ROCKHOPPER
EXPLORATION PLC

Interim Report 2009

Rockhopper Exploration plc is an AIM-listed oil and gas exploration company based in the United Kingdom.

Rockhopper has licences to explore for oil and gas in the North Falkland Basin, a petroleum system with a proven high quality source rock.

AIM: RKH

Cover: Ocean Guardian drilling rig

Interim highlights 2009

2009

- £50m equity placing completed
- Rig signed for North Falkland Basin campaign
- Fully funded to drill two wells 100%
- Fully funded to participate in three further wells
- Drilling campaign due to begin February 2010

Chairman's statement

Dear shareholder

I am delighted to report that we have recently achieved the two important steps in our mission to explore for oil in the North Falkland Basin: securing both a suitable drilling rig and raising the funds to finance our participation in its activities. I am additionally very pleased that so many blue chip institutions have supported our fundraising at a price that would have been unthinkable just twelve months ago.

As I write to you, the Ocean Guardian drilling rig is due to leave the UK for the Falkland Islands to undertake the first drilling campaign in the area since 1998. The rig is a third generation semi-submersible unit owned by Diamond and is due to arrive on location in February 2010. We will be participating in five wells; two wells on 100% Rockhopper acreage and a further three wells paying 15% for a 7.5% working interest. We have provided for the anticipated costs of these wells, including contingencies, with our recent equity placing to raise gross proceeds of £50 million.

This drilling campaign represents the culmination of the extensive technical work we have undertaken since Rockhopper was founded in 2004 and is an important step in the growth of your company. Our partner, Desire Petroleum, is also drilling a number of wells using the same drilling unit. During the overall campaign, which is likely to comprise a minimum of eight wells, a number of diversified prospect types will be drilled in order to maximise the chance of success.

We have appointed AGR Group, the largest independent well management group in the world, to manage our share of the drilling campaign. We hope to complete the entire planned drilling campaign during 2010 as most of the wells have been designed to be drilled in approximately one month or less.

We currently intend to drill the prospects – set out in the table below.

Both Sea Lion and Ernest have direct hydrocarbon indications; Sea Lion in the form of an Amplitude Versus Offset anomaly and Ernest in the form of a positive Controlled Source Electromagnetic response, a fact that was ignored in the expert assessment of risk. Your Board, aware of the value of this technology, assigns a chance of success to Ernest of 40% .

We believe the placing of new shares raised sufficient funds to cover the costs of drilling the above wells, including contingency. The drilling order has yet to be decided.

Earlier this year we announced that a third party had signed a Letter of Intent to farm in to one of our licences. We continue to negotiate with a number of potential farminees, including the company referred to in the earlier announcement, but with funds in hand we are in a much stronger negotiating position than was previously the case.

The next 12 months looks set to be the most exciting period of activity since Rockhopper was formed and we are looking forward to being able to report the results of our drilling activities during the course of 2010.

Dr Pierre Jungels
Chairman

24 November 2009

Prospect	Operator	Rockhopper interest	Best estimate prospective resources	Chance of success
Sea Lion	Rockhopper	100%	170 mmbbls*	23%*
Ernest	Rockhopper	100%	156 mmbbls*	23%*
Ann	Desire	7.5%	145 mmbbls*	11%*
Liz	Desire	7.5%	358 mmbbls*	18%*
Ninky	Desire	7.5%	94 mmbbls †	27% †

* Source: RPS Competent Persons Report for Rockhopper Exploration, April 2009

† Source: Senergy Competent Persons Report for Desire Petroleum, September 2009

Finance Director's review

Financial review for the first half of the financial year

The group has incurred a loss for the six month period to 30 September 2009 of $1,259k ($1,183k: 2008) which equates to a loss per share of 1.56 cents (1.50 cents: 2008). The loss has increased over the comparative period primarily as a function of an increase in administrative expenses.

Administrative expenses rose by $493k from $1,063k to $1,556k, this increase relates to higher salary and bonus expenses.

The share based expense of $159k compares to $469k for the previous period. The decreased charge reflects the recognition in the comparative period of all the remaining cost of the third tranche of options that vested on 15 August 2008.

Finance income for the period fell to $28k ($195k: 2008) due to the reduced rates of interest earned on deposit and actual lower average funds on deposit.

Group net assets have decreased by $1,100k since the year ended 31 March 2009 mainly due to the losses incurred.

Financial outlook for the second half of the financial year

The financial outlook for the second half of this year will be focussed on preparation for the 2010 drilling campaign.

