquisition, which was classified within the merger reserves according to the provisions of the Companies Act 2006 relating to Merger Relief (s612 and s613), was realised to accumulated profits/(losses)as a result of the full impairment of the Dominion Group in previous years.

[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.

[8] The cash flow hedge reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge. It includes $4.3 million relating to commodity price hedges which will be reclassified to the income statement as the forecast sales occur.

21 Capital 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 in the following table are an estimate of the net cost to the Group of performing these work programmes:

	AS AT 30 JUNE 2018 (UNAUDITED) $'000	AS AT 30 JUNE 2017 (UNAUDITED) $'000	YEAR ENDED 31 DECEMBER 2017 (UNAUDITED) $'000
Due within one (1) year	15,455	37,502	4,830
Due later than one (1) year but within two (2) years	1,180	31,340	26,940
Due later than two (2) years but within five (5) years	35,440	545	90
	52,075	69,387	31,680

22 Contingent liabilities

An individual's claim against the Group relating to the evaluation and subsequent disposal of an interest that was held in exploration blocks within the portfolio is still ongoing. The individual's primary claim was dismissed in February 2018. The individual has filed an appeal against the decision but a loss at first instance supports the Group's view that the claims are without merit and accordingly the Group 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.

23 Events after the reporting period

On 6 September 2018, Ophir completed the acquisition of a package of Southeast Asian assets from Santos. Ophir acquired interests in three producing assets: (i) a 31.875% working interest in the Block 12W PSC in Vietnam; (ii) a 45% operated interest in the Sampang PSC in Indonesia; and (iii) a 67.5% operated interest in the Madura Offshore PSC in Indonesia for a total consideration of $144 million. The acquisition of the assets was structured so as to have an effective date of 1 January 2018, with cash flows generated by the assets post the effective date (but pre-completion) netted off against the original purchase price of $205 million. The cash flows generated by the assets in 2018 have been better than Ophir's expectations, owing to higher than expected commodity prices over the period and production from the Chim Sáo field in Vietnam outperforming. The total consideration is therefore $144 million. The transaction will be accounted for in accordance with IFRS 3 business combinations. Due to the close proximity of the acquisition date to the date of these financial statements, the initial accounting for the business combination is incomplete and the group is unable to provide a quantification for the fair value of the acquired assets and liabilities. The fair value exercise is ongoing and the group will include the acquisition balance sheet in its full-year results for 2018. The transaction was funded partly from an eighteen month bridge facility of up to $130 million, with the balance being met from existing funds. The bridge facility was executed on 7 June 2018 with a number of our existing lenders. With the reduced consideration payable to Santos, $103 million of the bridge was drawn-down. The acquisition of the Santos assets is intended to take the group closer to achieving its goal of becoming a stable, self-financing E&P company.

ophir energy plc

Company Information

Directors

Chairman (Non-Executive)

William (Bill) Schrader

Executive Directors

Dr Nicholas (Nick) Cooper – Chief Executive Officer (resigned 18 May 2018)
Dr William (Bill) Higgs – Chief Operating Officer (resigned 7 August 2017)
Anthony (Tony) Rouse – Chief Financial Officer
Alan Booth – Interim Chief Executive Officer

Independent Non-Executive Directors

Ronald Blakely (resigned 31 March 2017)
Dr Carol Bell
Vivien Gibney
David Davies
Dr Carl Trowell

Company Secretary

Philip Laing

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 Equiniti Limited to maintain its register of members. Shareholders should contact Equiniti using the details below in relation to all general enquiries concerning their shareholding:

Equiniti Limited*
Aspect House
Spencer Road
Lancing, West Sussex BN99 6DA
Telephone: 0871 384 2030**
International dialling: +44 121 415 7047

* Equiniti Limited and Equiniti Financial Services Limited are part of the Equiniti group of companies. Company share registration, employee scheme and pension administration services are provided through Equiniti Limited, which is registered in England & Wales with No. 6226088. Investment and general insurance services are provided through Equiniti Financial Services Limited, which is registered in England & Wales with No. 6208699 and is authorised and regulated by the UK Financial Conduct Authority.

** Lines are open Monday – Friday from 9.00am – 5.30pm (UK time), excluding UK bank holidays.

COMPANY INFORMATION (CONTINUED)

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Bankers: HSBC Bank plc 70 Pall Mall London SW1 5EY United Kingdom	**Corporate Brokers:** Bank of America Merrill Lynch 2 King Edward Street London EC1A 1HQ United Kingdom
Financial PR Advisors: Brunswick Group LLP 16 Lincoln's Inn Fields London WC2A 3ED United Kingdom	Morgan Stanley 20 Bank Street Canary Wharf London E14 4AD United Kingdom