ROCKHOPPER EXPLORATION PLC
INTERIM REPORT 2013

JAYNE
ZEBEDEE
CHATHAM
ELAINE

BACK INTO EXPLORATION MODE

↗ 'Rockhopper' (RKH) is the first company to make an oil discovery in the Falkland Islands.

Our strategy is to create value through focused exploration.

We aim to do this by:

↗ Enhancing and protecting the value of the oil we have already discovered by fully engaging throughout the development process.

↗ Leading the forward exploration programme in the North Falklands Basin.

www.rockhopperexploration.co.uk
@RockhopperExplo
AIM: RKH

OPERATIONAL AND FINANCIAL
KEY EVENTS

During the period:

- Cancellation of Share Premium Account and authority granted to be able to make distributions
- Joint venture estimate of 2C resources upgraded
  - Sea Lion (with gas cap) 337mmbbls
  - Sea Lion (without gas cap) 402mmbbls
  - Satellites 57mmbbls
- Cash and term deposits at 30 September 2013 of $259 million

Post period end:

- Final capital gains tax liability agreed in principle
- Fiona MacAulay promoted to Chief Operating Officer
- Licences PL023 & PL024 relinquished
- Farm in to licenses PL004a and PL004c announced, conditional on final sign off by Falkland Island Government.

INCREASED EXPOSURE TO FALKLANDS UPSIDE
CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

When I wrote to you in August I discussed three areas on which Rockhopper would be focused. These were:

– the further exploration of the North Falklands Basin;
– the continued development of the Sea Lion field; and
– resolution of the capital gains tax liability.

The recent farm in to some of Desire Petroleum plc's ("Desire") acreage will give added impetus to our exploration plans and provide us with a material holding, 24%, of licence PL004, which we see as the most prospective area of the basin.
The fixed costs of the next campaign are expected to be shared with Noble Energy, which is looking to drill on its acreage to the south of the islands and is currently in the process of contracting a suitable rig.

The development of the Sea Lion field continues apace and the imminent conclusion of the feasibility work around the tension leg platform solution means that we will soon be in a position to compare it to the work already done on the FPSO alternative and decide on the preferred concept with which to go forward to front end engineering and design.

On the capital gains tax liability, we have agreed in principle with the Falkland Islands Government ("FIG") as to the total liability on the basis that the tax due on the non-cash element of the consideration is to be paid at the same time as the first royalty from Sea Lion.

In each of the areas above, we hope to be able to provide you with a further update during the first quarter of 2014.

OUTLOOK
The build up to an exploration campaign is always an exciting time for a company like Rockhopper, particularly as it will be on acreage we know so well. As part of the build up, and in recognition of the ongoing development work required, Fiona MacAulay has been promoted to Chief Operating Officer.

In the meantime, we will keep working to maximise the benefit we can derive on shareholders' behalves from our three main assets, being the $259 million of cash and term deposits on our balance sheet, the development of the Sea Lion field and our technical team.

DR PIERRE JUNGELS CBE
CHAIRMAN

18 December 2013

The farm in to some of Desire's acreage has given added impetus to our exploration plans and provides us with a material holding, 24%, of licence PL004.

BACK INTO EXPLORATION MODE
CHIEF EXECUTIVE OFFICER'S REVIEW
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

OPERATIONAL ACTIVITY
With the Sea Lion development project now embedded within Premier Oil plc ("Premier") ably supported by Rockhopper resource in the project team, we are firmly back into exploration mode. We continue to be excited about the remaining prospectivity of our acreage in the North Falklands Basin ("NFB"), and so have secured material stakes in the most attractive remaining prospects there. Subsequent to the period end, we announced that we have agreed to increase our working interest in block PL004a from 3% to 24% and in PL004c from 10% to 24%. The details of the transaction, which are subject to final sign off by the Governor of the Falkland Islands, are covered later in this report. We are very pleased with the deal, not least because it coincides with our relinquishment of licences PL023 and PL024 and allows us to start planning in earnest for an exploration campaign that will see us participate in up to four wells with upside potential of 800 million barrels (net Pmean STOIIP).

We believe further exploration will only enhance our unique position in the NFB where, of course, we continue to progress the development of our Sea Lion discovery with Premier. Although we are no longer the operator of the field, Sea Lion remains the central driver of our value. Hence, in the six months to 30 September 2013, we have worked closely with Premier to take the development forward and we will continue to devote significant resource to the project. It is pleasing to be able to report that, during the period, Premier confirmed that an FPSO solution is viable and meets all of its internal metrics.

As part of a rigorous process assessing what development approach will deliver most value, a tension leg platform ("TLP") solution is also now under consideration as the partners believe it may offer both operational and financial advantages versus an FPSO. As a result, completion of the concept selection phase of the project has been delayed to allow time for the completion of the work that we believe is critical to ensure the development plan is designed to maximise the financial returns for all of Sea Lion's stakeholders.

Meanwhile, technical work undertaken since our last financial year-end has provided us with an even more positive view of the scale of Sea Lion. The latest modelling has led the joint venture to increase the estimate of the field's 2C resources from 321 million barrels ("mmbbls") to 337mmbbls, with a further 57mmbbls contributed by the satellites. Moreover, this figure assumes a gas cap is present on the western flank of the field. If that is not the case, the 2C estimate for Sea Lion could rise by a further 65mmbbls to 402mmbbls. We believe the chance of a gas cap being present is approximately 50% and only drilling can resolve the question.

CORPORATE MATTERS
In April, we posted a circular calling a General Meeting in June, at which our shareholders voted in favour of a resolution to cancel the share premium account in order to create distributable reserves. They also voted to allow the company to buyback up to 10% of its issued share capital. Subsequently, the cancellation of the share premium account received High Court approval and became effective in early July. Whilst we have just received agreement in principle on the capital gains tax ("CGT") liability, the board of directors will not be in a position to consider returning cash to shareholders until it has greater clarity regarding the likely cost of the Sea Lion project and the expenditure requirements of further exploration.

On the subject of CGT, following extensive discussions, the parties have now agreed in principle that the total CGT payable is $146 million with payment split into two tranches. The first payment, due immediately, equates to $42 million, of which Rockhopper paid $39 million in June 2013. The second payment equates to $104 million and will now be paid at the same time as the first royalty payment to FIG from oil production at Sea Lion. Documentation of the agreement will now commence, with a view to becoming effective by the end of January 2014.

OUTLOOK
While it is important to acknowledge that significant challenges lie ahead, Rockhopper is well placed to overcome them. Against a difficult financial backdrop for the sector, the company has a very strong balance sheet with $259 million of cash and term deposits at the end of September 2013. Furthermore, thanks to our $722 million development carry and the standby financing arrangement with Premier, we are fully funded for our share of Sea Lion development costs to first oil. More immediately, early next year we look forward to completing the Sea Lion concept process, and signing a contract for a drilling unit to begin our planned exploration campaign in late 2014 or early 2015.

SAM MOODY
CHIEF EXECUTIVE

18 December 2013

HIGH GRADED PROSPECTS SELECTED
CHIEF OPERATING OFFICER'S EXPLORATION REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

In early October, Rockhopper and Premier announced the signing of a Heads of Agreement with Desire to farm in to licences PL004a and PL004c. Under the terms of the deal, our interests in the two blocks increase to 24% from 3% and 10% respectively. In return, Desire's share of costs for an exploration well on each block will be carried by Rockhopper and Premier. The farm in has now completed subject to sign off by the Governor of the Falkland Islands.

