Half-year Report

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Rockhopper Exploration plc
18 September 2019

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

Half-year results for the six months to 30 June 2019

Rockhopper Exploration plc (AIM: RKH), the oil and gas exploration and production company with key interests in the North Falkland Basin, is pleased to announce its results for the six months ended 30 June 2019.

Year to date highlights

Sea Lion Phase 1 development - project optimised; resource increased; continued focus on securing senior debt funding ahead of final investment decision

- Through the FEED and optimisation processes, the Sea Lion project has been substantially de-risked from a technical, cost and schedule perspective
- Resources to be developed in Phase 1 of the project have increased from 220 to 250 mmbbls (gross) with associated capex to first oil estimated at approximately US$1.8 billion (gross)
- Key service and supply contracts are nearing final agreement in preparation for execution at project sanction
- Continued focus on securing senior debt funding ahead of final investment decision
- Preliminary Information Memorandum and comprehensive set of independent expert reports, which formed the basis of a financing guarantee application package for the senior debt component of the project financing, were submitted to potential senior lenders including export credit agencies in July 2019

Strong H1 operating and financial performance with continued focus on costs

- Net working interest production averaged 1.2 kboepd
- Revenue of US$4.8 million; operating costs of US$2.2 million
- Cash operating costs of US$10.3 per boe - low cost base maintained
- Continued management of G&A costs - US$2.4 million - down over 35% in the last 3 years
- Cash resources of US$27 million at 30 June 2019 and no debt

Corporate

- Appointment of Keith Lough as Non-Executive Chairman following the retirement of David McManus at the Company's AGM in May 2019
- Ombrina Mare arbitration - in June 2019 the Tribunal rejected Italy's request for suspension and related intra-EU jurisdictional objections
- Disposal of Rockhopper Egypt Pty Limited for US$16 million announced in July 2019, with completion anticipated in Q4 2019

Outlook

- Progression of Sea Lion funding into detailed lender due diligence and documentation in Q4 2019
- Outcome in relation to Ombrina Mare arbitration expected in Q1 2020 - seeking significant monetary damages
- Year end 2019 cash resources estimated to be in the range of US$25-30 million, depending on the final mix of consideration received upon completion of the disposal of Rockhopper Egypt Pty Limited

Keith Lough, Chairman of Rockhopper, commented:
"2019 has already been a busy period for the Company, and the next six months have the potential to be transformational for Rockhopper with a number of very significant catalysts ahead.

"The PIM submission process marked a material milestone in the project financing process for the Sea Lion development. If, as expected, the application is well received, we anticipate moving into a phase of detailed lender due diligence and documentation during Q4 2019.

"In addition, with a supportive interim ruling on jurisdiction, we remain positive on the prospects of recovering significant monetary damages through our international arbitration against the Republic of Italy in respect of Ombrina Mare and look forward to an outcome in early 2020."

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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.

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, material progress continued to be made in the first half of 2019 across a range of disciplines including FEED and optimisation work; finalisation of contractual arrangements with key service and supply contractors; and the preparation of the Preliminary Information Memorandum ("PIM") and associated suite of lender due diligence reports, which were submitted after the period end.

Sea Lion has the potential to be transformational for Rockhopper and the Falkland Islands as a whole. The project is at a mature stage of definition and through the FEED and optimisation process has been substantially de-risked from a technical, cost and schedule perspective. Securing funding is the last remaining major milestone before Sea Lion can reach FID and all efforts are focused on securing such financing to allow the project to move into the execution phase.

Our interest in Abu Sennan has performed very well for us both operationally and financially. However, despite our efforts to acquire and grow a more material position in Egypt, we were unable to do so on attractive terms given the competitive market dynamics and significant buyer interest for assets. Instead we took the opportunity to divest, crystalise an attractive return on investment and at the same time strengthen the balance sheet. Balance sheet cash is preserved for capital investment which continues to be focused primarily on the progression of the Sea Lion project towards sanction.

