

28 July 2017

Sterling Energy plc

Results for the six months ending 30 June 2017

Sterling Energy plc ('Sterling' or the 'Company'), together with its subsidiary undertakings (the 'Group'), an upstream oil and gas company listed on the AIM market of the London Stock Exchange (Ticker Symbol: SEY) today announces its results for the six month period ending 30 June 2017.

Sterling is an experienced operator of international exploration and production licences, with a primary geographic focus on Africa and the Middle East. The Group has high potential exploration projects in Mauritania and Somaliland together with a production and royalty interest in Mauritania. The Company has an active strategy to deliver shareholder value through disciplined, material exploration and production projects; leveraging the Company's African and Middle Eastern experience, with a primary emphasis on securing near term cash flow generative opportunities.

Financial summary

- Cash net to Group, as at 30 June 2017 of \$83.5 million (30 June 2016: \$92.4 million), no debt.
- Group turnover of \$2.2 million (1H 2016: \$1.3 million).
- Loss after tax of \$2.2 million (1H 2016: loss \$8.2 million).
- Average net Group entitlement to production of 320 barrels of oil per day ('bopd') (1H 2016: 214 bopd).
- Adjusted EBITDAX loss of \$1.6 million (1H 2016: loss \$1.7 million).

Operations summary

- Production performance for the Chinguetti field, offshore Mauritania has been consistent with the operator's projected 2017 forecast. The depressed oil price continues to have an onerous impact on the Chinguetti project and future joint venture economics. The joint venture continues to move towards cessation of production at year end 2017, followed by Abandonment and Decommissioning ('A&D') of the field.
- In early April, Sterling agreed to revised Farmout Agreement terms for the Odewayne block, Somaliland; reducing the amounts due by Sterling to Petrosoma Limited ('Petrosoma') and reducing Sterling's interest in the block by 6% to 34%.
- The Odewayne Somaliland 2D seismic campaign commenced early June 2017, with final data due in-house Q4 2017.
- The Mauritania C-10 joint venture ('JV') continues to negotiate with the Ministry of Petroleum, Energy and Mines) on an extension to the current period, to allow for a drill-worthy prospect to be matured.

Corporate summary

- Non-executive Directors appointed 19 January 2017.
- Completion of Capital restructuring 14 June 2017.
- Continued strategic mandate to execute M&A driven transformational growth.
- Continued focus on capital discipline with move to new office in Q4 2017 at a cost saving of approximately 55% on current premises.

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This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

CEO Statement

As of January 2017, the refreshed Sterling Board has worked diligently at ensuring the Company's strategic focus is on minimising our Chinguetti project liability exposure, maintaining our fiscal discipline, proactively managing our exploration assets, continuing to reduce our overheads and pursuing an aggressive mandate to bring a transformational M&A led opportunity into the Company.

On the Chinguetti oil field, we continue to persevere with SMHPM and key stakeholders to safely and effectively implement the A&D project, subject to Government of Mauritania approval.

Chinguetti is due to cease production in late 2017, with decommissioning operations commencing shortly thereafter. At this point, the A&D project quantum, schedule, dependencies and contingencies continue to be fine-tuned amongst the joint venture partners. As soon as the overall A&D project and associated Environmental plan are sanctioned by the Government of Mauritania (expected to be in Q4 2017), Sterling will update the market of the anticipated cost exposure to Sterling of the decommissioning and abandonment phase.

We have continued with our portfolio re-alignment efforts in April on the Somaliland Odewayne block by reducing from \$8 million to \$3.5 million our exposure to a deferred consideration payment to Petrosoma. In return, Sterling's participating interest will (subject to Government consent) reduce from 40% to a still material stake at 34%.

In addition, a 2D seismic campaign commenced over the Odewayne block in early June 2017. This seismic data will be the first ever acquired over this frontier basin. We expect to have the first ca.500kms of fast track Post Stack Time Migrated ('PSTM') in house in early Q4 2017 for interpretation. To date, we have viewed two early brute stack 2D seismic lines and are highly encouraged with regards to signal penetration, reflectivity, structuring and depth of sedimentary fill.

With regards our Mauritania C-10 exploration asset, the operator Tullow Oil continues to negotiate with the Ministry of Petroleum, Energy and Mines on seeking a fair and equitable licence extension, in order to allow the joint venture a suitable period of time, beyond November 2017, to mature a drill-worthy prospect on the block. In parallel we await with interest the results of the forthcoming Kosmos phase two well campaign, due to drill the ca.2-3 billion boe (gross un-risked) Lamantin prospect in Q3 2017, in block C-6/C-12 just outboard and northwest of C-10.

