Half-year Results

Released : 07 September 2017 07:00

RNS Number : 0464Q
Rockhopper Exploration plc
07 September 2017

7 September 2017

Rockhopper Exploration plc
("Rockhopper" or the "Company")

Half-year results for the six months to 30 June 2017

Rockhopper Exploration plc (AIM: RKH), the oil and gas company with key interests in the North Falkland Basin and the Greater Mediterranean region, is pleased to announce its results for the six months ended 30 June 2017.

Highlights

Funding package for the Sea Lion development progressing; targeting project sanction during 2018

- Discussions initiated with UK Export Finance, the UK's export credit agency, in relation to a proposed US$800 million senior debt financing for the Sea Lion project
- Discussions progressing with potential contractors to the project for the provision of US$400 million of financing; non-binding proposals received for a significant proportion of funds sought with further proposals expected in the coming weeks
- Sea Lion Phase 1 estimated capex to first oil reduced from US$1.8 billion to US$1.5 billion and life of field costs down to US$35 per bbl

Building a material production base in the Greater Mediterranean to protect balance sheet strength and fund future growth

- Material increase in production - net working interest production averaged 1.2 kboepd in H1 2017 (H1 2016: 0.6 kboepd), up 92% over H1 2016
- H1 2017 revenue increased to US$5.1 million, up 74% over H1 2016
- Cash operating costs in Greater Mediterranean reduced by 44% to US$8.7 per boe (H1 2016: US$15.5 per boe)
- Continued focus on managing corporate costs - H1 2017 general and administrative costs (excluding acquisition related costs) reduced by 34% to US$2.5 million (H1 2016: US$3.8 million)
- General and administrative costs covered by operating cash flows (excluding changes in working capital)
- Sale of non-core interests in Italy - US$9.0 million of future decommissioning liabilities removed from balance sheet upon completion
- Balance sheet strength maintained with cash resources at 30 June 2017 of US$62.5 million and no debt; US$337 million development carry from Premier for Sea Lion Phase 1
- Initiated international arbitration against Republic of Italy to seek significant monetary damages in relation to Ombrina Mare
- Multiple material new venture opportunities being progressed with a focus on adding production and cash flow

Sam Moody, Chief Executive, commented:

"Good progress has been made on a range of commercial, fiscal, regulatory and financing matters associated with the Sea Lion project. The primary focus for the remainder of 2017 will be to further progress funding proposals with the aim of being in a position to sanction the project during 2018.

"In our Greater Mediterranean portfolio, we have benefitted from a material increase in production and revenue following the acquisition of a portfolio of interests in Egypt during the second half of 2016. The payment situation in Egypt has improved markedly with the Company having received approximately US$7.7 million gross year-to-date. As a result, for the first time in the Company's history, operating cash flows (excluding changes in working capital) covered the Group's corporate costs, a significant milestone as we continue to build a balanced portfolio and a full cycle E&P business.

"In that context, the Company continues to examine a number of new venture opportunities aimed at adding further production and enhancing cash flow. The continued challenging commodity price environment creates opportunities of which the Company is well placed to take advantage given its strong balance sheet."

For further information, please contact:

Rockhopper Exploration plc
Tel: (via Vigo Communications) - 020 7830 9700

Sam Moody - Chief Executive
Stewart MacDonald - Chief Financial Officer

Canaccord Genuity Limited (NOMAD and Joint Broker)
Tel: 020 7523 8000
Henry Fitzgerald-O'Connor

Peel Hunt LLP (Joint Broker)
Tel: 020 7418 8900
Richard Crichton

Vigo Communications
Tel: 020 7830 9700
Patrick d'Ancona
Ben Simons

Note regarding Rockhopper oil and gas disclosure

This announcement has been approved by Rockhopper's geological staff which includes Lucy Williams (Geoscience Manager) who is a Chartered Geologist, a Fellow of the Geological Society of London and a Member of both the Petroleum Exploration Society of Great Britain and American Association of Petroleum Geologists, with over 25 years of experience in petroleum exploration and management and who is the qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies. In compiling its resource estimates, Rockhopper has used the definitions and guidelines as set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT

Rockhopper's strategy is to build a well-funded, full-cycle, exploration led E&P company.

In the Falklands, focus in the first half of 2017 has been on progressing the funding package for the Sea Lion development with the aim of being in a position to sanction the project in 2018.

The primary purpose of our Greater Mediterranean portfolio is to provide production and cash flow to fund our costs and protect our balance sheet. We have ambitions to further expand our Greater Mediterranean production base thereby generating additional free cash flow to invest in future exploration and value-accretive growth opportunities both in the Falklands and elsewhere.

FEED on Sea Lion substantially complete, focus shifting to commercial, regulatory and financing solutions

Front End Engineering and Design ("FEED") for the Sea Lion Phase 1 project was largely completed in 2016. Through optimising the facility design and installation methodology, as well as on-going market engagement with the supply chain contractors, estimated capex to first oil reduced from US$1.8 billion to US$1.5 billion. As a result, life-of-field costs (capex, opex and FPSO lease) have reduced to US$35 per bbl.

Tender packages for drilling, well services and logistic services have been prepared and issued with proposals received and evaluated. As part of the tendering process, indicative proposals have also been received for the provision of financing from potential contractors to the project. Further work will be required to mature these indicative proposals to binding offers of funding.

Earlier this year, Portland Advisers, a specialist export credit agency project finance adviser was appointed by the Sea Lion joint venture to support the financing process for the project. Discussions have been initiated with UK Export Finance, the UK's export credit agency, in relation to a proposed US$800 million senior debt financing for the Sea Lion project.

In parallel, discussions are progressing with the Falkland Islands Government ("FIG") on a range of fiscal, environmental and regulatory matters. Extensive dialogue with FIG has ensured that both the Field Development Plan and Environmental Impact Statement are well progressed and expected to be legislatively compliant when they are formally submitted later this year. Engagement with FIG continues with a view to obtaining the consents and agreements necessary to sanction the project in 2018.