Following a successful placing, the company received £47m, after expenses, on 15 November 2009. The expected use of funds is set out below with the balance available for related costs, such as insurance, additional contingency or working capital as required:

	£m
Net placing proceeds	47
Allocated to:	
Mobilisation/demobilisation	(10)
Drilling prospect Sea Lion (100% interest)	(16)
Drilling prospect Ernest (100% interest)	(13)
Drilling prospects Liz, Ann &Ninky (15% share of costs)	(6)
	2
Pre-placing funds held	3
Unallocated funds held on 15 November 2009	5

Financial considerations for the campaign will include planning for foreign exchange, cash flow and liquidity.

In terms of foreign exchange, whilst the placing proceeds were received in GB£, approximately 60% of the campaign costs, and particularly those relating to the rig, are expected to be incurred in US$. For this reason, $30m has already been bought to protect the company against any strengthening of the US$ during the campaign.

The Company's funds are already highly liquid and will remain so until there is greater certainty around the likely timing of material payments. There is an opportunity cost to this approach, in terms of investment income foregone, but this will be small given the low rates of interest available.

Risk review

The risks and uncertainties facing the group are covered in note 5 to the interim report.

Key performance indicators ("KPI's")

As discussed within the annual report for the year ended 31 March 2009, the highly focussed nature of the group means that standard key performance indicators are not relevant and management instead has concentrated on protecting the group's licences and achieving the commitments they require. Work on these areas continues to comply with, or exceed, the licence requirements and with the procurement of the rig will continue to do so.

Peter Dixon-Clarke ACA
Finance Director

24 November 2009

Consolidated balance sheet – unaudited

as at 30 September 2009

	As at 30 September 2009 Unaudited $'000	As at 30 September 2008 Unaudited $'000	As at 31 March 2009 Audited $'000
Assets			
Capitalised exploration expenditure	**27,295**	26,596	26,843
Property and equipment	**12**	21	20
Other receivables	**72**	245	54
Financial assets	**–**	3,640	–
Cash and cash equivalents	**4,774**	5,027	6,387
Assets	**32,153**	35,529	33,304
Other payables	**1,058**	991	1,109
Liabilities	**1,058**	991	1,109
Equity			
Share capital	**1,420**	1,414	1,420
Share premium	**36,210**	36,139	36,210
Share based remuneration reserve	**1,954**	1,682	1,795
Merger reserve	**(243)**	(243)	(243)
Currency translation reserve	**4,123**	426	4,123
Retained losses	**(12,369)**	(4,880)	(11,110)
Attributable to equity shareholders of the parent company	**31,095**	34,538	32,195
Total liabilities and equity	**32,153**	35,529	33,304

These interim results were approved by the directors and authorised for issue on 24 November 2009 and are signed on their behalf by:

Samuel Moody
Managing Director

Peter Dixon-Clarke ACA
Finance Director

Consolidated statement of comprehensive income – unaudited

for the period ended 30 September 2009

	Note	**6 months ended 30 September 2009 Unaudited $'000**	6 months ended 30 September 2008 Unaudited $'000	Year ended 31 March 2009 Audited $'000
Expenses				
Administrative expenses		**(1,556)**	(1,063)	(1,840)
Charge for share based remuneration		**(159)**	(469)	(481)
Foreign exchange movement		**428**	154	(2,440)
Total expenses		**(1,287)**	(1,378)	(4,761)
Finance income		**28**	195	311
Loss before tax		**(1,259)**	(1,183)	(4,450)
Income tax expense		**–**	–	–
Loss for the period/year attributable to equity shareholders of the parent company		**(1,259)**	(1,183)	(4,450)
– Other comphrenhensive income, net of tax		**–**	(676)	–
Total comphrensive income for the period		**(1,259)**	(1,859)	(4,450)
Loss per share: basic and diluted – cents	4	**(1.56)**	(1.50)	(5.58)

The results for the period relate wholly to continuing operations.