The primary focus of the Company has been to continue to originate, conduct full due diligence and ultimately execute transformative growth driven M&A projects. Over the last six months the technical and commercial team have focused solely on those few jurisdictions which offer palatable above ground risk exposure, along with robust and material subsurface potential. Sterling has always taken a disciplined capital allocation view to investing only in those opportunities with capex flexibility and favourable fiscal and commercial terms. In this prolonged oil price down cycle, it is critical that we leverage our robust cash position appropriately to benefit not only on a discounted entry proposition, but also over the lifecycle of any asset that we seek to bring into the portfolio. We continue to focus the majority of our manpower and efforts on this mandate and hope to be able to bring suitable revenue generating assets into the Company in the near term.

In June 2017, we completed our capital restructuring, with our nominal ordinary share value reducing from 40 pence to 10 pence and the cancellation of the share premium, creating a distributable reserve for Sterling. This has given us enhanced flexibility to make returns of capital to shareholders (should the Company determine that this is appropriate), the ability to issue new capital and allowed us to eliminate our retained deficit which was ca.\$449 million as at 31 December 2016.

The Company continues its efforts to reduce the Group's administrative expenses in reaction to external market conditions. As part of this initiative we will move into a smaller office in Q4 2017, with the aim of further reducing our office costs by approximately 55%.

As of late June, Matthew Bowyer, our Exploration Manager, and Tony Hawkins, our Head of Legal and Commercial, have decided to pursue new opportunities. On behalf of the Company, I truly wish them well and thank them for their numerous material contributions over the last five years with Sterling.

More recently, we welcomed Anish Airi to the team as our new Reservoir Engineering and Subsurface Manager. Anish is a Chemical Engineer by training and has over 19 years of varied international upstream experience working with Shell, Nexen and more latterly as Technical Director Europe Middle East and Africa (EMEA) at Macquarie bank.

In addition, Simon Compton will be joining us as Head of Commercial and Legal in August 2017. Simon has over 29 years of international upstream experience, specialising in investment appraisal, economics and business

development. Simon has worked with BHP, Enterprise Oil, Hess, Premier Oil, Gulf Keystone and more latterly at BMO Capital.

Looking forward, with a refreshed board and leadership team; we continue with efforts to limit our liability exposure on Chinguetti, deliver on our portfolio and focus on executing a transformative M&A project, for the Company. I look forward to updating our shareholders with our progress.

Eskil Jersing CEO

28 July 2017

Operations Review

Mauritania

PSC C-10 (WI 13.5%) Exploration block

Block C-10 covers an area of approximately 8,025km² and lies in water depths of 50 to 2,400m within the Nouakchott sub-basin, offshore Mauritania, and wholly surrounds the Chinguetti field. The C-10 production sharing contract ('PSC') is held by the Company's wholly owned subsidiary Sterling Energy Mauritania Limited ('SEML') (13.5% working interest), Tullow Oil (76.5% working interest and operator) and SMHPM (10% working interest). SMHPM is carried by SEML and Tullow Oil, pro-rata to their working interests, during the exploration phases. The PSC is in the second phase of the exploration period, which is due to expire on 30 November 2017 and has a minimum work obligation of one exploration well.

Following entry into the C-10 block in mid-2015, Sterling and its JV partners have been actively maturing and ranking the technical description of the play, prospect and lead portfolio on the 3D seismic dataset.

Since 2014, Kosmos Energy has discovered and appraised in deep water block C-8, immediately outboard of C-10, several world class LNG scale gas discoveries of Albian to Cenomanian age, with the Tortue West (Ahmeyim) structure alone reported to have Pmean gas resources of ca.15 Tcf. In 2017, Kosmos and new partner BP have continued exploration within the Cenomanian/Albian play with a focus on proving an oil fairway adjacent to the northwestern boundary of the C-10 block, intending to drill the ca.2-3Bn boe (gross un-risked) Lamantin prospect in Q3 2017 in block C-6/C-12 just outboard and northwest of C-10.

Tullow Oil and the JV continue in discussions with SMHPM and the Ministry with regards to the appropriate future path on the C-10 block, with a view to securing an extension for one year and recognising that a well will not be drilled prior to the current Phase 2 expiry in November 2017.