We maintain ambitions, on a highly selective basis, to expand our production base thereby generating additional free cash flow to strengthen our balance sheet and invest in future exploration or other value-accretive growth opportunities both in the Falklands and elsewhere.

Sea Lion Phase 1 development - project optimised; resource increased; continued focus on securing senior debt funding ahead of final investment decision

Rockhopper is the leading acreage holder in the North Falkland Basin with a material working interest in all key licences.

The overall strategy to develop the North Falkland Basin remains a phased development solution, starting with Sea Lion Phase 1, which will commercialise, through a conventional FPSO development scheme, 250 mmbbls (gross) of oil resources in the northern part of PL032 (in which Rockhopper has a 40% working interest). A subsequent Phase 2 development will commercialise the remaining approximately 280 mmbbls (gross) resources in both 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 (gross) 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.

Following the FEED and optimisation processes, conducted through the first half of 2019, the resources to be developed in Phase 1 have increased from 220 to 250 mmbbls (gross) with associated capex to first oil estimated at approximately US$1.8 billion (gross). This optimisation and value engineering has resulted in a substantially de-risked project with robust economics which is critical as we progress the process to secure senior debt funding for the project.

The Sea Lion financing plan comprises funding elements including senior project finance debt (likely involving a combination of export credit guarantees and loans as well as commercial debt), vendor financing from contractors and equity from the joint venture. Rockhopper's share of the joint venture equity is to be funded through the carry arrangements with Premier.

The joint venture continues to lead engagement with a wide range of stakeholders to obtain the support required to secure senior debt, which represents the core of the project's funding strategy. In this regard, a Preliminary Information Memorandum and comprehensive set of independent expert reports, which formed the basis of a financing application for the senior debt component of the project financing, were submitted to potential senior lenders including export credit agencies in July 2019.

On the vendor financing side, the project contractors have undertaken an extensive due diligence and assurance process and, are nearing final agreement to provide funding for the project, subject to the finalization of documentation.

Constructive and supportive engagement with the Falkland Islands Government ("FIG") continues on a range of environmental, fiscal and regulatory matters with a view to obtaining the consents and agreements necessary to reach a final investment decision. Formal approval of the Environmental Impact Statement ("EIS") and Field Development Plan ("FDP") are expected at sanction.

The Sea Lion Discovery Area is due to expire on 15 April 2020. The submission of the final Field Development Plan for FIG approval is expected before that date. However, given the nature of the project financing currently being pursued, the timetable and process to secure such funding remains outside our control and therefore, as a prudent precaution, discussions have commenced with FIG in relation to a 6 to 12 month extension to the Sea Lion Discovery Area licence.

Greater Mediterranean - opportunistic disposal of Abu Sennan to generate attractive return on investment and strengthen the balance sheet

Our Greater Mediterranean portfolio continued to perform strongly in H1 2019 with production averaging 1.2 kboepd net to Rockhopper over the period.

In July 2019, Rockhopper announced the disposal of Rockhopper Egypt Pty Limited to United Oil and Gas plc ("United") for a consideration of US$16 million. The key asset of Rockhopper Egypt Pty Limited is a 22% working interest in the Abu Sennan concession. Having acquired the interest in Abu Sennan for US$11.9 million in August 2016 and agreeing to sell for US$16 million, plus benefitting from free cash flow during our period of ownership, the Board concluded that now was a suitable time to dispose.

Corporate matters

Rockhopper commenced international arbitration proceedings against the Republic of Italy in relation to the Ombrina Mare field in March 2017. The hearing took place in early February 2019 in Paris. In June 2019, the Tribunal rejected Italy's request for the suspension of the arbitration and Italy's related intra-EU jurisdictional objections. It is now expected that further post-hearing briefings will be submitted in October 2019 and a final outcome is now expected in Q1 2020.