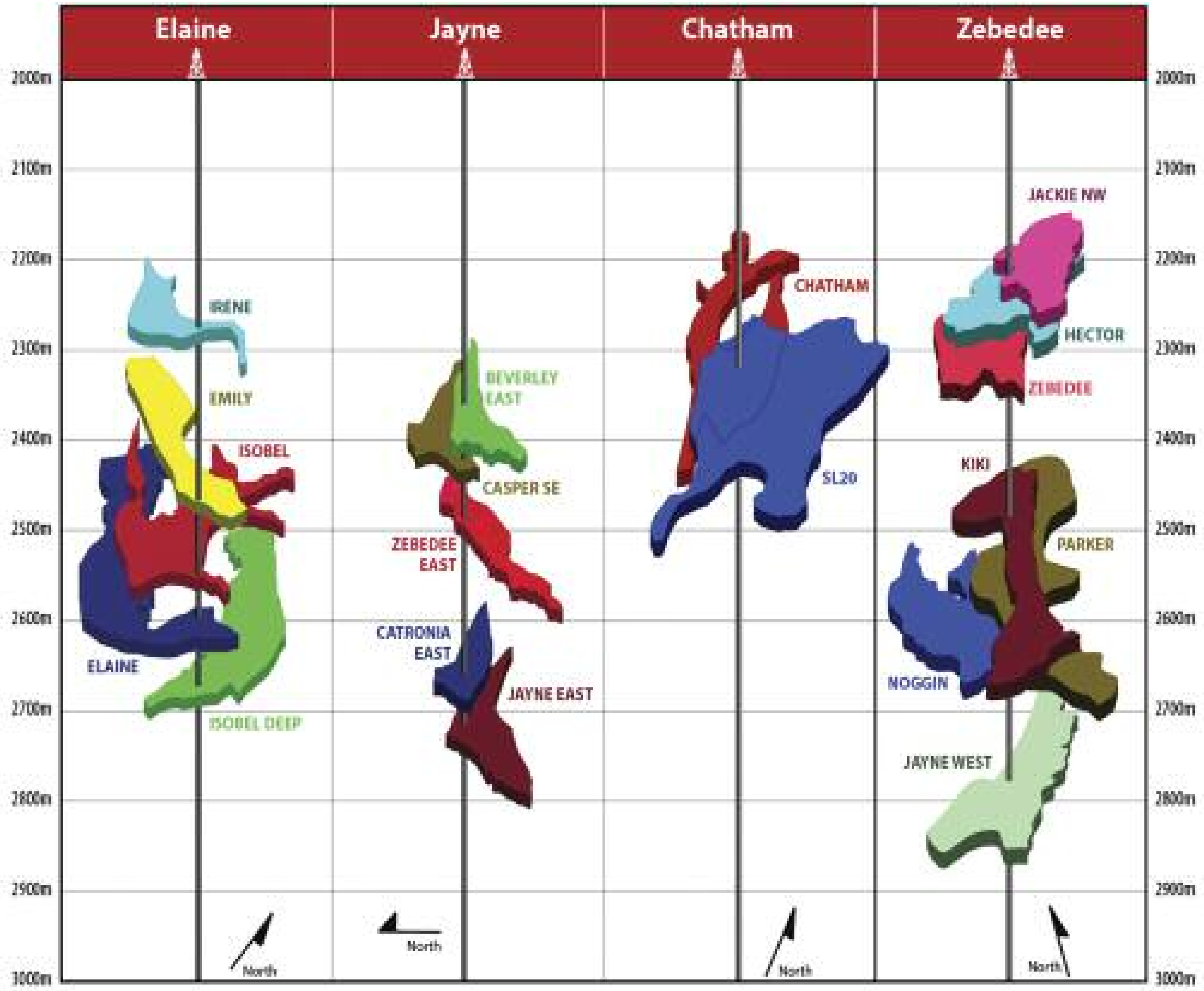
KEY LICENCE INTERESTS (POST FARM-IN)

	Rockhopper Exploration	Premier Oil	Falkland Oil & Gas
PL004a	24%	36%	40%
PL004b	24%	36%	40%
PL004c	24%	36%	40%
PL032	40%	60%	n/a

The deal allows us access to much larger working interests in what we regard as highly prospective acreage. In addition, we believe the transaction will increase the likelihood of a drilling rig being contracted as it can be shared by a number of the regional operators looking to initiate an exploration programme in late 2014 or early 2015. Indeed, with that in mind, Noble Energy and Premier are already in active discussions with a number of drilling contractors.

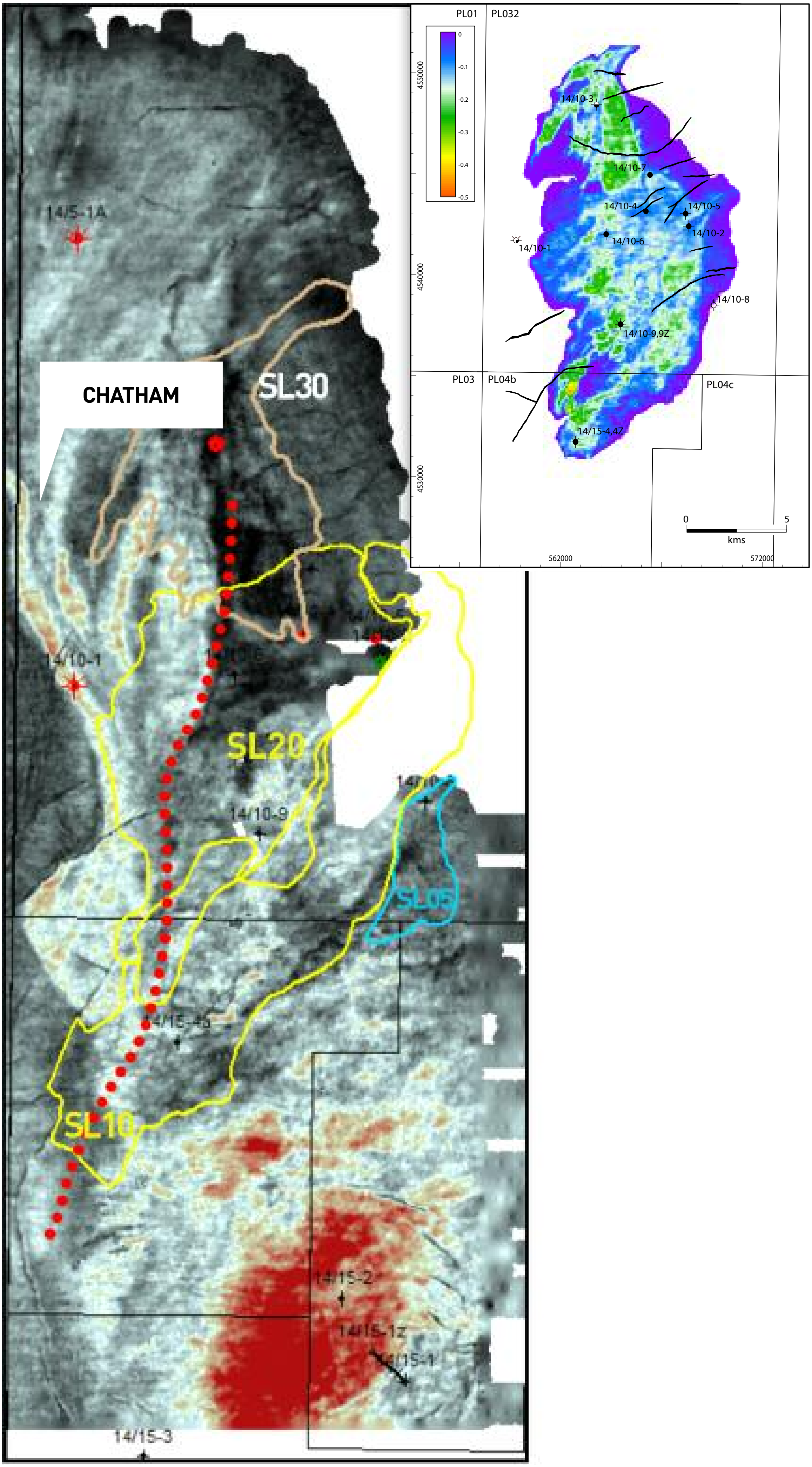
Subject to rig availability, we have identified four wells that we wish to drill in the next campaign. In addition to the Isobel/Elaine and Jayne East prospects that will be drilled as part of the farm in deal, we also want to drill at the Zebedee and Chatham locations on PL004b (Rockhopper 24%) and PL032 (Rockhopper 40%) respectively. Overall, we estimate these would expose our shareholders to upside of almost 800mmbbls (net Pmean STOIIP).

↗ Rockhopper has identified four wells that it wishes to drill in the next campaign.



ESTIMATED STOIIP BY WELL (MMBBLS GROSS PMEAN)*

	Chatham	Isobel	Jayne East	Zebedee	**Total**
F1 & F2 (exploration)	n/a	n/a	194	515	**709**
F3 (exploration)	225	1,078	95	668	**2,066**
Exploration total	225	1,078	289	1,183	**2,775**
Appraisal	200	n/a	n/a	n/a	**200**
Total	**425**	**1,078**	**289**	**1,183**	**2,975**