Should the JV not fulfil the minimum work obligations the gross liability owing to the Mauritanian government would be \$7.5 million (\$1.1 million net to SEML). Following the completion of Phase 2 the JV may elect to enter into Phase 3 (with a 3 year term) with a minimum work obligation of a further two exploration wells.

Chinguetti oil field (ca.9.5% of cumulative production through the Funding Agreement and a 6% royalty)

The Company has an economic interest in the Chinguetti field via a Funding Agreement with SMHPM and a Royalty Agreement with Premier Oil ('Premier'). The average production during 1H 2017 was 4,271 bopd gross (320 bopd net entitlement to Sterling).

Production from the Chinguetti field is stored on location in the Berge Helene floating, production storage and offloading vessel ('FPSO'), with economic rights being transferred to the seller on the completion of each cargo lifting; of which one cargo was sold in the period (March 2017) totaling 41,950 bbls net to Sterling.

The Chinguetti JV (Petronas, Tullow Oil, SMHPM, Premier, Kufpec) are converging on the optimal solution to the current end of field life challenges. Discussions continue to be held with the Government of Mauritania and relevant stakeholders on how best to both manage current operations and agree on a plan for a safe, cost-effective and technically robust decommissioning and abandonment phase commencing end 2017.

Somaliland

Odewayne (WI 34%) Exploration block

This large, unexplored frontier block comprises an area of 22,840km². Extensive legacy geological field data provides strong encouragement for a deep sedimentary basin and has additionally highlighted the presence of oil seeps at surface, suggesting that a working hydrocarbon system exists.

The Odewayne production sharing agreement ('PSA') was awarded in 2005. It is in the Third Period with an outstanding minimum work obligation of 500km of 2D seismic. The Third Period was recently extended in 2016 by two years to 2 November 2018. The minimum work obligation during the optional Fourth Period of the PSA (also extended by 2 years to May 2020) is for 1,000km of 2D seismic and one exploration well.

As of the 3 April 2017, the Petrosoma Farmout Agreement has been amended such that the parties will cancel the \$8 million contingent consideration in return for (i) a payment by Sterling Energy (East Africa) Limited ('SE(EA)L') to Petrosoma of \$3.5 million; and (ii) a transfer from SE(EA)L to Petrosoma of a 6% interest in the PSA. Approval for the transfer of the participating interest was granted in July 2017 by the Government of Somaliland. SE(EA)L will retain a 34% interest in the Odewayne Block, fully carried by Genel Energy for its share of the costs of all exploration activities during the Third and Fourth Periods of the PSA.

From 2016, the Somaliland Ministry of Energy and Minerals ('MOEM') has progressed a directed speculative survey to allow the acquisition of 2D seismic data. The project is led by the Ministry who in Q4 2016 signed a contract with BGP (a Chinese geophysical and drilling contractor) to acquire seismic data over a number of blocks, including Odewayne.

The seismic acquisition program on the Odewayne block, commenced early June 2017. The program is intended to fulfil (at least) the minimum work obligation for the current phase and is the first seismic data ever acquired on the block. As of 30 June 2017, ca.870km of line clearance had been undertaken and two seismic lines acquired. The seismic acquisition program continues to progress smoothly, with MOEM intending to release data in 500km tranches to the joint venture partners, with a view to a fast track post stack time migration over the Odewayne block being in-house early Q4 and a final product in-house towards the end of 2017.

M&A led Growth

Since mid-2015, Sterling has actively transitioned the portfolio out of long cycle exploration assets requiring third party funding and continues to actively search for near to mid-term value creation and transformative growth / monetisation options in both Africa and the Middle East.

A prudent, selective and persistent M&A led effort is directed towards shorter-cycle revenue generating projects that will deliver in a sustained lower oil price landscape, in progressive jurisdictions.

The Company maintains a disciplined approach to all M&A efforts at a corporate and asset level, only pursuing and executing those growth options that the Company believes to have the best opportunity to ultimately deliver value for shareholders.

Qualified person

In accordance with the guidelines of the AIM Market of the London Stock Exchange, Eskil Jersing, CEO of the Company, who has been involved in the oil industry for over 31 years, is the qualified person that has reviewed the technical information set out above.