Material increase in production in Greater Mediterranean; Abu Sennan drilling campaign commenced

In our Greater Mediterranean portfolio, we have benefitted from a material increase in production following the acquisition of a portfolio of interests in Egypt during the second half of 2016. Production during the first half of 2017 averaged 1.2 kboepd net to Rockhopper, a 92% increase over the prior period (H1 2016: 0.6 kboepd). For the first time in the Company's history, operating cash flows (excluding changes in working capital) covered the Group's general and administration costs.

In March 2017, Rockhopper commenced international arbitration proceedings against the Republic of Italy in relation to the Ombrina Mare field. A Request for Arbitration was formally lodged with the International Centre for Settlement of Investment Disputes ("ICSID") in April 2017 and both the Company and the Republic of Italy have now appointed arbitrators. The Company anticipates the Arbitral Tribunal to be constituted in the next month. Rockhopper is confident that it has strong prospects of recovering very significant monetary damages as a result of the Republic of Italy's breaches of the Energy Charter Treaty. Damages would be sought on the basis of lost profits, with the arbitration process expected to take approximately 24 months.

In April 2017, the Company announced the commencement of a two-well drilling campaign on the Abu Sennan concession in Egypt. While it is disappointing that the Al Jahraa-9 well was water-wet, the deep oil shows were an encouraging indication of the additional potential at these deeper levels in other areas of the concession. The initial exploration target of the Al Jahraa SE-2X well was dry but the side-track confirmed oil pay and was put onto production at a tubular and pump constrained rate of approximately 250 boepd gross. Additionally, the Company has seen a material improvement in the payment situation in Egypt and a significant decline in outstanding receivables.

Board changes

In July 2017, Fiona MacAulay, Chief Operating Officer, stepped down from the Board to take up the role of Chief Executive Officer of AIM-listed Echo Energy plc. The Board thanks Fiona for her significant contribution to the Company and we wish her well in her new role. Fiona's day-to-day responsibilities have been assumed by senior members of the Company's technical team, namely, Alun Griffiths (Petroleum Engineering Manager and Falkland Asset Manager), Lucy Williams (Geoscience Manager) and Paul Culpin (Development Manager). Alun has worked with Rockhopper since 2010, while Lucy and Paul have worked with Rockhopper since 2011; and each has over 25 years of oil and gas industry experience in their respective fields.

Outlook

Good progress has been made on a range of commercial, fiscal, regulatory and financing matters associated with the Sea Lion project. The primary focus for the remainder of 2017 will be to further progress funding proposals with the aim of being in a position to sanction the project during 2018.

The Company continues to examine a number of new venture opportunities aimed at adding production and enhancing cash flow. The continued challenging commodity price environment creates opportunities which the Company is well placed to take advantage of given its strong balance sheet.

OPERATIONAL REVIEW

Sea Lion, North Falkland Basin

Following the Company's acquisition of Falkland Oil & Gas Limited in early 2016, Rockhopper became the leading acreage holder in the North Falkland Basin with a material working interest in all key licences.

In mid-2016, ERC Equipoise ("ERCE") were appointed to conduct an independent audit of the contingent and prospective resources in licences PL032 and PL004 - that audit confirmed an estimated oil in place on the Sea Lion Complex of more than 1.6 billion barrels gross, with estimated gross recoverable contingent oil resources of 517 mmbbls (2C) and 900 mmbbls (3C).

The overall strategy to develop the North Falkland Basin remains a phased development solution, starting with Sea Lion Phase 1, which will develop 220 mmbbls in PL032 (in which Rockhopper has a 40% working interest). A subsequent Phase 2 development will recover a further 300 mmbbls from the remaining reserves in PL032 and the satellite accumulations in the north of PL004 (in which Rockhopper has a 64% working interest). In addition, there is a further 200 mmbbls of low risk, near field exploration potential which could be included in either the Phase 1 or Phase 2 developments. Phase 3 will entail the development of the Isobel/Elaine fan complex in the south of PL004, subject to further appraisal drilling.

Through the FEED process, which commenced in January 2016 and which is substantially complete, the joint venture team of Premier and Rockhopper have worked collaboratively to support and challenge the design specifications and installation methodology leading to significant savings to both capital and operating costs. Significant reductions in estimates of field support services, including supply boats, helicopters and shuttle tankers have been seen and, as a result, estimates for field operating costs were reduced to US$15 per bbl, down from over US$20 per bbl. Further efficiencies and cost savings continue to be pursued.

As part of the financing process, a detailed Information Memorandum, economic model and draft term sheets have been prepared and distributed to prospective debt providers and contractors.

Conceptual studies have commenced to examine potential development schemes for the remaining resources in PL032 and the satellite accumulations in the north of PL004 (Phase 2) and for the Isobel/Elaine fan complex in the south of PL004 (Phase 3). In this regard, Phase 2 static and dynamic modelling is progressing, and current subsurface studies will explore locations for future appraisal wells aimed at both further characterising existing discoveries whilst also targeting exploration objectives.

South and East Falkland Basin

Through the acquisition of FOGL, Rockhopper acquired a 52% interest in Noble Energy operated acreage to the South and East of the Falkland Islands. Following the results of the Humpback well, Noble and Edison have given notice to withdraw from this acreage (although retain an interest in PL001 in the North Falkland Basin). As a result, Rockhopper expects to become operator of the South and East Falkland Basin acreage with a 100% working interest once the process of assignment is complete.

Abu Sennan, Egypt (Rockhopper 22%)

Production from the six development leases within the Abu Sennan concession remained stable during H1 2017 with production during the period averaging approximately 720 boepd net to Rockhopper.

In April, Rockhopper was pleased to announce the commencement of the 2017 drilling campaign on the Abu Sennan concession in Egypt.

Al Jahraa SE-2X

Exploration well Al Jahraa SE-2X, situated on the recently awarded Abu Sennan-5 (Al Jahraa South East) Development Lease, was spudded on 25 April 2017 as part of a two-well drilling campaign.