Rockhopper continues to believe it has strong prospects of recovering very significant monetary damages - on the basis of lost profits - as a result of the Republic of Italy's breaches of the Energy Charter Treaty. All costs associated with the arbitration are funded on a non-recourse ("no win - no fee") basis from a specialist arbitration funder.

As part of the Board's long-term succession planning, and having served on the Board for nearly nine years, the past three as Non-Executive Chairman, David McManus retired as a Director at the Company's AGM in May 2019. Keith Lough, previously Senior Independent Director, succeeded David as Non-Executive Chairman. We thank David for his significant contribution and wish him every success in the future.

Environmental, Social and Governance ("ESG")

ESG continues to be a key focus for Rockhopper and we are committed to acting as a socially responsible contributor to the global energy mix. On the environmental side, we aim to minimise future greenhouse gas emissions across the portfolio.

For the Sea Lion development, the objective of minimising future greenhouse gas emissions has been integral to the concept select, FEED and optimisation processes. In June 2019, FIG approved the establishment of an environment fund to receive and administer future off-setting payments from the Sea Lion joint venture and distribute those funds for activities aimed at ensuring a positive environmental legacy.

Outlook

2019 has already been a busy period for the Company, and the next six months have the potential to be transformational for Rockhopper with a number of very significant catalysts ahead.

The PIM submission process marked a material milestone in the project financing process for the Sea Lion development. If, as expected, the application is well received, we anticipate moving into a phase of detailed lender due diligence and documentation during Q4 2019.

With a supportive interim ruling on jurisdiction, we remain positive on the prospects of recovering significant monetary damages through our international arbitration against the Republic of Italy in respect of Ombrina Mare and look forward to an outcome in early 2020.

Keith Lough	**Samuel Moody**
Non-Executive Chairman	Chief Executive Officer

FINANCIAL REVIEW

OVERVIEW

During the first half of 2019, significant progress was made to advance and execute the financing plan for the Sea Lion Phase 1 development. This culminated in the submission of the Preliminary Information Memorandum, which forms the basis of a financing loan and guarantee application, to potential senior lenders, at the end of July 2019. The submission of the PIM marks a material milestone in the project financing process.

In July 2019, Rockhopper announced the disposal of Rockhopper Egypt Pty Limited to United Oil and Gas plc ("United") for consideration of US$16 million. The key asset of Rockhopper Egypt Pty Limited is a 22% working interest in the Abu Sennan concession.

RESULTS SUMMARY

US$m (unless otherwise specified)	H1 2019	H1 2018
Working interest production (kboepd)	1.2	1.1
Realised oil price (US$/bbl)	63.1	68.4
Revenue	4.8	5.2
Cash operating costs	2.2	2.2
Recurring administrative costs ("G&A")	2.4	2.3
Loss after tax	(16.5)	(7.4)
Cash (out)/in flow from operating activities	(2.8)	4.9
Capital expenditure	15.2	5.4
Cash and term deposits	26.9	46.4

RESULTS FOR THE PERIOD

For the period ended 30 June 2019, the Company reported revenues of US$4.8 million and loss after tax of US$16.5 million. The loss after tax primarily arose as a result of the US$10.1 million non-recurring non-cash impairment of goodwill associated with the Company's Greater Mediterranean portfolio.

REVENUE

The Group's revenues of US$4.8 million (H1 2018: $5.2 million) during the period relate entirely to the sale of oil and natural gas in the Greater Mediterranean (Egypt and Italy). The reduction in revenues from the comparable period reflects a decrease in realised oil and gas prices, partially offset by a modest increase in production.

Working interest production averaged approximately 1,190 boepd during H1 2019, a small increase over the comparable period (H1 2018: 1,100 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 2018: €0.22 per scm), equivalent to US$6.2 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$63.1 per barrel (H1 2018: $68.4 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$2.2 million (H1 2018: US$2.2 million). Underlying cash operating costs were flat on H1 2018 levels despite increased production in the period. Cash operating costs on a per barrel of oil equivalent basis improved on the comparative period and remain attractive at US$10.3 per boe.