Consolidated statement of changes in equity – unaudited

for the period ended 30 September 2009

	Note	**6 months to 30 September 2009 Unaudited $'000**	6 months to 30 September 2008 Unaudited $'000	Year ended 31 March 2009 Audited $'000
Total equity at the beginning of the period attributable to the equity shareholders of the parent company		**32,195**	28,461	28,461
Profit/(loss) for the period		**(1,259)**	(1,183)	(4,450)
Net income /(expense) recognised directly in equity		**–**	(676)	–
Net proceeds from equity issues	3	**–**	7,626	7,703
Movement on share based remuneration		**159**	311	481
Total equity at the end of the period attributable to the equity shareholders of the parent company		**31,095**	34,539	32,195

Consolidated cash flow statement – unaudited

for the period ended 30 September 2009

	6 months ended 30 September 2009 Unaudited $'000	6 months ended 30 September 2008 Unaudited $'000	Year ended 31 March 2009 Audited $'000
Cash flows from operating activities			
Net (loss) before tax	**(1,259)**	(1,183)	(4,450)
Adjustments to reconcile net losses to cash (utilised)			
Depreciation	**9**	3	10
Share based remuneration charge	**159**	469	481
Other non-cash items	**–**	(835)	–
Operating cash flows before movements in working capital	**(1,091)**	(1,546)	(3,959)
Changes in:			
(Increase) in receivables	**(18)**	(210)	(19)
Increase/(decrease) in trade payables	**(51)**	(187)	62
Cash (utilised by) operating activities	**(1,160)**	(1,943)	(3,916)
Cash flows from investing activities			
Capitalised exploration expenditure	**(452)**	(538)	(901)
Purchase of equipment	**(1)**	(3)	(24)
(Purchase)/sale of financial assets	**–**	(3,640)	–
Cash flows (utilised) for investing activities	**(453)**	(4,181)	(925)
Cash inflow from financing activities			
Options exercised	**–**	400	477
Issue of share capital	**–**	7,559	7,559
Share issue costs	**–**	(333)	(333)
Cash inflow from financing activities	**–**	7,626	7,703
Net cash (outflow)/inflow	**(1,613)**	1,502	2,862
Cash and cash equivalents brought forward	**6,387**	3,525	3,525
Cash and cash equivalents carried forward	**4,774**	5,027	6,387

Notes to the consolidated interim results – unaudited

for the six months ended 30 September 2009

1 Accounting policies

1.1 Group and its operations

Rockhopper Exploration plc ('the company'), a public limited company incorporated and domiciled in the United Kingdom ('UK'), together with its subsidiaries (collectively, 'the group') holds certain exploration licences granted in 2004 and 2005 for the exploration and exploitation of oil and gas in the North Falkland Basin. The registered office of the Company is Hilltop Park, Devizes Road, Salisbury, SP3 4UF.

1.2 Basis of preparation

The interim report is reviewed but not audited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The figures for the year ended 31 March 2009 included in the interim report have been extracted from the financial statements for the year ended 31 March 2009. The financial statements for the year ended 31 March 2009 have been reported on by the company's auditor and have been delivered to the registrar of companies. The auditor's report on the financial statements for the year ended 31 March 2009 was unqualified, did not contain any statement under section 489(2) or (3) of the Companies Act 2006 but did include an emphasis of matter paragraph with regard to going concern due to the potential impact of a contingent liability on those financial statements. Following the successful fund raising that occurred after the period end, this uncertainty has been removed and no emphasis of matter has been included in the Auditor's Review Report on these interim statements.

This interim report is not required to be prepared in accordance with IAS 34: Interim financial reporting and therefore does not comply with IFRS. The annual financial statements of the company are prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the European Union.

Items included in the interim report of each of the group's entities are measured in the currency of the primary economic environment in which that entity operates (the "functional currency"). The consolidated interim report is stated in US$. The functional and presentation currency of the Company and the subsidiaries, where the licences are held, is US$.

All values are rounded to the nearest thousand dollars ($'000), and stated as 'k', except when otherwise indicated. The interim report has been prepared in accordance with the measurement and recognition criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the European Union, and AIM rules for Companies.

At the date of authorisation of this interim report, the following standards, which have not been applied in this interim report were in issue but not yet effective.

IFRS 3 – Business combinations
IFRIC 15 – Agreements for the construction of real estate assets
IFRIC 16 – Hedges of net investment in a foreign operation
IAS 27 – Amendment: Consolidated and separate financial statements
IAS 28 – Investments in associates
IAS 31 – Investments in joint ventures
IAS 37 – Financial instruments recognition (amendment)
IAS 39 – Financial Instruments: recognition and measurement (amendment); Eligible hedged items.

Management does not believe that the application of these standards, where applicable, will have an impact on the financial statements, except for the requirement of additional disclosures.

In preparing these interim statements the board have adopted IAS 1 (Revised), which has impacted upon the presentation of the interim statements, and also IFRS 8:Operating Segments. As set out in 1.3(c) the group only has a single purpose in a single location so the implementations of IFRS 8 has had no impact on the disclosures in the statements.