The primary target of the well was the Cretaceous Abu Roash-C ("AR-C") reservoir in the fault block immediately to the south of the Al Jahraa South East field. The target reservoir was dry, but the well was successfully side-tracked northwards into the Al Jahraa SE field and oil pay confirmed from wireline logging in both the AR-C and AR-E reservoirs. The well was subsequently completed in the deeper AR-E and put onto production, at a tubular and pump constrained rate, of approximately 250 barrels of oil per day gross.

Al Jahraa-9

Development well Al Jahraa-9 was spudded on 10 June 2017. The well penetrated 5 metres of reservoir sand in the primary AR-C reservoir. Wireline logging and a well test across the interval confirmed that, while the sand is water wet, the reservoir pressure is in line with the producing AR-C reservoir in the Al Jahraa and Al Jahraa SE fields. The well also encountered the deepest known oil shows in the Abu Roash-D and Abu Roash-E ("AR-E") reservoirs, demonstrating further potential at these levels elsewhere in the concession.

The results of the Al Jahraa-9 well will now be integrated with existing data for the Al Jahraa and Al Jahraa SE oil fields to help refine the future development plans for these fields.

Guendalina, Italy (Rockhopper 20%)

Guendalina continued to produce to forecast during H1 2017 and production over the period averaged 53,000 standard cubic metre ("scm") per day net to Rockhopper (approximately 320 boe per day). Plant availability over the period continued to be very strong with production from the side-track well in 2015 continuing to make a material contribution to field production.

Civita, Italy (Rockhopper 100%)

During the first half of 2017, production from the field averaged approximately 22,000 scm per day (approximately 130 boe per day). Gas compression was successfully commissioned at the site in December 2016. As described later in the Financial Review, the Company agreed in June 2017 the terms for the disposal of a package of non-core interests in Italy, including the Civita field, to Cabot Energy plc.

Ombrina Mare, Italy (Rockhopper 100%)

Following the decision in February 2016 by the Italian Ministry of Economic Development not to award the Company a Production Concession covering the Ombrina Mare field, a decision was made to plug and abandon ("P&A") the existing OM-2 well and remove the tri-pod structure which had been constructed in 2008 with the intention of forming part of the future production facilities on the field. The P&A operation was successfully completed without incident in early August 2016 using the Attwood Beacon rig. The decommissioning and removal of the tri-pod structure is expected to commence later this month - the cost of which Rockhopper will seek to recover through the recently commenced international arbitration process.

Monte Grosso, Italy (Rockhopper 23%)

Rockhopper transferred the operatorship of the Serra San Bernado permit (which contains the Monte Grosso prospect) to Eni during 2016. Eni is exploring options for the design of a well on the Monte Grosso prospect, whilst working in parallel to secure the necessary regulatory and permitting approvals to drill a well.

El Qa'a Plain, Egypt (Rockhopper 25% working interest)

Technical evaluation of the El Qa'a concession is ongoing following the acquisition and processing of the first 3D seismic dataset in the area in 2015/16. A number of leads have been identified and a final decision on drilling location will be made following completion of a basin modelling study and a volumetric evaluation of each identified lead.

FINANCIAL REVIEW

OVERVIEW

During the first half of 2017, significant progress was made to advance and execute the financing plan for the Sea Lion Phase 1 development.

Our Greater Mediterranean portfolio provides a low-cost, short-cycle production base which has delivered record revenues and operating cash flows for the Company which, excluding changes in working capital, have more than covered the Group's G&A costs in the period for the first time.

At the same time, efforts have been made to streamline the Group's portfolio to focus on material assets, remove future decommissioning liabilities and streamline the organisation with a resultant reduction in corporate costs.

In addition, significant time continues to be dedicated to new venture activity with a view to materially growing our production base whilst maintaining a strong balance sheet.

RESULTS SUMMARY

US$m (unless otherwise specified)	H1 2017	H1 2016

Production (kboepd)	1.2	0.6
Revenue	5	3
(Loss)/profit after tax	(4)	104
Cash out flow from operating activities	(1)	(10)
Cash and term deposits	63	65
Net assets	422	433

RESULTS FOR THE PERIOD

For the period ended 30 June 2017, the Company reported revenues of US$5.1 million and a loss after tax of US$4.1 million.

REVENUE

The Group's revenues of US$5.1 million (H1 2016: $2.9 million) during the period relate entirely to the sale of oil and natural gas in the Greater Mediterranean (Egypt and Italy). The increase in revenues from the comparable period reflects (i) the acquisition of production assets in Egypt, which completed in August 2016; and (ii) the increase in realised oil and gas prices.

Working interest production averaged approximately 1,170 boepd during H1 2017, a material increase over the comparable period (H1 2016: 606 boepd).

During the period, the Group's gas production in Italy was sold under short-term contract with an average realised price of €0.19 per scm (H1 2016: €0.14 per scm), equivalent to US$5.6 per mscf. Gas is sold at a price linked to the Italian "PSV" (Virtual Exchange Point) gas marker price.

In Egypt, all of the Group's oil and gas production is sold to Egypt General Petroleum Company ("EGPC"). The average realised price for oil was US$49.7 per barrel, a small discount to the average Brent price over the same period. Gas is sold at a fixed price of US$2.65 per mmbtu.

OPERATING COSTS

Cash operating costs, excluding depreciation and impairment charges, amounted to US$1.8 million (H1 2016: US$1.7 million). The increase in underlying cash operating costs is principally due to the addition of Egyptian production. Cash operating costs on a per barrel of oil equivalent basis reduced from US$15.5 per boe to US$8.7 per boe.

The Group continues to manage corporate costs having achieved an approximate 30% reduction in general and administrative ("G&A") cost, excluding non-recurring expenses related to restructuring and acquisitions, during the 3 years to end 2016. G&A costs in H1 2017 amounted toUS$2.5 million, a further reduction compared to the comparable period (H1 2016: US$3.8 million).

CASH MOVEMENTS AND CAPITAL EXPENDITURE

At 30 June 2017, the Company had cash and term deposits of US$62.5 million (31 December 2016: US$81.0 million) and no debt.