The Group continues to manage corporate costs having achieved an approximate 35% reduction in general and administrative ("G&A") cost, excluding non-recurring expenses related to restructuring and acquisitions, over the last 3 years. G&A costs remained broadly flat in H1 2019 amounting to US$2.4 million, compared to the corresponding period last year (H1 2018: US$2.3 million).

Following the decision in February 2016 by the Ministry of Economic Development not to award the Group a Production Concession covering the Ombrina Mare field, in March 2017 the Group commenced international arbitration proceedings against the Republic of Italy. All costs associated with the arbitration are funded on a non-recourse ("no win - no fee") basis from a specialist arbitration funder.

CASH MOVEMENTS AND CAPITAL EXPENDITURE

At 30 June 2019, the Company had cash and term deposits of US$26.9 million (31 December 2018: US$40.4 million) and no debt.

Cash and term deposit movements during the period:

	US$m
Opening cash balance (31 December 2018)	40.4
Revenues	4.8
Cost of sales	(2.2)
Falkland Islands	(7.6)
Greater Mediterranean	(2.7)
Admin and miscellaneous	(5.8)
Closing cash balance (30 June 2019)	**26.9**

Falkland Islands spend of US$7.6 million relates primarily to pre-development activities on Sea Lion. Despite the Sea Lion FEED process concluding in March 2019, and the post-FEED optimisation expected to conclude in September 2019, increased activity levels and spend are expected to be maintained throughout 2019 in the lead up to project sanction.

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

Admin and miscellaneous includes G&A, foreign exchange and movements in working capital during the period.

Following completion of the announced disposal of Rockhopper Egypt Pty Limited, which is anticipated to close in Q4 2019, year end 2019 cash is estimated to be in the region of US$25-30 million, depending on the final mix of consideration received at closing of the disposal.

MERGERS, ACQUISITIONS AND DISPOSALS

On 23 July 2019, Rockhopper announced the disposal of Rockhopper Egypt Pty Limited which holds a 22% working interest in the Abu Sennan concession to United for a consideration of US$16 million.

Under the terms of the SPA, the consideration will be satisfied by a payment by United of not less than US$11 million in cash at completion. In order to satisfy the cash component of the consideration, United has announced a prepayment financing structure of up to US$8 million with BP. In addition, United has announced the intention to raise capital through the issue of new shares simultaneously to the proposed acquisition. A proportion of such placement proceeds will be used to make a further cash payment to Rockhopper shortly after completion. Any shortfall between the headline consideration of US$16 million and the cash payments from United will be satisfied in new United shares being issued to Rockhopper (the "Consideration Shares"). The Consideration Shares issued to Rockhopper will be priced at the price at which United issues new shares as part of its proposed capital raise.

Any Consideration Shares held by Rockhopper in United are subject to certain lock-up and orderly market disposal provisions for a period of up to 12 months from completion.

The transaction is subject to satisfaction of customary conditions precedent including United shareholder approval, completion of the readmission of United to trading on AIM and receipt of Egyptian government approvals. The transaction is expected to complete during Q4 2019 with the effective date being 1 January 2019.

The assets and liabilities associated with the transaction, as at 30 June 2019, are US$17.3 million and US$0.7 million respectively.

TAXATION

On 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.

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 Group's remaining licence interests in the North Falkland Basin; or (iii) a change of control of Rockhopper Exploration plc.

During the first half of 2017, as a result of the Group receiving the full Exploration Carry from Premier during the 2015/16 drilling campaign, the Falkland Islands Commissioner of Taxation agreed to reduce the tax liability in line with the terms of the Tax Settlement Deed. As such, the tax liability has been revised downwards to £59.6 million. The outstanding tax liability is classified as non-current and is discounted to a period-end value of US$40.3 million.

Full details of the provisions and undertakings of the Tax Settlement Deed are disclosed in note 8 of these condensed consolidated interim financial statements 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).