1 Accounting policies continued

1.3 Significant accounting policies

(a) Basis of accounting

The group has identified the accounting policies that are most significant to its business operations and the understanding of its results. These accounting policies are those which involve the most complex or subjective decisions or assessments, and relate particularly to the capitalisation of exploration expenditure. The determination of this is fundamental to the financial results and position of the group and requires management to make a complex judgment based on information and data that may change in future periods.

Since these policies involve the use of assumptions and subjective judgments as to future events and are subject to change, the use of different assumptions or data could produce materially different results.

The measurement basis that has been applied in preparing the interim results is historical cost with the exception of financial assets which are held at fair value.

The significant accounting policies adopted in the preparation of the interim results are set out below.

(b) Basis of consolidation

These consolidated interim results include the accounts of the company and all of its subsidiaries. Subsidiaries are those entities in which the company has the power to exercise control over financial and operating policies in order to gain economic benefits. Subsidiaries are consolidated from the date on which effective control was transferred to the group and are excluded from consolidation from the date of disposal or when control no longer exists over financial and operating policies.

The reversal of an existing trading group into a shell company, such as Rockhopper Exploration plc's acquisition of Rockhopper Resources Ltd in 2005, does not fall within the scope of IFRS 3 Business Combinations since the acquirer is not a business per the definition used in that Standard. IFRS contain specific guidance to be followed where a transaction falls outside the scope of IFRS. This guidance is included at paragraphs 10 to 12 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Directors may consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards. In this regard, it is noted that the United Kingdom Accounting Standards Board (ASB) has issued Financial Reporting Standard 6 'Acquisitions and Mergers' which deals with those business combinations that are not, in substance, the acquisition of one entity by another.

The financial statements consolidate the results, cash flows and assets and liabilities of the company and its wholly owned subsidiary undertakings by the method of merger accounting.

On consolidation, the difference between the nominal value of the shares issued with the nominal value of the shares received has been debited to a merger reserve.

All inter-company accounts and transactions have been eliminated on consolidation.

(c) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The group considers itself to have a single purpose, the evaluation, exploration and exploitation of its licenses, and therefore, taking into account that all exploration activity takes place in the North Falkland Basin, concludes that it has only one segment.

(d) Capitalised exploration expenditure

Exploration assets are measured at cost and all costs relating to the exploration for and development of oil and gas interests, whether productive or not, are accumulated and capitalised as capitalised exploration expenditure. These costs, which are initially classified as capitalised exploration expenditure, are only carried forward to the extent that they are expected to be recouped through the successful development of an area or where activities in an area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Notes to the consolidated interim results – unaudited continued

for the six months ended 30 September 2009

1 Accounting policies continued

Costs dealt with in this way include seismic data, licence costs, technical work, exploration and appraisal drilling, general technical support, finance costs and a proportion of directly attributable administrative and overhead costs.

Costs are transferred to depreciable pools within capitalised exploration expenditure in each regional cost pool upon declaration of commerciality or upon cessation of exploration on each license and amortised over the life of the area according to the rate of depletion of the economically recoverable costs. Any proceeds arising from the sale or farm-out of assets are deducted from the relevant cost pool.

Depreciation and depletion of costs in depreciable pools is provided under the unit of production method which uses the estimated commercial reserves in the cost pool and the sum of the total costs in the pool and any further anticipated costs to develop such reserves.

At the end of each year, an assessment is made as to whether the economic value of interests is in excess of costs capitalised as capitalised exploration expenditure. Any impairment is transferred to depreciable regional cost pools within tangible fixed assets and depreciated. Where a project is terminated, which is ascertained on a country basis, the related exploration costs are written off immediately.

For the period under review, based on the results of recent surveys and the estimates of potential oil recoverable, the directors have concluded that there is no impairment.

(e) Foreign currency translation

Functional and presentation currency:

Items included in the interim results of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates, the functional currency. The consolidated interim results are presented in US$ as this best reflects the economic environment of the oil exploration sector in which the group operates. The functional currency of all the group's entities is US $.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Group companies:

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

1 Accounting policies continued

The period end rates of exchange actually used were:

	30 September 2009	30 September 2008	31 March 2009	31 March 2008
GB£ : US$	**1.59**	1.82	1.42	2.00

(f) Investment income

Investment income consists of interest receivable for the period. Interest income is recognised as it accrues, taking into account the effective yield on the investment.