Cash and term deposit movements during the period:

	US$m
Opening cash balance (31 December 2016)	81
Revenues	5
Cost of sales	(2)
Falkland Islands	(15)
Greater Mediterranean	(2)
Admin and miscellaneous	(4)
Closing cash balance (30 June 2017)	**63**

Falkland Islands spend of US$15 million relates primarily to the close-out costs associated with the 2015/16 drilling campaign (US$11 million), as well as spend relating to the pre-development activities on Sea Lion (US$4 million).

Spend in the Greater Mediterranean largely relates to the Abu Sennan drilling campaign.

Capital expenditure in the second half of 2017 is expected to be in the range of US$5-10 million, with the majority relating to pre-development activities on Sea Lion and residual close-out costs associated with the 2015/16 exploration campaign in the Falklands.

MERGERS, ACQUISITIONS AND DISPOSALS

On 8 June 2017, Rockhopper announced the disposal of a portfolio of non-core interests onshore Italy to Northern Petroleum Plc ("Northern"). Northern has subsequently undertaken a corporate name change to Cabot Energy plc ("Cabot").

The transaction is structured as the sale of Rockhopper Civita Limited ("Rockhopper Civita"), a subsidiary company which at completion will hold the following Petroleum Licences:

- Scanzano Concession (100% interest)

- Monte Verdese Concession (60% interest)
- Torrente Celone Concession (50% interest)
- Aglavizza Concession (100% interest)
- Civita Permit (100% interest)
- San Basile Concession (85% interest)

Under the terms of the transaction, Cabot will acquire all the assets of the Petroleum Licences (30 June 2017:US$3.1 million) and assume all future abandonment and decommissioning liabilities (30 June 2017: US$9.0 million). In consideration, Rockhopper will make a cash payment to Cabot at completion of US$1.6 million plus the usual working capital adjustments.

The effective date for the transaction is 1 January 2017 and, under the terms of the transaction, Rockhopper retains the benefit of a €1.2 million Italian VAT refund which is expected to be received during 2017. The transaction is expected to complete in late 2017 or early 2018.

TAXATION

On the 8 April 2015, the Group agreed binding documentation ("Tax Settlement Deed") with the Falkland Islands Government in relation to the tax arising from the Group's farm out to Premier Oil plc.

The Tax Settlement Deed confirms the quantum and deferment of the outstanding tax liability and is made under Extra Statutory Concession 16.

As a result of the Tax Settlement Deed, the outstanding tax liability was confirmed at £64.4 million and is payable on the earlier of: (i) the first royalty payment date on Sea Lion; (ii) the date of which Rockhopper disposes of all or a substantial part of the Company's remaining licence interests in the North Falkland Basin; or (iii) a change of control of Rockhopper Exploration plc. As the Company received the full Exploration Carry from Premier during the 2015/16 drilling campaign the Falkland Islands Commissioner of Taxation has agreed to reduce the liability on that basis in line with the terms of the Tax Settlement Deed. As such, the tax liability has been revised downwards to £59.6 million with a tax credit being recognised in the period of $2.9 million.

Due to the aforementioned reduction in the tax liability, partially offset by the movement in the Sterling:US dollar exchange rate, the outstanding tax liability in US dollar terms has reduced to US$77 million (31 December 2016: US$79 million).

The outstanding tax liability is classified as non-current and is discounted to a period-end value of US$41 million.

Full details of the provisions and undertakings of the Tax Settlement Deed were disclosed in the Company's 2014 Annual Report and these include "creditor protection" provisions including undertakings not to declare dividends or make distributions while the tax liability remains outstanding (in whole or in part).

LIQUIDITY, COUNTERPARTY RISK AND GOING CONCERN

The Company monitors its cash position, cash forecasts and liquidity on a regular basis and takes a conservative approach to cash management, with surplus cash held on term deposits with a number of major financial institutions.

Following the Company's acquisition of production and exploration assets in Egypt, the Company is exposed to potential payment delay from Egyptian General Petroleum Corporation ("EGPC"), which is an issue common to many upstream companies operating in the country. As at 30 June 2017, Rockhopper's EGPC receivable balance (net of amounts due to Beach Energy) was US$4.8 million. The Company maintains an active dialogue with EGPC and has seen a material increase in monthly payments, having received in aggregate US$7.7 million gross during 2017. Under the terms of the acquisition, Beach Energy retained the economic benefit of the EGPC receivable balance as at 31 December 2015, being approximately US$8.6 million. Rockhopper continues to pay to Beach Energy a proportion of the funds received from EGPC post-completion. As at 31 August 2017, Beach Energy's balance outstanding from the EGPC receivable was approximately US$1.0 million. Payments from EGPC are received in US dollars directly to bank accounts held in the UK.

The Directors have assessed that the cash balance held provides the Company with adequate headroom over forecasted expenditure for the following 12 months - as a result, the Directors have adopted the going concern basis of accounting in preparing the annual financial statements.

PRINCIPAL RISK AND UNCERTAINTIES

A detailed review of the potential risks and uncertainties which could impact the Company are outlined in the Strategic Report of the Group's 2016 Annual Report. The Company identified its principal risks at the end of 2016 as being:

- sustained low oil price; and
- joint venture partner alignment and funding issues, both of which could ultimately create a delay to the Sea Lion Final Investment Decision.

There has been no change in the principal risks and uncertainties since the year-end.

GROUP INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	Six months Ended 30 June 2017 Unaudited $'000	Six months ended 30 June 2016 Restated* Unaudited $'000	Year ended 31 December 2016 Audited $'000
Revenue		**5,055**	2,901	7,417
Other cost of sales		**(1,823)**	(1,703)	(4,373)
Depreciation and impairment of oil and gas assets		**(2,504)**	(1,830)	(3,294)
Total cost of sales		**(4,327)**	(3,533)	(7,667)
Gross profit/(loss)		**728**	(632)	(250)
Exploration and evaluation expenses		**(2,188)**	(1,637)	(8,237)
Costs in relation to acquisition		**-**	(1,036)	(2,529)
Other administrative costs		**(2,529)**	(3,842)	(7,441)
Total administrative expenses		**(2,529)**	(4,878)	(9,970)
Excess of fair value over cost		**-**	111,842	111,842
Charge for share based payments		**24**	(971)	(994)
Foreign exchange movement		**(483)**	3,999	5,679
Results from operating activities and other income		**(4,448)**	107,723	98,070
Finance income		**369**	81	307
Finance expense		**(2,878)**	(3,553)	(333)
(Loss)/profit before tax		**(6,957)**	104,251	98,044
Tax	3	**2,813**	-	-
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT COMPANY		**(4,144)**	104,251	98,044
Profit per share: cents				
Basic	4	**(0.91)**	23.77	21.98
Diluted	4	**(0.91)**	23.73	21.98

* See details provided in note 1.2 Statement of compliance and basis of preparation.