Financial Review

Selected financial data

	1H 2017	1H 2016	FY 2016
Net entitlement from production (bopd)	320	214	279
Net cargo liftings (bbls) / # liftings	41,950 / 1	42,812 / 2	121,031 / 4
Sales revenues (including royalty) (\$m)	2.2	1.3	4.8
Average realised oil price (\$/bbl)	48.7	29.2	39.8
G&A cash expenditures (\$m)	1.9	2.4	4.6
Adjusted EBITDAX ¹ (\$m)	(1.6)	(1.7)	(3.1)
Loss after tax (\$m)	(2.2)	(8.2)	(8.5)
Cash and cash equivalents net to Group (\$m)	83.5	92.4	88.1
Debt (\$m)	-	-	-
Share price (at period end) (GBP pence)	15	15	15

¹Adjusted EBITDAX is calculated as earnings before interest, taxation, depreciation, amortisation, impairment, pre-licence expenditure, provisions and share-based payments.

Revenues and cost of sales

Net entitlement from Chinguetti field production for the period was 320 bopd (including royalty barrels), an increase of 49% from the 214 bopd in 1H 2016. Production in Q1 2016 was unusually low due to technical difficulties, hence the improvement compared to 1H 2017.

During the period, there was one lifting from Chinguetti resulting in (net to the Company) 41,950 bbls sold (1H 2016: 42,812 bbls sold, from two liftings). Group turnover increased by 68% to \$2.2 million (1H 2016 \$1.3 million) due to the improved oil price realised in 1H 2017.

Total cost of sales increased to \$2.7 million (1H 2016: \$424k). In 1H 2016 cost of sales included the onerous provision release of \$2.1 million; like for like cost of sales is therefore \$2.5 million.

Loss from operations

The loss from operations for 1H 2017 was \$2.5 million (1H 2016: loss \$8.1 million). The improvement in net loss is in main due to the 1H 2016 impairments totalling \$7.4 million (Ambilobe and C-3 evaluation assets).

During the period, net administrative expenditure increased to \$2.0 million (1H 2016: \$1.6 million) and includes pre-licence costs of \$1.0 million (1H 2016: \$1.1 million). The increase in net administrative expenditure is, in part, a result of a reduction in recharges during the period.

Cash G&A expenses decreased by 23% in the period to \$1.9 million (1H 2016: \$2.4 million) as the Group continues to focus on such expenditures in reaction to external market conditions.

A summary of the G&A movements is provided below.

	1H 2017 \$ million	1H 2016 \$ million	2016 \$ million
Other administrative expenses per accounts	(1.0)	(0.5)	(2.0)
Add back recharges			
Costs capitalised	-	(0.7)	(0.8)
Costs recharged to JV partners	-	(0.1)	(0.1)
Pre-licence expenditure	(0.8)	(1.0)	(1.8)
	(0.8)	(1.8)	(2.7)
Add back share based payment expense	(0.1)	-	0.1
Add back other non-cash items	-	(0.1)	-
Group cash G&A expenses	(1.9)	(2.4)	(4.6)

Adjusted EBITDAX and loss after tax

Adjusted EBITDAX totalled a loss of \$1.6 million (1H 2016: loss \$1.7 million).

The loss after tax totalled \$2.2 million (1H 2016: loss \$8.2 million). Basic loss per share was 0.99 US¢ per share (1H 2016: 3.74 US¢ loss per share).

Finance income of \$522k (1H 2016: \$294k) represents interest received on cash held by the Group. Foreign exchange gains of \$74k on GBP denominated cash balances, reported in US Dollars (1H 2016: loss \$186k). Finance costs totalled \$264k (1H 2016: \$436k).

No dividend is proposed to be paid for the six months to 30 June 2017 (1H 2016: nil).

Cash flow

Net cash outflow from operating activities (pre-working capital movements) totalled \$2.6 million (1H 2016: outflow \$778k). After working capital, net cash outflow from operating activities totalled \$1.4 million (1H 2016: outflow \$5.1 million).

Net cash investments in oil and gas assets totalled \$3.6 million in the period (1H 2016: \$1.1 million), relating to exploration and evaluation expenditure on Odewayne (\$3.5 million) and C-10 (\$100k) assets.

Statement of financial position

At 30 June 2017, Sterling held \$83.5 million cash and cash equivalents available for its own use (30 June 2016: \$92.4 million).

Group net assets at 30 June 2017 were \$76.1 million (30 June 2016: \$78.6 million). Non-current assets totalled \$22.5 million (30 June 2016: \$18.8 million) with net current assets reducing to \$78.1 million (30 June 2016: \$92.3 million).

The Group's Chinguetti decommissioning provision (current and non-current) at 30 June 2017 was \$31.6 million (30 June 2016: \$32.4 million) reflecting the Group's current estimate of gross abandonment and decommissioning cost.