BREXIT

It is the view of the Board that, given the Group's focus on the North Falkland Basin, Rockhopper's business, assets and operations will not be materially affected by Brexit. Rockhopper derives a significant proportion of its revenue from crude oil, a globally traded commodity priced in US dollars.

LIQUIDITY, COUNTERPARTY RISK AND GOING CONCERN

The Group 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.

Cash forecasts are regularly produced based on, inter alia, the Group's production and expenditure forecasts and management's best estimates of future commodity prices. Sensitivities are run to reflect different scenarios including changes in production rates, possible reductions in commodity prices and increased costs.

Management's base case forecast assumes an oil price of US$65/bbl in 2019 and 2020, production in line with prevailing rates, expenditures in line with approved budgets, completion of the disposal of Rockhopper Egypt Pty Limited in Q4 2019 and formal approval of the Sea Lion Field Development Plan by FIG (which triggers the commencement of the Development Carry arrangements with Premier) in H1 2020.

The Group has run downside scenarios, where oil prices are reduced by a flat $10/bbl throughout the going concern period, where cost expenditures have increased by 5%, where the disposal of Rockhopper Egypt Pty Limited does not complete and where delay occurs to the approval by FIG of the Sea Lion Field Development Plan.

Under the base case forecast, the Group will have sufficient financial headroom to meet forecast cash requirements for the 12 months from the date of approval of these condensed consolidated interim financial statements. However, in the downside scenarios run, in the absence of any mitigating actions, the Group may have insufficient funds to meet its forecast cash requirements. Potential mitigating actions, some of which are outside the Group's control, could include collection of arbitration award proceeds, deferral of expenditure or raising additional equity.

Accordingly, after making enquiries and considering the risks described above, the Directors have assessed that the cash balance held provides the Group 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 these condensed consolidated interim financial statements. Nonetheless, for the avoidance of doubt, in the downside scenarios run and in the absence of potential mitigating actions, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The condensed consolidated interim financial statements do not include any adjustments that may be necessary if the Group were not a going concern.

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 2018 Annual Report. The Company identified its principal risks at the end of 2018 as being:

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

Since the year-end, the environmental impact of oil and gas extraction has been added to the risk register, reflecting the increased focus on ESG issues which could have an adverse impact on investor and lender sentiment towards the Company and the Sea Lion project.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors confirm that, to the best of their knowledge, the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and the AIM Rules for Companies, and that the interim results include a fair review of the information required.

The Directors must not approve the non-statutory group financial statements unless they are satisfied that the non-statutory group financial statements give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing the non-statutory financial statements, the Directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the non-statutory financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group.

Stewart MacDonald

Chief Financial Officer

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Notes	**Six months Ended 30 June 2019 Unaudited $'000**	Six months Ended 30 June 2018 Unaudited $'000	Year ended 31 December 2018 Audited $'000
Revenue		**4,782**	5,204	10,580
Other cost of sales		**(2,224)**	(2,173)	(4,563)
Depreciation and impairment of oil and gas assets		**(2,595)**	(1,384)	(3,968)
Total cost of sales		**(4,819)**	(3,557)	(8,531)
Gross profit		**(37)**	1,647	2,049
Exploration and evaluation expenses		**(1,085)**	(3,975)	(5,014)
Impairment of goodwill	3	**(10,057)**	-	-
Administrative expenses		**(2,414)**	(2,285)	(5,386)
Charge for share based payments		**(617)**	(622)	(1,478)
Other income		**-**	-	943
Foreign exchange movement		**156**	377	1,208
Results from operating activities and other income		**(14,054)**	(4,858)	(7,678)
Finance income		**415**	397	825