CHATHAM
SL30
SL20
SL10
14/5-1A
14/10-1
14/10-9
14/15-2
14/15-1z
14/15-3
PL01
PL032
4550000
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0
-0.1
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-0.3
-0.4
-0.5
14/10-3
14/10-7
14/10-4
14/10-5
14/10-2
14/10-6
14/10-1
14/10-8
14/10-9,9Z
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kms
562000
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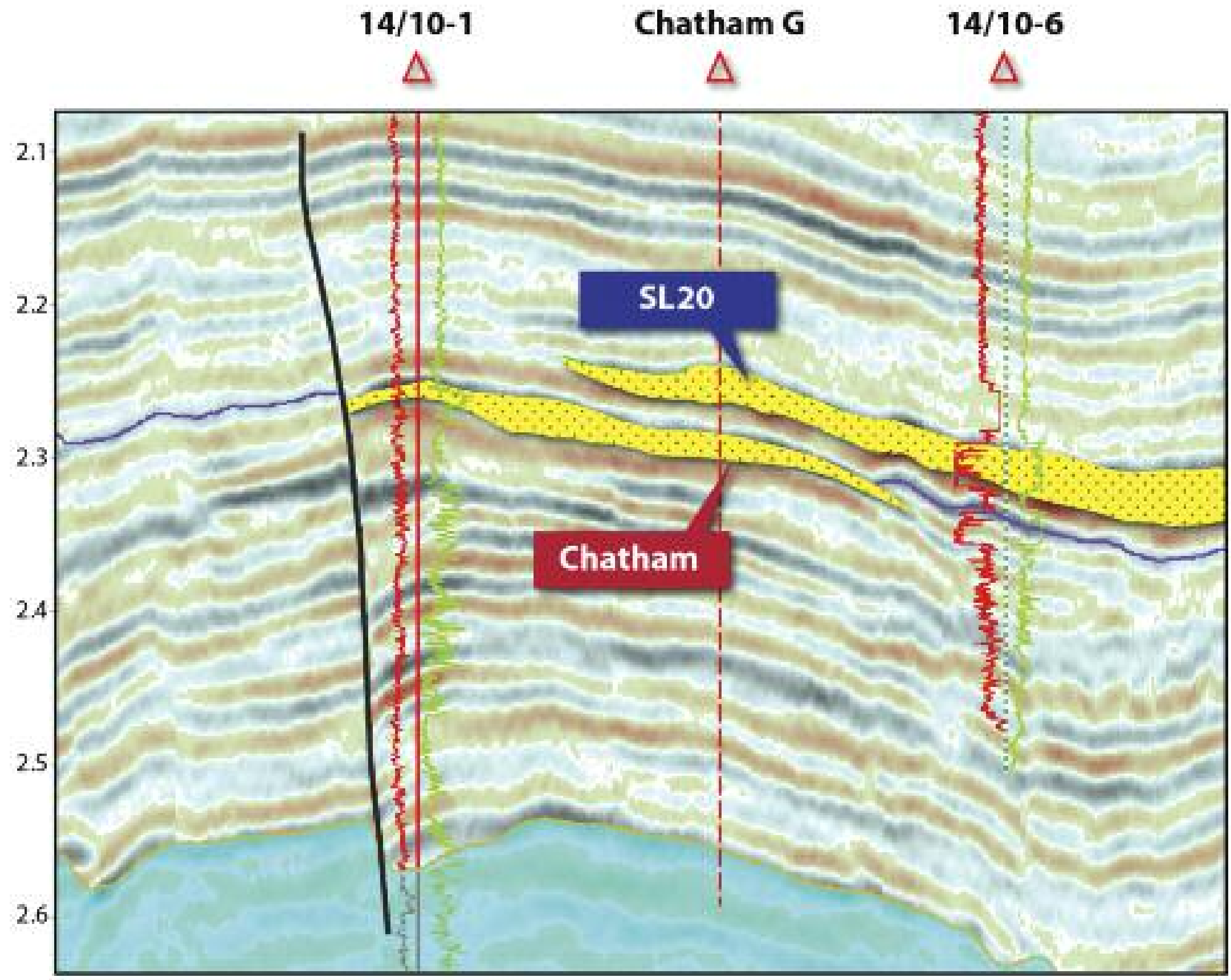
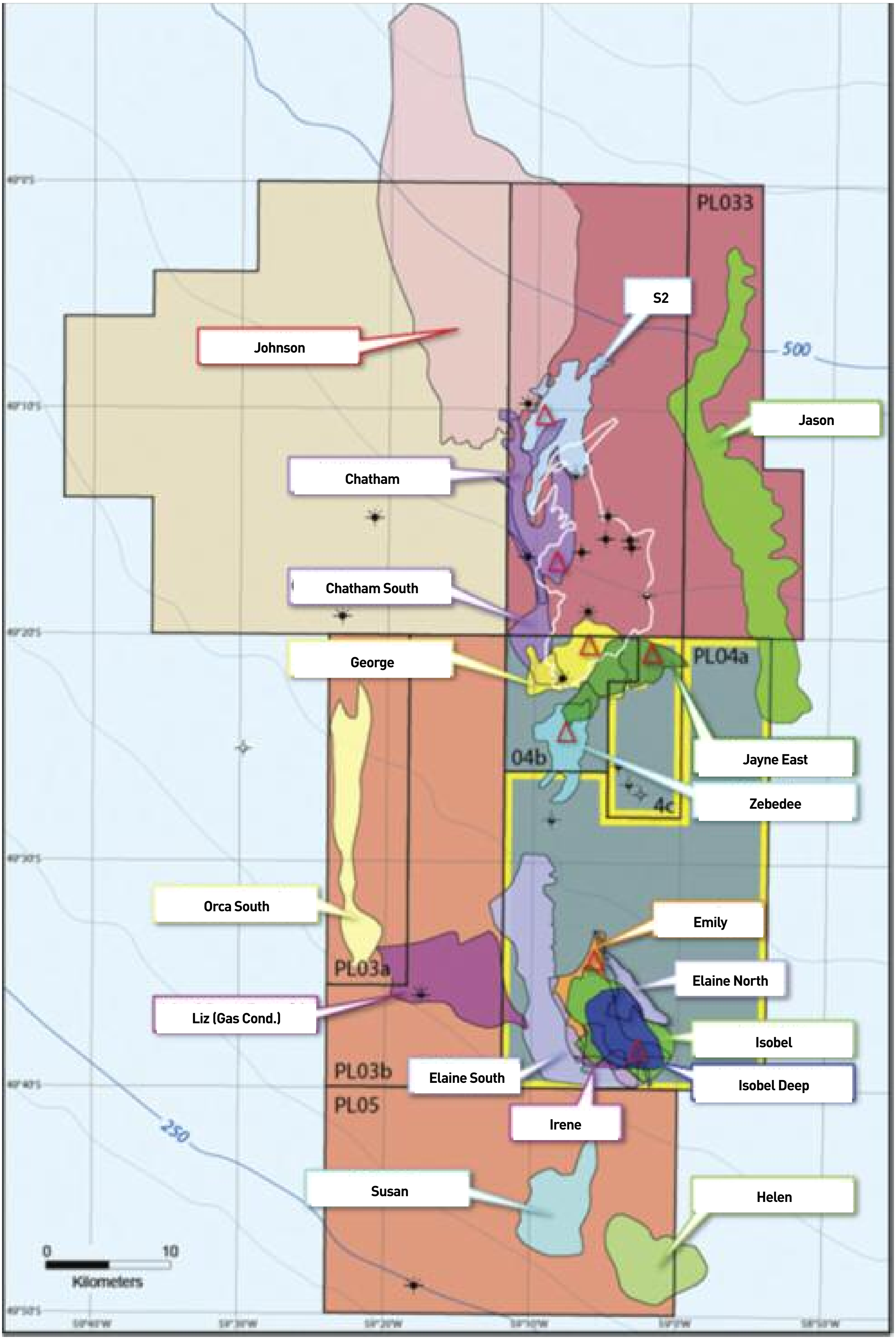
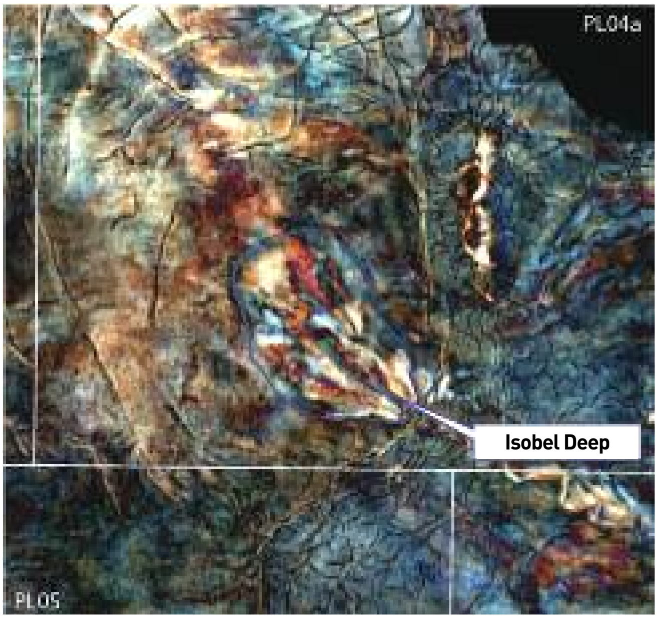
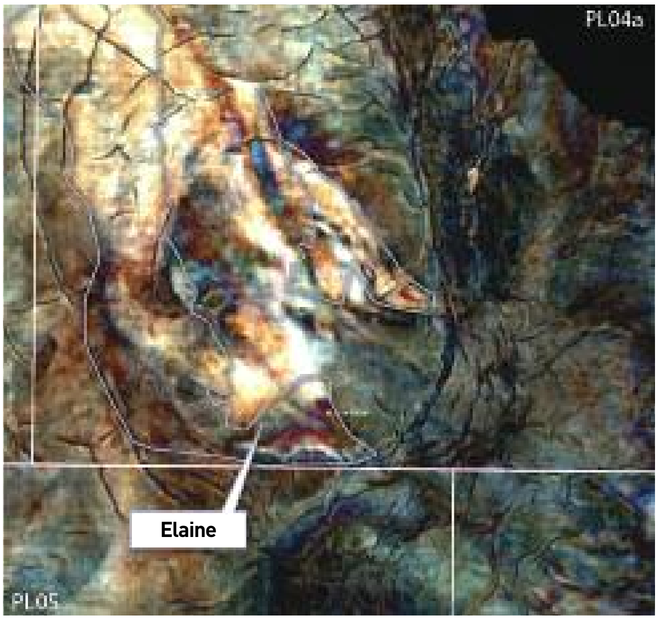