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	Six months Ended 30 June 2017 Unaudited $'000	Six months ended 30 June 2016 *Restated Unaudited $'000	Year Ended 31 December 2016 Audited $'000
(Loss)/profit for the period		(4,144)	104,251	98,044
Items that may be reclassified to profit and loss				
Exchange differences on translation of foreign operations		(713)	24	192
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(4,857)	104,275	98,236

* See details provided in note 1.2 Statement of compliance and basis of preparation.

GROUP BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	As at 30 June 2017 Unaudited $'000	As at 30 June 2016 Restated* Unaudited $'000	As at 31 December 2016 Audited $'000
NON CURRENT ASSETS				
Intangible exploration and evaluation assets	5	**428,257**	420,539	426,419
Property, plant and equipment		**14,075**	11,233	18,025
Goodwill		**10,283**	10,004	9,439
CURRENT ASSETS				
Inventories		**1,545**	1,866	1,608
Other receivables		**13,985**	55,150	17,184
Restricted cash		**520**	1,657	495
Term deposits		**30,000**	20,000	30,000
Cash and cash equivalents		**32,549**	45,363	51,019
Assets held for sale		**3,118**	-	-
TOTAL ASSETS		**534,332**	565,812	554,189

CURRENT LIABILITIES				
Other payables		**15,272**	26,921	34,012
Tax payable	6	**10**	9	9
Liabilities directly associated with assets held for sale		**9,006**	-	-
NON-CURRENT LIABILITIES				
Tax payable	6	**41,319**	46,075	39,115
Provisions		**7,398**	20,666	14,914
Deferred tax liability		**39,199**	39,145	39,145
TOTAL LIABILITIES		**112,204**	132,816	127,195
EQUITY				
Share capital		**7,198**	7,193	7,194
Share premium		**3,239**	3,111	3,149
Share based remuneration		**6,227**	6,462	6,251
Shares held by SIP trust		**(3,486)**	(3,616)	(3,407)
Merger reserve		**74,332**	74,332	74,332
Foreign currency translation reserve		**(9,681)**	(9,136)	(8,968)
Special reserve		**462,549**	472,967	462,549
Retained losses		**(118,250)**	(118,317)	(114,106)
ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		**422,128**	432,996	426,994
TOTAL LIABILITIES AND EQUITY		**534,332**	565,812	554,189

* See details provided in note 1.2 Statement of compliance and basis of preparation.

These financial statements were approved by the directors and authorised for issue on 6 September 2017 and are signed on their behalf by:

STEWART MACDONALD
CHIEF FINANCIAL OFFICER

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2017

For the six months ended 30 June 2017	Share capital $'000	Share premium $'000	Share based remuneration $'000	Shares held in trust $'000	Merger Reserve $'000	Foreign Currency Translation Reserve $'000	Special reserve $'000	Retained losses $'000	Total Equity $'000
Balance at 1 January 2017	7,194	3,149	6,251	(3,407)	74,332	(8,968)	462,549	(114,106)	426,994
Total comprehensive expense for the period	-	-	-	-	-	(713)	-	(4,144)	(4,857)
Share based payments	-	-	(24)	-	-	-	-	-	(24)
Share issues in relation to SIP	4	90	-	(79)	-	-	-	-	15
Balance at 30 June 2017	**7,198**	**3,239**	**6,227**	**(3,486)**	**74,332**	**(9,681)**	**462,549**	**(118,250)**	**422,128**

For the six months ended 30 June 2016*Restated	Share capital $'000	Share premium $'000	Share based remuneration $'000	Shares held in trust $'000	Merger Reserve $'000	Foreign Currency Translation Reserve $'000	Special reserve $'000	Retained losses *Restated $'000	Total Equity *Restated $'000
Balance at 1 January 2016	4,910	2,995	5,491	(3,513)	11,112	(9,160)	472,967	(222,568)	262,234
Total comprehensive income for the period	-	-	-	-	-	24	-	104,251	104,275
Share based payments	-	-	971	-	-	-	-	-	971
Shares issues in relation to SIP	4	116	-	(103)	-	-	-	-	17
Shares issued on acquisition of subsidiary	2,279	-	-	-	63,220	-	-	-	65,499
Balance at 30 June 2016	**7,193**	**3,111**	**6,462**	**(3,616)**	**74,332**	**(9,136)**	**472,967**	**(118,317)**	**432,996**

For the year ended 31 December 2016	Share capital $'000	Share premium $'000	Share based remuneration $'000	Shares held in trust $'000	Merger Reserve $'000	Foreign Currency Translation Reserve $'000	Special reserve $'000	Retained losses $'000	Total Equity $'000
Balance at 1 January 2016	4,910	2,995	5,491	(3,513)	11,112	(9,160)	472,967	(222,568)	262,234
Total comprehensive income for the year	-	-	-	-	-	192	-	98,044	98,236
Share based payments	-	-	884	-	-	-	-	-	884
Issue of shares	2,278	-	-	-	63,220	-	-	-	65,498
Share issues in relation to SIP	6	154	110	(128)	-	-	-	-	142
Exercise of share options	-	-	(234)	234	-	-	-	-	-
Other transfers	-	-	-	-	-	-	(10,418)	10,418	-
Balance at 31 December 2016	7,194	3,149	6,251	(3,407)	74,332	(8,968)	462,549	(114,106)	426,994

* See details provided in note 1.2 Statement of compliance and basis of preparation.