	Notes			
Finance expense		**(2,813)**	(2,955)	(253)
Loss before tax		**(16,452)**	(7,416)	(7,106)
Tax	4	**-**	(25)	(25)
LOSS FOR THE PERIOD ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT COMPANY		**(16,452)**	(7,441)	(7,131)
Loss per share: cents				
Basic	5	**(3.62)**	(1.64)	(1.57)
Diluted	5	**(3.62)**	(1.64)	(1.57)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Notes	**Six months Ended 30 June 2019 Unaudited $'000**	Six months Ended 30 June 2018 Unaudited $'000	Year Ended 31 December 2018 Audited $'000
Loss for the period		(16,452)	(7,441)	(7,131)
Items that may be reclassified to profit and loss				
Exchange differences on translation of foreign operations		(145)	238	371
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(16,597)	(7,203)	(6,760)

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	**As at 30 June 2019 Unaudited $'000**	As at 30 June 2018 Unaudited $'000	As at 31 December 2018 Audited $'000
NON CURRENT ASSETS				
Intangible exploration and evaluation assets	6	**454,366**	433,909	447,035
Property, plant and equipment	7	**2,622**	10,310	11,836
Right-of-use assets	1.3	**1,069**	-	-
Finance lease receivable	1.3	**906**	-	-
Goodwill	3	-	10,508	10,308
CURRENT ASSETS				
Inventories		**1,743**	1,579	1,779
Other receivables		**7,654**	9,385	9,510
Finance lease receivable	1.3	**199**	-	-
Restricted cash		**565**	586	568
Term deposits		**20,000**	30,000	30,000
Cash and cash equivalents		**6,851**	16,437	10,426
Assets held for sale	10	**17,295**	4,160	-
TOTAL ASSETS		**513,270**	516,874	521,462
CURRENT LIABILITIES				
Other payables		**17,647**	6,739	15,148
Lease liability	1.3	**391**	-	-
Liabilities directly associated with assets held for sale	10	**743**	9,064	-
NON-CURRENT LIABILITIES				
Lease liability	1.3	**1,805**	-	-
Tax payable	8	**40,304**	41,980	37,860
Provisions		**13,787**	5,834	13,888
Deferred tax liability		**39,222**	39,225	39,223
TOTAL LIABILITIES		**113,899**	102,842	106,119
EQUITY				
Share capital	9	**7,209**	7,204	7,205
Share premium	9	**3,509**	3,383	3,422
Share based remuneration	9	**4,208**	4,803	5,103
Shares held by SIP trust	9	**(3,370)**	(3,373)	(3,369)
Merger reserve	9	**74,332**	74,332	74,332

Foreign currency translation reserve	9	**(9,893)**	(9,881)	(9,748)
Special reserve	9	**456,680**	460,077	456,680
Retained losses	9	**(133,304)**	(122,513)	(118,282)
ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		**399,371**	414,032	415,343
TOTAL LIABILITIES AND EQUITY		**513,270**	516,874	521,462

These condensed consolidated interim financial statements were approved by the directors and authorised for issue on 17 September 2019 and are signed on their behalf by:

STEWART MACDONALD
CHIEF FINANCIAL OFFICER

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2019

For the six months ended 30 June 2019	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 2019	7,205	3,422	5,103	(3,369)	74,332	(9,748)	456,680	(118,282)	415,343
Total comprehensive expense for the period	-	-	-	-	-	(145)	-	(16,452)	(16,597)
Transfers	-	-	(1,430)		-	-	-	1,430	-
Share based payments	-	-	617	-	-	-	-	-	617
Share issues in relation to SIP	4	87	(82)	(1)	-	-	-	-	8
Balance at 30 June 2019	**7,209**	**3,509**	**4,208**	**(3,370)**	**74,332**	**(9,893)**	**456,680**	**(133,304)**	**399,371**