THE CHATHAM/SEA LION GAS CAP WELL LOCATION

Our technical analysis of Sea Lion has revealed the possibility, which we estimate at 50%, of a non-equilibrium gas cap on the west flank of Sea Lion and its presence or absence will be determined by this well. If it is absent, then the current 2C resource estimate for Sea Lion will increase by an estimated 65mmbbls from 337mmbbls to 402mmbbls. If the gas cap is present, however, the well bore may be kept for use as a future gas injector/producer. Meanwhile, the deeper Chatham exploration target is a northerly fed channel complex that, if successful in finding reservoir has play opening potential and would be a strong candidate for an early tie-back to the Sea Lion production facility.


PL033
S2
Johnson
500
Jason
Chatham
Chatham South
George
PL04a
Jayne East
04b
Zebedee
4c
Orca South
Emily
PL03a
Elaine North
Liz (Gas Cond.)
Isobel
PL03b
Elaine South
Isobel Deep
PL05
Irene
250
Susan
Helen
0
10
Kilometers





THE ISOBEL/ELAINE WELL LOCATION

The Isobel/Elaine location is on licence PL004a, where we have increased our working interest from 3% to 24%. The well will intersect a total of six stacked exploration objectives, all within the F3 sequence in an untested part of the North Falkland Basin. Overall, we estimate these targets have the potential to contain STOIIP of 1,078mmbbls on a gross Pmean basis. The primary objectives are Elaine South and Isobel Deep. These large fans are sourced from a basement terrace in the south-east. Feeder systems are well imaged on attribute maps and amplitudes while isopach defines the down-dip fan extent. Reservoir and up-dip seal present the main risks and Rockhopper estimates the geological chance of success for individual targets is 13-18%.

THE ZEBEDEE WELL LOCATION

The Zebedee location is on block PL004b where we have a 24% working interest. The well will intersect a total of eight stacked exploration objectives, which we estimate have the potential to contain a combined 1,183mmbbls of STOIIP on a gross Pmean basis. The primary target is Zebedee itself, which is estimated to have the potential to contain gross Pmean STOIIP of 140mmbbls and is on the west flank of the regional syncline. It is an easterly fed fan that shares the same feeder as the Casper South discovery and is estimated to have a relatively high geological chance of success of 52%. However, risking of the deeper exploration targets is greater and includes fan systems from the east as well as deeper northerly channel fed complexes.

THE JAYNE EAST WELL LOCATION

The Jayne East location is on block PL004c, where Rockhopper has increased its working interest from 10% to 24%. The primary objective of the well will be to test the F2 sands on the east flank of the regional syncline. These include the known Beverley and Casper South fans, which are oil and gas bearing on the west flank. The Zebedee fan would also be tested. Excellent reservoir properties are anticipated in the main targets while a pair of deeper F3 exploration targets also can be intersected at these co-ordinates. In total, there are five objectives at the Jayne East location and Rockhopper estimates these have geological chances of success ranging from 13% to 36% and for a well in this location to be targeting a gross Pmean STOIIP of 289 mmbbls.

Having done extensive technical work to select a number of drill ready prospects we now look forward to the next round of exploration drilling in the basin which, by targeting almost 800 million barrels STOIIP net to Rockhopper, potentially represents a highly material drilling campaign.

FIONA MACAULAY
CHIEF OPERATING OFFICER

18 December 2013

CGT AGREED IN PRINCIPLE
FINANCE DIRECTOR'S REVIEW
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

FINANCIAL REVIEW
The 2012 farm out to Premier triggered both a capital gains tax liability and the decision to obtain the ability to make distributions should it be deemed to be in Rockhopper's best interests to do so in the future.

CAPITAL GAINS TAX LIABILITY
Rockhopper has reached an agreement in principle with the Falkland Islands Government on a total capital gains tax liability of $146 million. This compares to the $83 million, retranslated from $78 million at the period end rate, that was recognised at 31 March 2013. This movement is mainly due to the application of a 10% discount rate to the valuation of the development carry, on the basis that the non-cash proportion of the tax due will not be payable in 2017, as originally expected, but rather at the same time as the first royalty is due from the Sea Lion field.

Included within the agreed increase is $8 million in respect of the $48 million exploration carry. Whilst an exploration carry is not usually subject to tax in the Falkland Islands, this carry can be spent elsewhere or added to the development carry and so has been treated, for tax purposes, as part of the development carry. Once any of the carry is utilised on exploration in the Falkland Islands, Rockhopper can apply for a refund on the proportion spent up to the full $8 million. This is expected to occur before the payment falls due.

Whilst the tax computations are expressed in US$, the liability itself is payable in GB£ at the rate of 1.6134, the spot rate on the day the farm out to Premier completed. £24 million was paid during the period under review and a further £2 million is due immediately. The balance of £64 million will be subject to foreign exchange gains and losses each time it is retranslated at the prevailing rate to meet future reporting requirements.

CANCELLATION OF THE SHARE PREMIUM ACCOUNT
Rockhopper decided that it could be in its future interests to be able to make distributions, either by way of a dividend or share buyback. Consent of shareholders was secured on 4 June 2013 at an extraordinary general meeting, and of the High Court, on 3 July 2013. The Share Premium account at this time has been transferred into a separate special reserve, as before any actual distribution could be made a successful application would have to be made to the courts.

INCOME STATEMENT
The loss before tax for the period decreased by $3 million to $1 million. The most significant movements are detailed below.

Exploration and evaluation expenses fell by $3 million to $3 million mainly because following the farm out the cost of exploration and evaluation expenses on our licences have been borne by both parties in proportion to working interests.

Administrative expenses have decreased slightly to $3 million. Costs have remained broadly static, with the main reduction being around travel costs, in particular travel overseas. Costs for the rest of the year are expected to reduce or to remain static.

The share based payment charge has fallen. However, a new long term incentive plan has been introduced to replace the ongoing award of SARs and so full year costs are expected to be similar to the prior year, although entirely dependent on performance.

Foreign exchange was a small loss for the period. The US$ has weakened over the six months since the year end generating a foreign exchange loss on the CGT liability of $5 million that was offset by the gain on the GB£ cash balances, which formed a natural hedge during the period under review.

Finance income has increased slightly on the prior period as whilst deposit rates have declined, the average cash balances held during the current period, following receipt of the cash proceeds of the farm out, have been far in excess of those held in the prior period. Returns are expected to further decline in the second half of the year due to lower rates achieved.

The tax charge of $54 million is the increase in tax liability discussed above, reduced by $8 million to reflect discounting to fair value under current accounting standards.

BALANCE SHEET
The group capitalised $1 million of expenditure relating principally to the Sea Lion development, against $5 million during the prior period. This is a result of Premier assuming operatorship of the development following the farm out in October 2012 and the group benefitting from a development carry, therefore spend is limited to internal staff costs and contractors used to validate Premier's concept work.

Other receivables have remained level at $2 million and are not expected to vary considerably from this going forward.

Consistent with the end of the last drilling campaign and development costs being borne directly by Premier other payables have fallen from $3 million to $1 million.

Resources available consist of term deposits of $150 million and cash equivalents of $109 million. The main use of these resources since the year end is the initial $37 million tax installment payment which was made in June 2013.

The $3 million of current tax payable reflects the £2 million due immediately. The $96 million of non current tax payable reflects the $104 million of tax payable with the first royalty less the impact of discounting to fair value under current accounting standards of $8 million. The $8 million will unwind at each reporting period until the full undiscounted amount falls due for payment.

The main movement in equity has been the cancellation of the share premium account noted above. There have been no significant movements in share capital, and those there have been mainly related to the issue of shares under the Share Incentive Plan.

OUTLOOK
Having $259 million of cash and term deposits on the balance sheet means that the outlook is very healthy.