On 14 June 2017, the reduction of capital was approved by the High Court of Justice of England and Wales has been registered with the Registrar of Companies and accordingly has now become effective. The nominal value of each ordinary share has been reduced from 40 pence to 10 pence. The Company's share premium account has also been cancelled and along with the reduction of capital has created a distributable reserve for Sterling.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the CEO Statement and in the Operations Review. The financial position of the Group is described in the Financial Review.

The Company has sufficient cash resources for its working capital needs and its committed capital expenditure programme for at least the next 12 months. As a consequence, the Directors believe the Company is well placed to manage its business risks. The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the results for the six months ended 30 June 2017.

Disclaimer

This document contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. Whilst the Group believes the expectation reflected herein to be reasonable in light of the information available to it at this time, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control but where, for example, the Group decides on a change of plan or strategy. Accordingly, no reliance may be placed on the figures contained in such forward-looking statements.

Definitions

\$	US Dollars
2D	two dimensional
3D	three dimensional
A&D	Abandonment and Decommissioning
bbl	barrel(s) of oil
boe	barrels of oil equivalent, a measure of the gas component converted into its equivalence in barrel of oil
bopd	barrels of oil per day
Adjusted EBITDAX	earnings before interest, taxation, depreciation, amortisation, impairment, pre-licence expenditure, provisions and share based payments
FPSO	Floating, production, storage and offloading vessel
JV	joint venture
km	kilometre
m	metre
PSTM	Post Stack Time Migrated
PSA	production sharing agreement
PSC	production sharing contract
km ²	square kilometre
US¢	US\$ cents
Tcf	Trillion cubic feet
WI	working interest

Condensed consolidated income statement for the six months to 30 June 2017

	Six months to 30th June 2017 \$000 (unaudited)	Six months to 30th June 2016 \$000 (unaudited)	Year ended 31st December 2016 \$000 (audited)
Revenue	2,217	1,320	4,815
Cost of sales	(2,704)	(424)	(2,262)
Gross (loss)/profit	(487)	896	2,553
Other administrative expenses	(1,047)	(508)	(2,045)
Impairment of oil and gas assets	-	(7,403)	(7,375)
Pre-licence costs	(977)	(1,077)	(1,951)
Total administrative expenses	(2,024)	(8,988)	(11,371)
Loss from operations	(2,511)	(8,092)	(8,818)
Finance income	596	294	683
Finance expense	(264)	(436)	(394)
Loss before tax	(2,179)	(8,234)	(8,529)
Tax	-	-	-
Loss for the period attributable to the owners of the parent	(2,179)	(8,234)	(8,529)
Other comprehensive (expense)/income - items to be reclassified to the income statement in subsequent periods			
Currency translation adjustments	(2)	(1)	50
Total comprehensive (expense)/income for the period	(2)	(1)	50
Total comprehensive expense for the period attributable to the owners of the parent	(2,181)	(8,235)	(8,479)
Basic loss per share (USc)	(0.99)	(3.74)	(3.88)
Diluted loss per share (USc)	(0.99)	(3.74)	(3.88)

Condensed consolidated statement of financial position as at 30 June 2017

	Note	As at 30th June 2017 \$000 (unaudited)	As at 30th June 2016 \$000 (unaudited)	As at 31st December 2016 \$000 (audited)
Non-current assets				
Intangible exploration and evaluation assets	3	22,483	18,739	18,846
Property, plant and equipment		13	28	17
		<u>22,496</u>	<u>18,767</u>	<u>18,863</u>
Current assets				
Inventories		2,501	2,126	1,948
Trade and other receivables		707	636	6,540
Cash and cash equivalents		83,493	92,540	88,058
		<u>86,701</u>	<u>95,302</u>	<u>96,546</u>
Total assets		<u>109,197</u>	<u>114,069</u>	<u>115,409</u>
Equity				
Share capital		28,143	149,014	149,014
Share premium		-	378,863	378,863
Currency translation reserve		(171)	(220)	(169)
Retained earnings		48,161	(449,050)	(449,318)
Total equity		<u>76,133</u>	<u>78,607</u>	<u>78,390</u>
Non-current liabilities				
Long-term provisions		24,456	32,414	14,472
		<u>24,456</u>	<u>32,414</u>	<u>14,472</u>
Current liabilities				
Trade and other payables		1,463	1,456	1,363
Short-term provisions		7,145	1,592	21,184
		<u>8,608</u>	<u>3,048</u>	<u>22,547</u>
Total liabilities		<u>33,064</u>	<u>35,462</u>	<u>37,019</u>
Total equity and liabilities		<u>109,197</u>	<u>114,069</u>	<u>115,409</u>