GROUP CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	Six months ended 30 June 2017 Unaudited $'000	Six months ended 30 June 2016 *Restated Unaudited $'000	Year Ended 31 December 2016 Audited $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss)/profit before tax		(6,957)	104,251	98,044
Adjustments to reconcile net losses to cash utilised				
Depreciation		2,700	2,241	4,725
Loss on impairment on property, plant and equipment		-	7	-
Other non-cash movements		-	-	(1,205)
Share based payment charge		(24)	971	994
Excess of fair value over cost		-	(111,842)	(111,842)
Exploration impairment expenses		1,584	1,034	3,549
Loss on disposal of property, plant and equipment		-	5	139
Finance expense		2,866	3,547	333
Finance income		(367)	-	(317)
Foreign exchange		413	(4,339)	(6,187)
Operating cash flows before movements in working capital		215	(4,125)	(11,767)
Changes in:				
Inventories		-	-	-
Other receivables		2,063	1,306	277
Payables		(3,181)	(7,122)	(7,962)
Movement on other provisions		-	(297)	(1,748)
Cash utilised by operating activities		(903)	(10,238)	(21,200)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash proceeds received on North Falkland Basin exploration insurance claim		-	-	45,507
Capitalised expenditure on exploration and evaluation assets		(16,437)	(39,270)	(38,985)
Purchase of property, plant and equipment		(910)	(548)	(1,218)
Acquisition of FOGL		-	5,312	5,312
Acquisition of Beach Egypt		(1,005)	-	(18,839)
Interest		259	235	559
Investing cash flows before movements in capital balances		(18,093)	(34,271)	(7,664)
Changes in:				
Restricted cash		(25)	498	1,689
Term deposits		-	40,000	30,000
Cash (utilised)/generated by investing activities		(18,118)	6,227	24,025
CASH FLOWS FROM FINANCING ACTIVITIES				
Share incentive plan		15	17	31
Finance expense		(3)	(5)	(33)
Cash (utilised)/generated from financing activities		12	12	(2)
Currency translation differences relating to cash and cash equivalents		539	(1,072)	(2,238)
Net cash outflow		(19,009)	(3,999)	2,823
Cash and cash equivalents brought forward		51,019	50,434	50,434
CASH AND CASH EQUIVALENTS CARRIED FORWARD		32,549	45,363	51,019

* See details provided in note 1.2 Statement of compliance and basis of preparation.

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

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 interests in the Falkland Islands and the Greater Mediterranean. The registered office of the company is 5 Welbeck Street, London, W1G 9YQ.

1.2 Statement of compliance and basis of preparation
These condensed consolidated interim financial statements of the group, as at and for the six months ended 30 June 2017,

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"). The accounting policies applied in the preparation of this interim financial information are consistent with the policies applied by the Group in the consolidated financial statements as at and for the year ended 31 December 2016 which were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.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 December 2016.

The comparative figures for the year ended 31 December 2016 are not the company's statutory accounts for that financial period. 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 preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

At 30 June 2016 the group results included provisional fair values in respect of the assets and liabilities acquired as a result of the acquisition of Falkland Oil and Gas Limited. The fair values were finalised for the results as at 31 December 2016 and as a result the comparative interim period results to 30 June 2016 have been restated, in line with IFRS3 Business Combinations, to reflect the final fair values recognised. The restatement only impacts the results to 30 June 2016 and resulted in a reduction in the reported profit of $27 million. The restatement also impacted the balance sheet and details of provisional fair values initially recognised in the balance sheet as at 30 June 2016 and the final values recognised as at 31 December 2016 and in the restated 30 June 2016 balance sheet are included in Note 9 Acquisition of subsidiaries.

The condensed interim consolidated financial statements were approved by the Board on 6 September 2017.

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

1.3 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.

1.4 Period end exchange rates
The period end rates of exchange actually used were:

	30 June 2017	30 June 2016	31 December 2016
£ : US$	**1.30**	1.34	1.22
€ : US$	**1.14**	1.12	1.05

2 Revenue and segmental information

Six months ended 30 June 2017

	Falkland Islands $'000	**Greater Mediterranean $'000**	**Corporate $'000**	**Total $'000**
Revenue	-	5,055	-	5,055
Cost of sales	-	(4,327)	-	(4,327)
Gross profit/(loss)	-	728	-	728
Exploration and evaluation expenses	-	(1,583)	(605)	(2,188)
Administrative expenses	-	(658)	(1,871)	(2,529)
Charge for share based payments	-	-	24	24
Foreign exchange movement	(2,318)	238	1,597	(483)
Results from operating activities and other income	(2,318)	(1,275)	(855)	(4,448)
Finance income			369	369
Finance expense	(2,704)	(170)	(4)	(2,878)
Loss before tax	(5,022)	(1,445)	(490)	(6,957)
Tax	2,866	(53)	-	2,813
Profit/(loss) for period	(2,156)	(1,498)	(490)	(4,144)
Reporting segments assets	421,812	50,082	62,438	534,332
Reporting segments liabilities	(80,456)	(21,194)	(10,554)	(112,204)

Six months ended 30 June 2016

	Falkland Islands $'000	**Greater Mediterranean $'000**	**Corporate $'000**	**Total $'000**
Revenue	-	2,901	-	2,901

Cost of sales	-	(3,533)	-	(3,533)
Gross profit/(loss)	-	(632)	-	(632)
Exploration and evaluation expenses	(7)	(1,013)	(617)	(1,637)
Administrative expenses	(699)	(1,047)	(3,132)	(4,878)
Excess of fair value over cost	111,842	-	-	111,842
Charge for share based payments	-	-	(971)	(971)
Foreign exchange movement	4,668	117	(786)	3,999
Results from operating activities and other income	115,804	(2,575)	(5,506)	107,723
Finance income	1	-	80	81
Finance expense	(3,340)	(209)	(4)	(3,553)
Loss before tax	112,465	(2,784)	(5,430)	104,251
Tax	-	-	-	-
Profit/(loss) for period	112,465	(2,784)	(5,430)	104,251
Reporting segments assets	433,002	34,540	98,270	565,812
Reporting segments liabilities	84,011	22,849	25,956	132,816

3 Taxation

	Six months ended 30 June 2017 $'000	Six months ended 30 June 2016 $'000	Year Ended 31 December 2016 $'000
Current tax:			
Overseas tax	-	-	-
Adjustment in respect of prior periods	2,866	-	-
Total current tax	2,866	-	-
Deferred tax:			
Overseas tax	(53)	-	-
Total deferred tax	(53)	-	-
Tax on ordinary activities	2,813	-	-

The adjustment in respect of prior years is due to the full benefit of the exploration carry being received from Premier on the 2015/16 drilling campaign and the Falkland Islands Commissioner of Taxation agreeing to reduce the liability on that basis in line with the terms of the Tax Settlement Deed. As such the tax liability has been revised downwards to £59.6 million with a tax credit being recognised in the period of $2.9 million. Additional information is given in Note 6 Tax payable.