(g) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument.

I Other receivables

Other receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in the income statement.

II Financial assets

Financial assets comprise fixed-term deposits held by the group with maturities of more than three months but less than twelve months.

III Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and other short-term deposits held by the group with maturities of less than three months.

IV Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

V Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

VI Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

(h) Income taxes and deferred taxation

The current tax expense is based on the taxable profits for the period, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before tax and amounts charged or credited to reserves as appropriate.

Deferred taxation is recognised in respect of all taxable temporary differences that have originated but not reversed at the balance sheet date where transaction or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the consolidated interim results – unaudited continued

for the six months ended 30 September 2009

1 Accounting policies continued

(i) Share based remuneration

The group has two schemes that have each granted options over the ordinary shares of the company, being an employee share option scheme ("ESOS") and a non-employee share option scheme ("NESOS").

During 2008, the group also created a scheme for share appreciation rights ("SARs"). These are accounted and valued on a similar basis as the options.

All schemes were created after 7 November 2002 and the group accounts for their cost until such time as they are fully vested in line with IFRS 2: Share based payments. Under the method set out in this standard, the cost of providing for such schemes is based on the fair value of the options at the date of grant. The cost is charged to the income statement over the expected vesting period of the options and credited to a share based payment reserve.

When new shares are issued, the proceeds, net of any transaction costs, are credited to share capital at nominal value and the balance to share premium. The related amount in the share based payment reserve is then credited to retained earnings.

(j) Property and equipment

Equipment is initially recorded at cost then depreciation is calculated on the straight line method to write down the cost of the asset to their residual values over their estimated useful lives as follows:

Computer and office equipment	Three years
Leasehold improvements	Ten years

(k) Current, non current disclosure

The group does not present its balance sheet on the basis of current and non-current assets and liabilities as presentation broadly in order of liquidity is reliable and more relevant. All balances within receivables and payables are expected to be recovered or settled within twelve months of the balance sheet date.

(l) Leasing

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

2 Use of estimates, assumptions and judgements

The group makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most material area relates to the capitalisation of intangible assets.

3 Net proceeds from equity issues

	6 months to 30 September 2009 Unaudited $'000	6 months to 30 September 2008 Unaudited $'000	Year ended 31 March 2009 Audited $'000
Share capital			
Options exercised	**–**	9	15
New shares issued	**–**	75	75
	–	84	90
Share premium			
Premium on options exercised	**–**	391	462
Premium on shares issued	**–**	7,484	7,484
Issue costs	**–**	(333)	(333)
	–	7,542	7,613
Total proceeds	**–**	7,626	7,703

4 Basic and diluted loss per share

	6 months ended 30 September 2009 Unaudited Number	6 months ended 30 September 2008 Unaudited Number	Year ended 31 March 2009 Audited Number
Shares in issue brought forward	**80,514,520**	75,908,330	75,908,330
Shares issued during the period			
– Issued on 10 April 2008	**–**	238,095	238,095
– Issued on 30 April 2008	**–**	238,095	238,095
– Issued on 22 May 2008	**–**	3,780,000	3,780,000
– Issued on 26 November 2008	**–**	–	350,000
Shares in issue carried forward	**80,514,520**	80,164,520	80,514,520
Weighted average shares in issue	**80,514,520**	79,055,577	79,719,770
	$'000	$'000	$'000
Loss after tax	(1,259)	(1,183)	(4,450)
Basic and diluted loss per share – cents	(1.56)	(1.50)	(5.58)

The calculation of the basic loss per share is based upon the loss for the period and the weighted average shares in issue. As the group is reporting a loss for all periods then in accordance with IAS 33 the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

Notes to the consolidated interim results – unaudited continued

for the six months ended 30 September 2009

5 Risk management policies

Risk review

The risks and uncertainties facing the group include but are not limited to:

The availability and cost of survey ships, drilling vessels and qualified personnel; a risk that has traditionally caused uncertainty around the timing of the work programme, particularly a drilling campaign, but which has now fallen away with the Diamond rig becoming available.

Foreign exchange risks; is the risk that the group suffers loss through unhedged movements of the foreign exchange rate of the GB£ against the US$. Most significant would be where a strengthening US$ increased the cost of the expedition's expenditure as much of this is incurred and settled in US$. To mitigation against this, the group holds the expected US$ element of the campaign in US$.