Whilst the Sea Lion development is fully financed, the main work flow will be looking to secure reserve based lending to improve on the terms already available by the standby finance.

PETER DIXON-CLARKE ACA
FINANCE DIRECTOR

18 December 2013

GROUP INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Notes	**Six months ended 30 September 2013 Unaudited $'000**	Six months ended 30 September 2012 Unaudited $'000	Year ended 31 March 2013 Audited $'000
OPERATING EXPENSES				
Exploration and evaluation expenses	2	**(623)**	(3,890)	(5,958)
Administrative expenses	3	**(3,003)**	(3,511)	(7,000)
Charge for share based payments	4	**(288)**	(530)	(906)
Foreign exchange movement		**(315)**	865	673
Exceptional gain on sale of intangible exploration and evaluation assets		**—**	—	58,668
Total expenses		**(4,229)**	(7,066)	45,477
Finance income		**836**	688	1,640
(Loss)/profit before tax		**(3,393)**	(6,378)	47,117
Tax	5	**(54,430)**	—	(122,359)
LOSS FOR THE PERIOD/YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT COMPANY		**(57,823)**	(6,378)	(75,242)
Loss per share: cents (basic & diluted)	6	**(20.34)**	(2.24)	(26.47)

All operating income and operating gains and losses relate to continuing activities.

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Notes	**Six months ended 30 September 2013 Unaudited $'000**	Six months ended 30 September 2012 Unaudited $'000	Year ended 31 March 2013 Audited $'000
Loss for the year		**(57,823)**	(6,378)	(75,242)
Other comprehensive income for the period/year		**—**	—	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		**(57,823)**	(6,378)	(75,242)

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2013

	Notes	**As at 30 September 2013 Unaudited $'000**	As at 30 September 2012 Unaudited $'000	As at 31 March 2013 Audited $'000
ASSETS				
Intangible exploration and evaluation assets	7	**152,215**	307,385	151,957
Property, plant and equipment	8	**463**	626	583
Other receivables	9	**1,826**	1,614	1,559
Payments on account	10	**—**	43	—
Restricted cash	11	**300**	463	282
Term deposits	12	**150,000**	50,113	80,377
Cash and cash equivalents	13	**108,782**	42,763	217,364
TOTAL ASSETS		**413,586**	403,007	452,122
CURRENT LIABILITIES				
Other payables	14	**1,226**	2,635	2,744
Current tax payable	15	**3,109**	—	32,177
NON-CURRENT LIABILITIES				
Non current tax payable	15	**95,731**	—	46,167
Deferred tax liability	16	**39,137**	—	39,137
TOTAL LIABILITIES		**139,203**	2,635	120,225
EQUITY				
Share capital		**4,711**	4,709	4,710
Share premium	17	**55**	578,689	578,754
Share based remuneration	17	**4,287**	3,623	3,999
Shares held by SIP trust	17	**(252)**	(159)	(212)
Merger reserve	17	**(243)**	(243)	(243)
Foreign currency translation reserve	17	**4,123**	4,123	4,123
Special reserve	17	**578,759**	—	—
Retained losses	17	**(317,057)**	(190,370)	(259,234)
ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		**274,383**	400,372	331,897
TOTAL LIABILITIES AND EQUITY		**413,586**	403,007	452,122

These financial statements were approved by the directors and authorised for issue on 18 December 2013 and are signed on their behalf by:

PETER DIXON-CLARKE ACA
FINANCE DIRECTOR

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

For the six months ended 30 September 2013	Share capital $'000	Share premium $'000	Share based remuneration $'000	Shares held by SIP trust $'000	Merger reserve $'000	Foreign currency translation reserve $'000	Special reserve $'000	Retained losses $'000	Total equity $'000
Balance at 1 April 2013	4,710	578,754	3,999	(212)	(243)	4,123	—	(259,234)	331,897
Total comprehensive loss for the period	—	—	—	—	—	—	—	(57,823)	(57,823)
Share based payments	—	—	288	—	—	—	—	—	288
Shares issues in relation to SIP	1	60	—	(40)	—	—	—	—	21
Cancellation of share premium account	—	(578,759)	—	—	—	—	578,759	—	—
Total contributions by and distributions to owners	1	60	288	(40)	—	—	—	—	309
Balance at 30 September 2013	**4,711**	**55**	**4,287**	**(252)**	**(243)**	**4,123**	**578,759**	**(317,057)**	**274,383**

For the six months ended 30 September 2012	Share capital $'000	Share premium $'000	Share based remuneration $'000	Shares held by SIP trust $'000	Merger reserve $'000	Foreign currency translation reserve $'000	Retained losses $'000	Total equity $'000
Balance at 1 April 2012	4,709	578,658	3,093	(139)	(243)	4,123	(183,992)	406,209
Total comprehensive loss for the period	—	—	—	—	—	—	(6,378)	(6,378)
Issue of shares	—	—	—	—	—	—	—	—
Cost of issue	—	—	—	—	—	—	—	—
Share based payments	—	—	530	—	—	—	—	530
Shares issues in relation to SIP	—	31	—	(20)	—	—	—	11
Total contributions by and distributions to owners	—	31	530	(20)	—	—	—	541
Balance at 30 September 2012	**4,709**	**578,689**	**3,623**	**(159)**	**(243)**	**4,123**	**(190,370)**	**400,372**

For the year ended 31 March 2013	Share capital $'000	Share premium $'000	Share based remuneration $'000	Shares held by SIP trust $'000	Merger reserve $'000	Foreign currency translation reserve $'000	Retained losses $'000	Total equity $'000
Balance at 1 April 2012	4,709	578,658	3,093	(139)	(243)	4,123	(183,992)	406,209
Total comprehensive loss for the year	—	—	—	—	—	—	(75,242)	(75,242)
Share based payments	—	—	906	—	—	—	—	906
Share issues in relation to SIP	1	96	—	(73)	—	—	—	24
Exercise of share options	—	—	—	—	—	—	—	—
Total contributions by and distributions to owners	1	96	906	(73)	—	—	—	930
Balance at 31 March 2013	**4,710**	**578,754**	**3,999**	**(212)**	**(243)**	**4,123**	**(259,234)**	**331,897**

GROUP CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Notes	**Six months ended 30 September 2013 Unaudited $'000**	Six months ended 30 September 2012 Unaudited $'000	Year ended 31 March 2013 Audited $'000
CASH OUTFLOWS FROM OPERATING ACTIVITIES				
Net (loss)/profit before tax		**(3,393)**	(6,378)	47,117
Adjustments to reconcile net losses to cash utilised				
Depreciation	8	**148**	116	267
Share based payment charge	4	**288**	530	906
Exploration impairment expenses/(reversals)	7	**2**	(161)	(156)
Exceptional gain on sale of intangible exploration/appraisal assets		**—**	—	(58,668)
Loss on disposal of tangible fixed assets		**13**	—	9
Interest		**(517)**	(559)	(1,212)
Foreign exchange		**329**	(862)	(957)
Operating cash flows before movements in working capital		**(3,130)**	(7,314)	(12,694)
Changes in:				
Other receivables		**172**	9	(177)
Payables		**(1,386)**	(2,107)	(1,158)
Cash utilised by operating activities		**(4,344)**	(9,412)	(14,029)
CASH OUTFLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation assets		**(1,047)**	(6,345)	(9,258)
Purchase of equipment	8	**(41)**	(354)	(471)
Proceeds on disposal of intangible exploration/appraisal assets	7	**655**	855	217,475
Interest		**78**	608	1,046
Taxation		**(37,206)**	—	—
Investing cash flows before movements in capital balances		**(37,561)**	(5,236)	208,792
Changes in:				
Payments on account	10	**—**	3,049	3,092
Restricted cash	11	**—**	330	511
Term deposits	12	**(69,623)**	7,281	(22,817)
Cash utilised by investing activities		**(107,184)**	5,424	189,578
CASH INFLOWS FROM FINANCING ACTIVITIES				
Share incentive plan		**21**	11	24
Cash generated from financing activities		**21**	11	24
Currency translation differences relating to cash and cash equivalents		**2,925**	1,031	(3,918)
Net cash (outflow)/inflow		**(111,507)**	(3,977)	175,573
Cash and cash equivalents brought forward		**217,364**	45,709	45,709
CASH AND CASH EQUIVALENTS CARRIED FORWARD		**108,782**	42,763	217,364

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

1 ACCOUNTING POLICIES

1.1 GROUP AND ITS OPERATIONS

Rockhopper Exploration plc ('the company'), a public limited company quoted on AIM, 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. The registered office of the company is Hilltop Park, Devizes Road, Salisbury, SP3 4UF.

1.2 STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements of the group, as at and for the six months ended 30 September 2013, include the results of the company and all subsidiaries over which the company exercises control.