4 Basic and diluted loss per share

	Six months ended 30 June 2017 Number	Six months ended 30 June 2016 Number	Year Ended 31 December 2016 Number
Shares in issue brought forward	**456,659,052**	296,579,834	296,579,834
Shares issued			
- Issued in relation to acquisitions	-	159,684,668	159,684,668
- Issued under the SIP	**305,906**	278,697	394,550
Shares in issue carried forward	**456,964,958**	456,543,199	456,659,052
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**453,782,925**	438,564,580	446,106,108
Effects of dilutive potential Ordinary shares			
Contingently issuable shares - current period anti-dilutive	-	790,813	-
	453,782,925	439,355,393	446,106,108

		*Restated	
	$'000	$'000	$'000
Net (loss)/profit after tax for purposes of basic and diluted earnings per share	**(4,144)**	104,251	98,044
Earnings per share - cents			
Basic	**(0.91)**	23.77	21.98
Diluted	**(0.91)**	23.73	21.98

* See details provided in note 1.2 Statement of compliance and basis of preparation.

As the group is reporting a loss in the current period then in accordance with IAS33 the share options are not considered dilutive in the current period because the exercise of the share options would have the effect of reducing the loss per share.

At the period end the group had the following unexercised options and share appreciation rights in issue.

	Six months	Six months	Year

	Ended 30 June 2017 Number	ended 30 June 2016 Number	Ended 31 December 2016 Number
Long term incentive plan	20,575,953	18,222,590	17,435,144
Share appreciation rights	1,420,531	1,420,531	1,420,531

5 Intangible exploration and evaluation assets
Additions of $3.2 million during the period relate to the Group's interests in the Falkland Islands. The majority of the remainder of the movement relates to the group's interests in the Greater Mediterranean particularly the Abu Sennan Concession in Egypt where an impairment of $1.6 million was recognised following confirmation of the Al Jahraa-9 test well being water wet.

6 Tax payable

	Six months ended 30 June 2017 $'000	Six months ended 30 June 2016 $'000	Year ended 31 December 2016 $'000
Current tax payable	10	9	9
Non current tax payable	41,319	46,075	39,115
	41,329	46,084	39,124

On the 8 April 2015, the Group agreed binding documentation ("Tax Settlement Deed") with the Falkland Island Government ("FIG") in relation to the tax arising from the Group's farm out to Premier Oil plc ("Premier").

The Tax Settlement Deed confirms the quantum and deferment of the outstanding tax liability and is made under Extra Statutory Concession 16.

As a result of the Tax Settlement Deed, the outstanding tax liability was confirmed at £64.4 million and payable on the first royalty payment date on Sea Lion. Currently the first royalty payment date is anticipated to occur within six months of first oil production which itself is estimated to occur three and a half years after project sanction. As such the tax liability has been discounted at 15%.

The tax liability has been revised downwards in the period ended 30 June 2017 to £59.6 million, due to the full benefit of the exploration carry being received from Premier on the 2015/16 drilling campaign and the Falkland Islands Commissioner of Taxation agreeing to reduce the liability on that basis in line with the terms of the Tax Settlement Deed.

7 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.
Own shares held in 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 and fair value of shares issued on acquisition of subsidiaries.
Foreign currency translation reserve	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 cancellation of the share premium account on 4 July 2013. It can be used to reduce the amount of losses incurred by the parent company or distributed or used to acquire the share capital of the company subject to settling all contingent and actual liabilities as at 4 July 2013. Should not all of the contingent and actual liabilities be settled, prior to distribution the parent company must either gain permission from the actual or contingent creditors for distribution or set aside in escrow an amount equal to the unsettled actual or contingent liability.
Retained losses	Cumulative net gains and losses recognised in the financial statements.

8 Disposal group held for sale
On 8 June 2017, the Group announced the disposal of a portfolio of non-core interests in onshore Italy. The transaction is expected to complete by the year end 2017 and accordingly the assets and associated liabilities are presented as a disposal group.

As at 30 June 2017, the disposal group comprised assets of $3.1 million less liabilities of $9.0 million, detailed as follows.

	$'000
Intangible exploration and evaluation	837

assets	
Property, plant and equipment	2,075
Inventories	206
Provisions	(9,006)
	(5,888)

9 Acquisition of subsidiaries

Acquisition of Falkland Oil and Gas Limited

In January 2016 Rockhopper completed the acquisition of the entire issued share capital of Falkland Oil and Gas Limited ("FOGL").

The boards of Rockhopper and FOGL believe that a combination of the Rockhopper and FOGL Groups (together, the "Combined Group") represents a significant value opportunity arising from the combination of their highly complementary portfolios. Specifically, the Combined Group is expected to:

- be the largest North Falkland Basin licence and discovered resource holder with a material working interest in all key licences;
- have enhanced prospects of progressing the Sea Lion project through final investment decision;
- have greater exposure to exploration and appraisal upside potential; and
- benefit from enhanced scale and capabilities creating value in the current market environment.

Under the terms of the agreement announced on 24 November 2015, shareholders of FOGL received 0.2993 shares of the Company per FOGL share.