For the six months ended 30 June 2018	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 2018	7,200	3,282	5,609	(3,383)	74,332	(10,119)	460,077	(116,400)	420,598
Total comprehensive expense for the period	-	-	-	-	-	238	-	(7,441)	(7,203)
Transfers	-	-	(1,428)	100	-	-	-	1,328	-
Share based payments	-	-	622	-	-	-	-	-	622
Share issues in relation to SIP	4	101	-	(90)	-	-	-	-	15
Balance at 30 June 2018	**7,204**	**3,383**	**4,803**	**(3,373)**	**74,332**	**(9,881)**	**460,077**	**(122,513)**	**414,032**

For the year ended 31 December 2018	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 2018	7,200	3,282	5,609	(3,383)	74,332	(10,119)	460,077	(116,400)	420,598
Total comprehensive income for the year	-	-	-	-	-	371	-	(7,131)	(6,760)
Share based payments	-	-	1,478	-	-	-	-	-	1,478
Share issues in relation to SIP	5	140	-	(118)	-	-	-	-	27
Other transfers	-	-	(1,984)	132	-	-	(3,397)	5,249	-
Balance at 31 December 2018	**7,205**	**3,422**	**5,103**	**(3,369)**	**74,332**	**(9,748)**	**456,680**	**(118,282)**	**415,343**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Notes	**Six months Ended 30 June 2019 Unaudited $'000**	Six months ended 30 June 2018 Unaudited $'000	Year Ended 31 December 2018 Audited $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss before tax		(16,452)	(7,416)	(7,106)
Adjustments to reconcile net losses to cash utilised				
Depreciation		1,913	1,407	4,111
Share based payment charge		617	622	1,478

Impairment of oil and gas assets	700		
Impairment of exploration and evaluation assets	150	3,257	3,884
Impairment of goodwill	10,057	-	-
Finance expense	2,813	2,830	253
Finance income	(415)	(389)	(825)
Foreign exchange	(307)	(430)	(2,256)
Operating cash flows before movements in working capital	(924)	(119)	(461)
Changes in:			
Inventories	23	-	(23)
Other receivables	(585)	7,868	7,029
Payables	(1,322)	(2,733)	(103)
Movement on other provisions	-	(135)	(1,012)
Cash (utilised)/generated by operating activities	(2,808)	4,881	5,430
CASH FLOWS FROM INVESTING ACTIVITIES			
Capitalised expenditure on exploration and evaluation assets	(8,632)	(8,305)	(13,940)
Purchase of property, plant and equipment	(1,794)	(455)	(1,844)
Acquisition of Beach Egypt	-	(658)	(658)
Cash transferred to assets held for sale	(633)	-	-
Interest	333	258	750
Investing cash flows before movements in capital balances	(10,726)	(9,160)	(15,692)
Changes in:			
Restricted cash	3	(46)	(28)
Term deposits	10,000	-	-
Cash utilised by investing activities	(723)	(9,206)	(15,720)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share incentive plan	13	15	27
Finance expense	(6)	(5)	(9)
Cash generated/(utilised) from financing activities	7	10	18
Currency translation differences relating to cash and cash equivalents	(51)	23	(31)
Net cash outflow	(3,524)	(4,315)	(10,272)
Cash and cash equivalents brought forward	10,426	20,729	20,729
CASH AND CASH EQUIVALENTS CARRIED FORWARD	6,851	16,437	10,426

NOTES TO THE CONDENSED CONSOLIDATED GROUP FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

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 2019, include the results of the Company and all subsidiaries over which the Company exercises control.

The condensed consolidated interim 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 the condensed consolidated interim financial statements are consistent with the policies applied by the Group in the consolidated financial statements as at and for the year ended 31 December 2018 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 2018.

The comparative figures for the year ended 31 December 2018 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 condensed consolidated 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 2018 except for the adoption of IFRS 16 Leases.

The condensed consolidated interim financial statements were approved by the Board on 17 September 2019.

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

1.3 Change in accounting policy
Adoption of IFRS 16

The Group has adopted IFRS 16 with effect from 1 January 2019. The Group applied the modified retrospective approach to adoption, measuring right-of-use assets at an amount based on their respective lease liability on adoption, with the cumulative effect of adopting the standard recognised in the balance sheet on 1 January 2019.