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as adopted by the European Union ("EU"). They do not include all information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the company and all its subsidiaries as at the year ended 31 March 2013.

The comparative figures for the financial year ended 31 March 2013 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditor and delivered to the registrar of companies. The report of the auditor was: (i) unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying his report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed interim consolidated financial statements were approved by the Board on 18 December 2013.

1.3 BASIS OF PREPARATION

The results upon which these financial statements have been based were prepared using the accounting policies set out below. These policies have been consistently applied unless otherwise stated.

These consolidated financial statements have been prepared under the historical cost convention except, as set out in the accounting policies below, where certain items are included at fair value.

Items included in the results 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"). All members of the group have a functional currency of US$ and as such the selection for the consolidation accounts is an obvious choice and the use of $US as functional currency is a generally accepted convention in the oil and gas industry.

All values are rounded to the nearest thousand dollars ($'000) or thousand pounds (£'000), except when otherwise indicated.

1.4 GOING CONCERN

These condensed group interim financial statements have been prepared on a going concern basis as the directors are confident that the group has sufficient funds in order to continue in operation for the foreseeable future.

1.5 PERIOD END EXCHANGE RATES

The period end rates of exchange actually used were:

	30 September 2013	30 September 2012	31 March 2013
£ : US$	**1.61**	1.62	1.52

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

2 EXPLORATION AND EVALUATION EXPENSES

	Six months ended 30 September 2013 $'000	Six months ended 30 September 2012 $'000	Year ended 31 March 2013 $'000
Allocated from administrative expenses (see note 3 below)	**648**	960	2,182
Capitalised exploration costs impaired (see note 6 below)	**2**	(161)	(156)
Seismic acquisition costs	**—**	56	64
Other exploration and evaluation expenses	**939**	3,035	6,604
Amounts recharged to partners	**(966)**	—	(2,736)
	623	3,890	5,958

Just over half of the other exploration and evaluation expenses were recharged to Premier with the balance being incurred on Rockhopper specific work on its existing acreage in the North Falklands Basin.

3 ADMINISTRATIVE EXPENSES

	Six months ended 30 September 2013 $'000	Six months ended 30 September 2012 $'000	Year ended 31 March 2013 $'000
Directors' salaries and fees, including bonuses	**854**	836	2,377
Other employees' salaries	**952**	918	2,567
National insurance costs	**216**	215	619
Pension costs	**118**	110	236
Employee benefit costs	**48**	31	82
Total staff costs	**2,188**	2,110	5,881
Amounts reallocated	**(923)**	(960)	(1,949)
Total administrative staff costs	**1,265**	1,150	3,932
Auditor's remuneration	**78**	54	171
Other professional fees	**854**	908	613
Travel	**243**	565	885
Office rentals	**167**	137	260
Depreciation	**162**	116	267
Other	**523**	581	1,105
Amounts reallocated	**(289)**	—	(233)
	3,003	3,511	7,000

4 SHARE BASED PAYMENTS

The charge for share based payments includes options and share appreciation rights ("SARs") granted to employees of the company under the employee share option scheme ("ESOS"), and Free and Matching Shares as granted under an HMRC approved Share Incentive Plan ("SIP").

	Six months ended 30 September 2013 $'000	Six months ended 30 September 2012 $'000	Year ended 31 March 2013 $'000
Charge for the share appreciation rights granted on 14 July 2011	**—**	29	29
Charge for the share appreciation rights granted on 16 August 2011	**—**	15	15
Charge for share appreciation rights granted on 13 December 2011	**—**	34	47
Charge for share appreciation rights granted on 17 January 2012	**—**	427	657
Charge for share appreciation rights granted on 30 January 2013	**244**	—	112
Charge for shares issued under the SIP	**44**	25	46
	288	530	906

5 TAXATION

	Six months ended 30 September 2013 $'000	Six months ended 30 September 2012 $'000	Year ended 31 March 2013 $'000
Current tax:			
Overseas tax	**—**	—	83,222
Adjustment in respect of prior years	**54,430**	—	—
Total current tax	**54,430**	—	83,222
Deferred tax:			
Overseas tax	**—**	—	39,137
Total deferred tax	**—**	—	39,137
Tax on (loss)/profit on ordinary activities	**54,430**	—	122,359

On 17 May 2013 Rockhopper submitted tax computations to the Falkland Islands Government Tax Office ("FIGTO") for the farm out and on 11 June received a letter from FIGTO challenging the basis of the valuation submitted and hence the tax liability due.

The main area of disagreement with FIGTO was the taxable value of the $722 million development carry. Whilst FIGTO had confirmed that the value of the development carry should be its net present value ("NPV"), the suitable discount rate to apply remained disputed.

Rockhopper had, in computing the tax liability, selected a rate that it considered to reflect the associated risk return rate required by the market, as expressed in the Rockhopper share price on completion of the farm out, related to a carry for the Sea Lion development. However subsequent discussions with FIGTO confirmed that whilst they accepted a discount rate should be applied, the rate used was in excess of what they thought was the norm. Discussions with FIGTO have led to an agreement in principle that a discount rate of 10% will be used and that Extra Statutory Concession 16 will be amended such that tax which would previously have been due on the earlier of first oil or five years, will now be payable at the same time as the first royalty from Sea Lion.

In addition, a $48 million Premier exploration carry was received as part of the consideration on the farm out. Whilst an exploration carry is treated as nil consideration under the Falkland Island tax legislation under the terms of the farm out, if not utilised, the Premier exploration carry had a degree of optionality as to how it could be used and so we have agreed to add the full $48 million of exploration carry to the development carry and hence its discounted value has been included in the tax computations. Following the announced farm in to Desire's acreage in licences PL004a and PL0004c, it is likely that the majority of the exploration carry will actually be utilised in the Falkland Islands and on the basis that the tax liability provided will reduce once there is greater certainty that this is the case. Should all of the exploration carry be utilised this would reduce the tax liability by $8 million.

Overall the tax provision increase has led to a tax charge of $54 million, made up of $62 million increase in the final tax liability offset by $8 million accounting adjustment due to the discounting of the non current tax payable as disclosed in note 15. Of this $3 million is due immediately with the balance now payable the same time as the first royalty from Sea Lion.

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

6 BASIC AND DILUTED LOSS PER SHARE

	Six months ended 30 September 2013 Number	Six months ended 30 September 2012 Number	Year ended 31 March 2013 Number
Shares in issue brought forward	**284,224,774**	284,186,936	284,186,936
Shares issued			
– Issued during the prior period	**—**	—	990
– Issued under the SIP	**32,760**	8,760	36,848
Shares in issue carried forward	**284,257,534**	284,195,696	284,224,774
Weighted average shares in issue	**284,232,815**	284,190,217	284,196,210
	$'000	$'000	$'000
Net loss after tax	**(57,823)**	(6,378)	(75,242)
Basic and diluted net loss per share – cents	**(20.34)**	(2.24)	(26.47)

The calculation of the basic loss per share is based upon the loss for the period and the weighted average shares in issue. At the period end the group had the following unexercised options and share appreciation rights in issue.

	Six months ended 30 September 2013 Number	Six months ended 30 September 2012 Number	Year ended 31 March 2013 Number
Share options	**4,490,840**	4,491,830	4,490,840
Share appreciation rights	**3,671,966**	3,036,587	3,671,966

However as the group is reporting a loss for all periods then in accordance with IAS33 the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

7 INTANGIBLE EXPLORATION AND EVALUATION ASSETS

	Licences PL023 PL024	Licences PL032 PL033	Licences PL003 PL004	**30 September 2013 $'000**	30 September 2012 $'000	31 March 2013 $'000
Costs brought forward	23,612	205,761	16,989	**246,362**	397,857	397,857
Additions	—	913	2	**915**	5,239	7,312
Disposals	—	(655)	—	**(655)**	(1,311)	(158,807)
	23,612	206,019	16,991	**246,622**	401,785	246,362
Impairments brought forward	(23,612)	(53,804)	(16,989)	**(94,405)**	(94,561)	(94,561)
Impairments arising in the period	—	—	(2)	**(2)**	161	156
	(23,612)	(53,804)	(16,991)	**(94,407)**	(94,400)	(94,405)
Net book value brought forward	—	151,957	—	**151,957**	303,296	303,296
Net book value carried forward	—	152,215	—	**152,215**	307,385	151,957

LICENCES PL023 AND PL024
These licences represent the southern acreage that the group holds within the Northern Falklands Basin ("NFB"). At the period end the group held 40% of these licenses and Premier was the operator. These licences were relinquished after the period end as disclosed in note 19 Post Balance Sheet Events.

LICENCES PL032 AND PL033
These licenses represent the northern acreage that the group holds within the NFB. At the period end the group held 40% of these licences and Premier was the operator. During the period under review the group capitalised $913,000 of costs, including salaries in relation to development work on the Sea Lion field.