At acquisition FOGL had a portfolio of assets and internal technical resources and management and administrative processes. In addition it has potential future outputs through the monetization of its 2C resources as such it is a business and the transaction has been accounted for by the purchase method of accounting with an effective date of 18 January 2016 being the date on which the group gained control of FOGL. Information in respect of the assets and liabilities acquired and the fair value allocation to the FOGL assets in accordance with the provisions of "IFRS3 - Business Combinations" has been determined as follows:

	Provisional values recognised on acquisition at 30 June 2016 $'000	Final values recognised on acquisition at 31 December 2016 $'000
Intangible exploration and appraisal assets	216,000	170,000
Property, plant and equipment	58	58
Inventories	162	162
Trade and other receivables	3,231	21,031
Trade and other payables	(20,422)	(19,222)
Net identifiable assets and liabilities	199,029	172,029
Fair value in excess of consideration	(138,842)	(111,842)
Satisfied by:		
Equity instruments 159,684,668 ordinary shares	65,499	65,499
Less cash acquired	(5,312)	(5,312)
Total consideration	60,187	60,187

The fair value of equity instruments has been determined by reference to the closing share price on the trading day immediately prior to the completion of the acquisition.

Inherently determining fair values, particularly of intangible exploration and evaluation assets, is subjective. The valuation of intangible assets acquired was provisionally assessed at the 30 June 2016 and included the value of exploration costs which were recovered subsequently under an insurance claim. These amounts when finalised were included as a receivable in the numbers recognised at 31 December 2016. This represents the main movement between the provisional and final values recognised.

The final value of the intangible exploration and evaluation assets were based on the $ per barrel multiples applied in transactions in the market place involving similar early stage development assets. Not all factors in any particular transaction may be known and the market provides only a range of possible values over a relatively small population of analogous transactions. Analysis of $ per barrel multiples implied a wide range of reasonable possible outcomes between $1.5 per barrel and $2.5 per barrel although actual transactions ranged from near zero to values in well in excess of $5 per barrel. The value above equates to just under $2 per barrel of 2C resource acquired in the Sea Lion complex and around$1.6 per barrel if managements view of the additional 2C resource discovered in the Emily, Isobel and Isobel Deep J fans is included.

For reasonableness, this fair value was compared and supported by both historic investment in the basin and the net present value of future cashflows which requires key assumptions and estimates in relation to: commodity prices that are based on forward curves for a number of years and the long-term corporate economic assumptions thereafter, discount rates that are adjusted to reflect risks specific to individual assets, the quantum of commercial reserves and the associated production and cost profiles.

The fair value in excess of consideration arises due to the difference between the fair value of the net assets and the consideration transferred and relates to the fact that the financial position of FOGL had deteriorated due to cost overruns at the Humpback exploration well as well as merger terms being agreed prior to the Isobel Elaine well results, which as noted above added additional 2C resource and substantially de-risked the Isobel-Elaine complex.

Acquisition costs of $1,430,000 arose as a result of the transaction in prior periods. These have been recognised as part of administrative expenses in the statement of comprehensive income.

As at 31 December 2016, FOGL had contributed $nil to group revenues and added$873,000 to the group loss. If the acquisition had occurred on 31 December 2015, group revenues and group profit for the period would be materially the same.

10 Post balance sheet events
Abu Sennan Drilling campaign
Al Jahraa-9
The Al Jahraa-9 well penetrated 5 metres of reservoir sand in the primary Abu Roash-C ("AR-C") reservoir. Wireline logging and a well test across the interval confirmed that, while the sand is water wet, the reservoir pressure is in line with the producing AR-C reservoir in the Al Jahraa and Al Jahraa SE fields. The well also encountered the deepest known oil shows in the Abu Roash-D and Abu Roash-E ("AR-E") reservoirs, demonstrating further potential at these levels elsewhere in the concession.

The results of the Al Jahraa-9 well will now be integrated with existing data for the Al Jahraa and Al Jahraa SE oil fields to help refine the future development plans for these fields.

Al Jahraa SE-2X
The Al Jahraa SE-2X well has been successfully side-tracked into the Al Jahraa SE field and oil pay has been confirmed from wireline logging in both the AR-C and AR-E reservoirs. The well has recently been completed in the deeper AR-E reservoir and was put onto production at a tubular and pump constrained rate of approximately 250 boepd gross.

INDEPENDENT REVIEW REPORT TO ROCKHOPPER EXPLORATION PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly report for the six months ended 30 June 2017 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.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly report for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the AIM Rules.

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. We read the other information contained in the half-yearly report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' responsibilities

The half-yearly report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the AIM Rules.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 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 half-yearly report based on our review

The purpose of our review work and to whom we owe our responsibilities

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.

LYNTON RICHMOND
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

6 September 2017

Glossary:

2C	best estimate of contingent resources
2P	proven plus probable reserves
3C	a high estimate category of contingent resources
AGM	Annual General Meeting
Beach Energy	Beach Petroleum (Egypt) Pty Limited
Best	a best estimate category of Prospective Resources also used as a generic term to describe a best, or mid estimate
Board	the Board of Directors of Rockhopper Exploration plc
boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
Capex	capital expenditure
Company	Rockhopper Exploration plc
E&P	exploration and production
ERCE	ERC Equipoise Limited
Farm-down	to assign an interest in a licence to another party
FEED	Front End Engineering and Design
FID	Final Investment Decision
FIG	Falkland Islands Government
FOGL	Falkland Oil and Gas Limited
FPSO	Floating Production, Storage and Offtake vessel
Group	the Company and its subsidiaries
High	high estimate category of Prospective Resources also used as a generic term to describe a high or optimistic estimate
IFRS	International Financial Reporting Standard
Low	a low estimate category of Prospective Resources also used as a generic term to describe a low or conservative estimate
mmbbls	million barrels
mmboe	million barrels of oil equivalent
MMstb	million stock barrels (of oil)
mscf	thousand standard cubic feet
net pay	the portion of reservoir containing hydrocarbons that through the placing of cut offs for certain properties such as porosity, water saturation and volume of shale determine the productive element of the reservoir
P&A	plug and abandon
Premier	Premier Oil plc
PSV	virtual exchange point
scm	standard cubic metre
STOIIP	stock-tank oil initially in place

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