As at 30 September 2009 – unaudited	US$ denominated $'000	GB£ denominated $'000	Total $'000
Non-monetary assets	27,307	–	27,307
Monetary assets	560	4,286	4,846
Monetary liabilities	(873)	(185)	(1,058)
	26,994	4,101	31,095
Equity			31,095

As at 30 September 2008 – unaudited	US$ denominated $'000	GB£ denominated $'000	Total $'000
Non-monetary assets	26,596	21	26,617
Monetary assets	747	8,166	8,913
Monetary liabilities	(865)	(126)	(991)
	26,478	8,061	34,539
Equity			34,539

As at 31 March 2009 – audited	US$ denominated $'000	GB£ denominated $'000	Total $'000
Non-monetary assets	26,843	20	26,863
Monetary assets	709	5,732	6,441
Monetary liabilities	(1,064)	(45)	(1,109)
	26,487	5,707	32,195
Equity			32,195

Interest rate risks; is the risk that the company suffers a reduction in finance income through the reduction in UK or US base rates. There are a number of instruments available to protect against falling interest rates reducing the investment income enjoyed by the group but, with rates now at a historic low there is not much further they could fall.

Liquidity risks; is the risk that the company cannot meet its liabilities as they fall due without penalty because the fixed term of deposits post dates the due date of the liability. In anticipation of the 2010 drilling campaign, funds are being kept as liquid as possible until greater clarity is available as to the quantum and timing of cash requirements.

5 Risk management policies continued

	At 30 September 2009 Unaudited $'000	At 30 September 2008 Unaudited $'000	At 31 March 2009 Audited $'000
Available immediately	**4,610**	1,387	1,877
Available within 3 months	**162**	3,640	4,510
Cash and cash equivalents	**4,772**	5,027	6,387
Available in more than 3 months but less than 12 months	**–**	3,640	–
	4,772	8,667	6,387

Counter-party risk; is the risk that the company suffers a loss of assets due to the default by any of the institutions with whom the company has placed deposits. The company does not keep all of the funds with one bank and so splits them with at least one additional bank. At the time of writing, the British Government owns substantial holdings in both RBS and Lloyds TSB.

	At 30 September 2009 Unaudited $'000	At 30 September 2008 Unaudited $'000	At 31 March 2009 Audited $'000
RBS plc	**3,360**	6,739	4,720
Lloyds TSB plc	**1,397**	1,880	1,507
HSBC plc	**17**	48	160
	4,774	8,667	6,387

6 Post balance sheet events

On 2 November 2009, the company signed a contract with AGR Peak Well Management Limited for the provision of well construction project management services, throughout the 2010 drilling campaign.

On 11 November 2009, the company signed an assignment with Desire Petroleum plc for the right to take up, subject to a number of conditions, two of the four well options contained within their contract with Diamond. These conditions include the requirement to deposit certain funds into an Escrow account to cover drilling costs and the mobilisation and demobilisation of the rig and other equipment.

On 12 November 2009, the company's shareholders voted at a general meeting to approve the issue of 92,592,593 ordinary shares in connection with the proposed £50 million share placing. The funds, net of expenses, have been subsequently received.

7 Contingent liability and capital commitment

The decision by the company to enter into the drilling campaign discussed within this report commits it to material capital expenditure. The final cost of the campaign will depend on the actual cost of the drilling but is still expected to be in the region of the £45 million set out in the Finance Director's review.

8 Copies of the interim report

Copies of the interim report will be dispatched to shareholders and will be available to the public at the Registered Office: Hilltop Park, Devizes Road, Salisbury, SP3 4UF, along with copies of the audited report for the year ended 31 March 2009 and interim report for the six months ended 30 September 2008. Both the audited and interim reports were prepared under IFRS and presented in US$.

Independent review report to Rockhopper Exploration plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 30 September 2009 which comprises the Consolidated Balance Sheet, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and the related explanatory notes. We have read the other information contained in the interim 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, including the conclusion, has been prepared for and only for the Company for the purpose of meeting the requirements of the AIM Rules for Companies and for no other purpose. We do not, therefore, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Directors' Responsibilities

The interim financial report, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing and presenting the interim financial report in accordance with the AIM Rules for Companies.

As disclosed in note 1.2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with the measurement and recognition criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements, 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 interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30 September 2009 is not prepared, in all material respects, in accordance with the measurement and recognition criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the European Union, and the AIM Rules for Companies.

Baker Tilly UK Audit LLP
Chartered Accountants

55-61 Victoria Street
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BS1 6AD

24 November 2009

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