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

	Share capital \$000	Share premium \$000	Currency translation reserve \$000	Retained earnings* \$000	Total \$000
At 1 January 2016 (audited)	149,014	378,863	(219)	(440,862)	86,796
Total comprehensive expense for the period attributable to the owners of the parent	-	-	(1)	(8,234)	(8,235)
Share option charge for the period	-	-	-	46	46
At 30 June 2016 (unaudited)	149,014	378,863	(220)	(449,050)	78,607
Total comprehensive expense for the period attributable to the owners of the parent	-	-	51	(295)	(244)
Share option charge for the period	-	-	-	27	27
At 31 December 2016 (audited)	149,014	378,863	(169)	(449,318)	78,390
Total comprehensive expense for the period attributable to the owners of the parent	-	-	(2)	(2,179)	(2,181)
Share option charge for the period	-	-	-	(76)	(76)
Share capital reduction	(120,871)	(378,863)	-	499,734	-
At 30 June 2017 (unaudited)	28,143	-	(171)	48,161	76,133

*The share option reserve has been included within the retained earnings reserve.

Condensed consolidated statement of cash flows for the six months ended 30 June 2017

	Six months to 30th June 2017 \$000 (unaudited)	Six months to 30th June 2016 \$000 (unaudited)	Year ended 31st December 2016 \$000 (audited)
Operating activities:			
Loss before tax	(2,179)	(8,234)	(8,529)
Finance income and gains	(596)	(294)	(683)
Finance expense and losses	257	427	380
Depletion and amortisation	5	20	32
Impairment expense	-	7,403	7,375
Share-based payment charge	(76)	46	75
Onerous provision	-	-	(3,700)
Gain on disposal of subsidiary	-	(146)	-
Operating cash outflow prior to working capital movements	(2,589)	(778)	(5,050)
Increase in inventories	(553)	(807)	(628)
Decrease/(increase) in trade and other receivables	5,833	(86)	(5,990)
Increase/(decrease) in trade and other payables	100	(1,283)	(1,377)
(Decrease)/increase in provisions	(4,200)	(2,108)	4,200
Net cash outflow from operating activities	(1,409)	(5,062)	(8,845)
Investing activities			
Interest received	522	294	683
Purchase of property, plant and equipment	(1)	(15)	(15)
Exploration and evaluation costs	(3,637)	(1,068)	(1,147)
Decommissioning costs	(125)	-	(1,088)
Net cash used in investing activities	(3,241)	(789)	(1,567)
Net decrease in cash and cash equivalents	(4,650)	(5,851)	(10,412)
Cash and cash equivalents at beginning of period	88,058	98,653	98,653
Effect of foreign exchange rate changes	85	(262)	(183)
Cash and cash equivalents at end of period	83,493	92,540	88,058

Notes to the consolidated results for the six months ended 30 June 2017

1. 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. In the opinion of the Directors, the financial information for this period fairly represents the financial position of the Group. Results of operations and cash flows for the period are in compliance with International Financial Reporting Standards as adopted by the EU ('EUIFRS'). The accounting policies, estimates and judgements applied are consistent with those disclosed in the annual financial statements for the year ended 31 December 2016. These financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

All financial information is presented in USD, unless otherwise disclosed.

An unqualified audit opinion was expressed for the year ended 31 December 2016, as delivered to the Registrar.

The Directors of the Company approved the financial information included in the results on 28 July 2017.

2. Results & dividends

The Group has a retained earnings at the end of the period of \$48.2 million (30 June 2016: \$449.1 million retained deficit) to be carried forward. The Directors do not recommend the payment of a dividend (1H 2016: nil).

3. Intangible exploration and evaluation (E&E) assets

	Total \$000 (unaudited)
Net book value at 1 January 2016	25,074
Additions during the period	1,068
Impairment for the period	(7,403)
Net book value at 30 June 2016	18,739
Additions during the period	79
Impairment reversal for the period	28
Net book value at 31 December 2016	18,846
Additions during the period	3,637
Net book value at 30 June 2017	22,483

The amount for intangible exploration and evaluation assets represents investments in respect of exploration licences. E&E assets are reviewed for impairment when circumstances arise which indicate that the carrying value of an E&E asset exceeds the recoverable amount.