LICENCES PL003 AND PL004
These licenses represent the form in acreage the group holds in the NFB. At the period end the group held a 24% interest in PL004b, a 10% interest in licence Pl004c and a 3% interest in PL004a and PL003. PL004b is operated by Premier, with the remaining licences being operated by Desire.

8 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements $'000	Office equipment $'000	**30 September 2013 $'000**	30 September 2012 $'000	31 March 2013 $'000
Cost brought forward	304	792	**1,096**	677	677
Additions	2	39	**41**	354	471
Disposals	—	(19)	**(19)**	—	(52)
Cost carried forward	306	812	**1,118**	1,031	1,096
Accumulated depreciation brought forward	(142)	(371)	**(513)**	(289)	(289)
Depreciation in the period	(29)	(119)	**(148)**	(116)	(267)
Disposals	—	6	**6**	—	43
Accumulated depreciation carried forward	(171)	(484)	**(655)**	(405)	(513)
Net book value brought forward	162	421	**583**	388	388
Net book value carried forward	135	328	**463**	626	583

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

9 OTHER RECEIVABLES

	30 September 2013 $'000	30 September 2012 $'000	31 March 2013 $'000
Receivables	**462**	555	742
Prepayments	**477**	641	439
Accrued interest	**765**	118	333
Other	**122**	300	45
	1,826	1,614	1,559

10 PAYMENTS ON ACCOUNT

This related to payments made to Desire in respect of the demobilisation of the rig and equipment.

11 RESTRICTED CASH

This relates to charged accounts holding the rent deposit for the offices leased by the group and a collateral account at RBS plc, to support the credit risk to that bank stemming from any forward currency purchases. Both amounts are GB£ denominated.

12 TERM DEPOSITS

	30 September 2013 $'000	30 September 2012 $'000	31 March 2013 $'000
95 day notice	**—**	32,331	30,377
100 day notice	**—**	1,617	—
Six month	**75,000**	16,165	—
Nine month	**25,000**	—	—
One year	**50,000**	—	50,000
	150,000	50,113	80,377

Term deposits relate to monies held in various fixed term unbreakable notice accounts and deposits. Details of the institutions which hold these monies are included in note 20 Risk Management Policies.

13 CASH AND CASH EQUIVALENTS

	30 September 2013 $'000	30 September 2012 $'000	31 March 2013 $'000
Current accounts	**30,289**	182	1,633
Deposit accounts	**78,493**	42,581	215,731
	108,782	42,763	217,364

14 OTHER PAYABLES AND ACCRUALS

	30 September 2013 $'000	30 September 2012 $'000	31 March 2013 $'000
Accounts payable	**760**	1,657	1,245
Exploration and evaluation accruals	**165**	815	249
Administrative accruals	**301**	163	1,250
	1,226	2,635	2,744

15 TAX PAYABLE

	Six months ended 30 September 2013 $'000	Six months ended 30 September 2012 $'000	Year ended 31 March 2013 $'000
Current tax payable	**3,109**	—	32,177
Gross non current tax payable	**103,843**	—	—
Impact of fair value adjustment under IFRS13	**(8,112)**	—	—
Non current tax payable	**95,731**	—	46,167
Total tax payable	**98,840**	—	78,344

Tax payable relates to capital gains tax due as a result of the farm out transaction during the prior year. The basis of the liability is discussed in more detail in note 5.

Under the Falkland Islands tax legislation, on the event of the receipt of non cash consideration in a farm out transaction, then the total tax liability is pro rated in proportion to the cash and non cash consideration received. £24 million, the proportion that related to cash consideration received in the original computations submitted, was paid in June 2013. Following agreement over the final basis of tax computations submitted an additional $3.1 million is due for payment immediately. The balance that relates to the non cash consideration received is deferred and payment will be made out of future oil revenue.

The tax payable is a GB£ denominated balance. The non current tax payable has been discounted at 1.64% based on the yield on a 5 year gilt. The discount of $8 million will unwind between now and payment of the liability to the $104 million disclosed above. The comparative amount as at 31 March 2013 has not been discounted as the impact of this was not material at the time, given the smaller tax liability and different timing.

The tax payable is a £GBP denominated balance and so will be subject to revaluation at each reporting period end.

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

16 DEFERRED TAX LIABILITY

	Six months ended 30 September 2013 $'000	Six months ended 30 September 2012 $'000	Year ended 31 March 2013 $'000
At start of period	**39,137**	—	—
Overseas deferred tax	**—**	—	39,137
At end of period	**39,137**	—	39,137

The deferred tax liability has arisen during the year as a result of temporary differences associated with the intangible exploration and evaluation expenditure. Losses relating to this historic expenditure were utilised during the year to minimise the corporation tax due on the consideration received as part of the farm out disposal during the year.

17 RESERVES

Set out below is a description of each of the reserves of the group:

Share premium	Amount subscribed for share capital in excess of its nominal value.
Share based remuneration	The share incentive plan reserve captures the equity related element of the expenses recognised for the issue of options, comprising the cumulative charge to the income statement for IFRS2 charges for share based payments less amounts released to retained earnings upon the exercise of options.
Shares held by SIP trust	Shares held by the SIP trust represent the issue value of shares held on behalf of participants by Capita IRG Trustees Limited, the trustee of the SIP.
Merger reserve	The difference between the nominal value of shares issued with the nominal value of the shares received on the reversal of Rockhopper Resources Limited into Rockhopper Exploration Plc on 23 February 2005, during the year ended 31 March 2005.
Foreign currency translation	Exchange differences arising on consolidating the assets and liabilities of the group's subsidiaries are classified as equity and transferred to the group's translation reserve.
Special reserve	The reserve is non distributable and was created following the cancellation of the share premium on the 4 July 2013. It can be distributed or used to acquire the share capital of the company subject to receiving court approval.
Retained losses	Cumulative net gains and losses recognised in the financial statements.

18 LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings were as follows:

	30 September 2013 $'000	30 September 2012 $'000	31 March 2013 $'000
Total committed within 1 year	**151**	104	183
Total committed between 1 and 5 years	**84**	16	—
	235	120	183

19 POST BALANCE SHEET EVENTS

FARM IN AGREEMENT ON 3 OCTOBER 2013

Rockhopper Exploration and Premier Oil plc ("Premier") signed a Heads of Agreement with Falkland Oil and Gas Limited ("FOGL") to farm in to licences PL004a and PL004c, conditional on the completion of the announced combination of FOGL and Desire Petroleum plc ("Desire"). Following the Scheme of Arrangement between FOGL and Desire becoming effective, the binding farm out agreement was signed by all parties.

Under the terms of the agreement with FOGL, its share of costs for an exploration well on the Isobel/Elaine prospect (PL004a) and an exploration well on the Jayne East prospect (PL004c) will be carried by Rockhopper and Premier. Rockhopper estimates these wells will target Pmean gross STOIIP of 1,078mmbbls and 289mmbbls respectively.

In accordance with a prior agreement with Premier, Rockhopper and Premier will split the revised equity interests in the ratio 40/60. Under the terms of the same prior agreement, Premier agreed to carry up to US$48 million of Rockhopper's share of three exploration wells in the North Falkland Basin. This was originally intended to apply only to the licence interests held at the time of the Sea Lion farm out but Rockhopper and Premier have agreed to extend its terms. As a result, while the overall cap will remain at US$48 million, Rockhopper can elect to be carried for its original interest plus up to US$6 million associated with the additional working interests it will acquire as a result of the farm in.

The revised ownership in the two licences on completion of the farm in will be as follows:

	PL004a		PL004c	
	Old	New	Old	New
FOGL/Desire	92.5%	40%	75%	40%
Premier	4.5%	36%	15%	36%
Rockhopper	3.0%	24%	10%	24%

On completion of the farm in, Premier is to become the operator of each of the three sub-licences within PL004.

The farm in is subject to Falkland Island Government approvals.

EXERCISE OF SHARE APPRECIATION RIGHTS ON 7 OCTOBER 2013

Certain Directors have exercised Share Appreciation Rights ("SARs") over a total of 1,907,239 Shares that had been granted to them on 25 November 2008 and 3 July 2009 at a base price of 19.25 pence and 30.87 pence respectively being the market price at the time of grant. The SARs were granted under the terms of the Rockhopper Exploration PLC Employee Share Option Scheme ("ESOS"). The Remuneration Committee of the Company has exercised its discretion to settle the exercise of the SARs in cash and the relevant Directors elected to purchase the additional Shares disclosed below from the net proceeds, after meeting the cost of exercising the SARs and payment of the tax obligations arising therefrom.

Pierre Jungels (Chairman) exercised a total of 418,989 SARs.

Sam Moody (CEO) exercised a total of 1,029,038 SARs.

Peter Dixon-Clarke (Finance Director) exercised a total of 459,212 SARs.

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

19 POST BALANCE SHEET EVENTS CONTINUED

DIRECTORS DEALINGS ON 8 OCTOBER 2013

The Company announced that the following purchases of ordinary shares of £0.01 each in the Company ("Shares") were made by certain Directors.

Director	Price (pence)	Number of Shares purchased	Total number of shares held following purchases	% of issued share capital following purchases
Pierre Jungles	135.3	184,569	1,117,644	0.39%
Sam Moody	135.3	378,741	1,543,128	0.54%
Peter Dixon-Clarke	135.3	183,855	481,614	0.17%
David McManus	135.3	36,772	132,803	0.05%

The Company also announced that on 8 October 2013 certain Directors were granted awards in the form of options to acquire the number of Shares in the capital of the Company under the Company's Long Term Incentive Plan (LTIP) which was approved by shareholders at the Annual General Meeting held on Thursday 26 September 2013 (the "AGM"). Details of the awards are shown below:

	Number of options under award
Sam Moody	508,007
Peter Dixon-Clarke	357,542
Fiona MacAulay	312,849

The awards are structured as nil-cost options and will normally vest on 31 March 2016 subject to each director's continued employment. The percentage of awards which will vest will be dependent on total shareholder return measured against a peer group of companies over a three year period ending 31 March 2016. Performance measurement for these awards will be based on the Company's average share price over the 90 day dealing period to 31 March 2013 measured against the 90 day dealing period up to 31 March 2016. There is an additional performance target which requires that the Company's share price must exceed £1.80 over the 90 day dealing period to 31 March 2016 in order for these awards to vest. Once vested the awards will normally remain exercisable for a period of seven years subject to the rules of the LTIP regarding leavers.

A summary of the LTIP is included in the AGM notice which can be found on the Company's website.

FALKLAND ISLANDS LICENCE RELINQUISHMENT ON 18 NOVEMBER 2013

On the 18 November 2013, licences PL023 and PL024 expired. Both Rockhopper and Premier as operator decided to relinquish the licences rather than attempt to extend the period.

FIONA MACAULEY PROMOTED TO CHIEF OPERATING OFFICER ON 1 DECEMBER 2013

On 1 December 2013, Fiona MacAulay was promoted from her existing role as Technical Director to Chief Operating Officer as this best reflects her roles and responsibilities within Rockhopper going forward.

20 RISK MANAGEMENT POLICIES

RISK REVIEW

The risks and uncertainties facing the group which require quantification are set out below.

Foreign exchange risks: Whilst the functional currency of the group is US$, approximately half of the drilling costs of the current campaign are expected to be incurred in GB£ which means that for the group to meet its policy of matching assets against liabilities by currency then it has to hold material cash balances in GB£, which exposes the income statement to foreign exchange movements.

At 30 September 2013, if the GB£ had weakened 10% against the US$, with all the other variables held constant, post tax result and equity would have been US$6.9 million higher (2012: US$8.7 million lower). Conversely, if the GB£ had strengthened 10% against the US$ with all other variables held constant, post tax result and equity would have been US$6.9 million lower (2012: US$8.7 million higher).

The impact of movements in the Euro € exchange rate would have an immaterial impact on the results for the year.

Foreign exchange movements on monetary assets and liabilities are taken to the income statement and the potential exposure to such at the period end is set out in the table below:

As at 30 September 2013	**US$ denominated $'000**	**GB£ denominated $'000**	**Euro € denominated $'000**	**Total $'000**
Non-monetary assets	**152,678**	**—**	**—**	**152,678**
Monetary assets	**221,450**	**38,638**	**820**	**260,908**
	374,128	**38,638**	**820**	**413,586**
Monetary liabilities	**39,523**	**99,680**	**—**	**139,203**
Equity	**4,766**	**—**	**—**	**4,766**
Reserves	**269,617**	**—**	**—**	**269,617**
	313,906	**99,680**	**—**	**413,586**

As at 30 September 2012	US$ denominated $'000	GB£ denominated $'000	Euro € denominated $'000	Total $'000
Non-monetary assets	308,011	—	—	308,011
Monetary assets	5,866	88,309	821	94,996
	313,877	88,309	821	403,007
Monetary liabilities	897	1,738	—	2,635
Equity	583,398	—	—	583,398
Reserves	(183,026)	—	—	(183,026)
	401,269	1,738	—	403,007

As at 31 March 2013	US$ denominated $'000	GB£ denominated $'000	Euro € denominated $'000	Total $'000
Non-monetary assets	152,540	—	—	152,540
Monetary assets	220,287	78,514	781	299,582
	372,827	78,514	781	452,122
Monetary liabilities	39,566	80,659	—	120,225
Equity	583,464	—	—	583,464
Reserves	(251,567)	—	—	(251,567)
	371,463	80,659	—	452,122

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

20 RISK MANAGEMENT POLICIES CONTINUED

Capital risk management; the group manages capital to ensure that it is able to continue as a going concern whilst maximising the return to shareholders. The capital structure consists of cash and cash equivalents and equity. The board regularly monitors the future capital requirements of the group, particularly in respect of its ongoing exploration and appraisal programme.

Credit risk; the group recharges partners for the provision of technical services. Should the company holding these accounts become insolvent then these funds may be lost or delayed in their release. Amounts at the period end were $462,000 (2012: $nil).

Interest rate risks; 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 historic lows there is not much further that they could fall. The group is not dependent on its finance income and given the current interest rates the risk is not considered to be significant.

Counter-party risk; rather than keep all its funds with one bank, the group splits its funds across a number of banks, two of which are part owned by the British government.

	30 September 2013 $'000	30 September 2012 $'000	31 March 2013 $'000
RBS plc	**300**	463	282
Total restricted cash	**300**	463	282
RBS plc	**75,000**	32,331	80,377
Barclays plc	**50,000**	1,617	—
Lloyds	**25,000**	16,165	—
Total term deposits	**150,000**	50,113	80,377
RBS plc	**53,481**	24,140	107,886
Barclays plc	**26,719**	45	76,597
Lloyds TSB plc	**28,567**	18,501	32,856
Standard Chartered plc	**15**	77	25
Total unrestricted cash	**108,782**	42,763	217,364
Total cash	**259,082**	93,339	298,023

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 Report for the six months ended 30 September 2013 which comprises the group income statement, the group statement of comprehensive income, the group balance sheet, the group statement of changes in equity, the group cash flow statement and the related explanatory notes. We have read the other information contained in the Interim 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 the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

DIRECTORS' RESPONSIBILITIES

The Interim Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the AIM Rules.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

OUR RESPONSIBILITY

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the interim 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 UK. 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 Report for the six months ended 30 September 2013 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the AIM Rules.

ADRIAN WILCOX
for and on behalf of KPMG LLP
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB

18 December 2013

INVESTOR INFORMATION

KEY CONTACTS
CONCERNS AND PROCEDURES

REGISTERED ADDRESS AND HEAD OFFICE
Hilltop Park
Devizes Road
Salisbury
Wiltshire
SP3 4UF

NOMAD AND JOINT BROKER
Canaccord Genuity
Cardinal Place
7th Floor
80 Victoria Street
London
SW1E 5JL

JOINT BROKER
Merrill Lynch International
2 King Edward Street
London
EC1A 1HQ

SOLICITORS
Ashurst LLP
Broadwalk House
5 Appold Street
London
EC2A 2DA

PRINCIPAL BANKERS
Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

AUDITOR
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

FINANCIAL ADVISER
NM Rothschild & Sons Limited
New Court
St Swithin's Lane
London
EC4N 8AL

REGISTRAR
Computershare Investor Services plc
Vintners Place
68 Upper Thames Street
London
EC4V 3BJ

GENERAL EMAILS
info@rockhopperexploration.co.uk

AUDIT COMMITTEE EMAILS
audit@rockhopperexploration.co.uk

WEBSITE
www.rockhopperexploration.co.uk

SHAREHOLDER CONCERNS:
Should shareholders have concerns which have not been adequately addressed by the chairman or chief executive, please contact the chairman of the audit committee at:

audit@rockhopperexploration.co.uk

WHISTLE-BLOWING PROCEDURES:
Should employees, consultants, contractors or other interested parties have concerns which have not been adequately addressed by the chairman or chief executive, please contact the chairman of the audit committee at:

audit@rockhopperexploration.co.uk

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ROCKHOPPER EXPLORATION PLC
HILLTOP PARK
DEVIZES ROAD
SALISBURY
WILTSHIRE
SP3 4UF

TELEPHONE +44 (0)1722 414 419
FAX +44 (0)1722 328 491

info@rockhopperexploration.co.uk
www.rockhopperexploration.co.uk

@RockhopperExplo

COMPANY REG. NO. 05250250