Adjustments on adoption of IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities and receivables in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These leases were measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate representing the rate of interest Rockhopper would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate applied to the leases as of 1 January 2019 was 6%. The resulting lease liability and receivable as of 1 January 2019 was determined as follows:

	1 January 2019 $'000
Operating lease commitments disclosed at 31 December 2018	855
Add: finance lease liabilities recognised at 31 December 2018	2,015
Less: effects of discounting	(487)
Lease liability recognised at 1 January 2019	**2,383**

The associated right-of-use assets were measured at the amount equal to the lease, therefore there was no adjustment to retained earnings on adoption.

The effect of adoption of IFRS 16 is as follows:

	Right-of-use assets $'000	Lease receivables $'000	Lease liabilities $'000
As at 1 January 2019	**1,187**	**1,196**	**(2,383)**
Depreciation expense	(118)	-	-
Interest income/expense	-	35	(80)
Receipts/payments	-	(126)	267
Balance as at 30 June 2019	**1,069**	**1,105**	**(2,196)**
Of which are:			
Current	-	199	(391)
Non-current	1,069	906	(1,805)
	1,069	**1,105**	**(2,196)**

Practical expedients applied

In applying IFRS 16 for the first time, the Group used the following practical expedients permitted by the standard:

- Reliance on previous assessments on whether leases are onerous;
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of the initial application, and;
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The Group's leasing activities and how these are accounted for

The Group leases and sub-leases various offices typically for periods of 5 years but may have extension options. Until the 2018 financial year, leases of property were classified as operating leases. Payments and receipts made under operating leases (net of any incentives received from the lessor) were charged to profit and loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability and receivable at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost, while the corresponding receipt associated with the sub-lease are allocated between the receivable and finance income. The finance cost and income are charged to profit and loss over the lease period. The right-of-use asset is depreciated over the lease term on a straight-line basis.

Payment associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

1.4 Going concern

The Group 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.

Cash forecasts are regularly produced based on, inter alia, the Group's production and expenditure forecasts and management's best estimates of future commodity prices. Sensitivities are run to reflect different scenarios including changes in production rates, possible reductions in commodity prices and increased costs.

Management's base case forecast assumes an oil price of US$65/bbl in 2019 and 2020, production in line with prevailing rates, expenditures in line with approved budgets, completion of the disposal of Rockhopper Egypt Pty Limited in Q4 2019 and formal approval of the Sea Lion Field Development Plan by FIG (which triggers the commencement of the Development Carry arrangements with Premier) in H1 2020.

The Group has run downside scenarios, where oil prices are reduced by a flat $10/bbl throughout the going concern period, where cost expenditures have increased by 5%, where the disposal of Rockhopper Egypt Pty Limited does not complete and where delay occurs to the approval by FIG of the Sea Lion Field Development Plan.

Under the base case forecast, the Group will have sufficient financial headroom to meet forecast cash requirements for the 12 months from the date of approval of these condensed consolidated interim financial statements. However, in the downside scenarios run, in the absence of any mitigating actions, the Group may have insufficient funds to meet its forecast cash requirements. Potential mitigating actions, some of which are outside the Group's control, could include collection of arbitration award proceeds, deferral of expenditure or raising additional equity.

Accordingly, after making enquiries and considering the risks described above, the Directors have assessed that the cash balance held provides the Group 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 these condensed consolidated interim financial statements. Nonetheless, for the avoidance of doubt, in the downside scenarios run and in the absence of potential mitigating actions, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The condensed consolidated interim financial statements do not include any adjustments that may be necessary if the Group were not a going concern.

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

	30 June 2019	30 June 2018	31 December 2018
£ : US$	**1.27**	1.32	1.28
€ : US$	**1.14**	1.17	1.15

2 Revenue and segmental information
Six months ended 30 June 2019

	Falkland Islands $'000	**Greater Mediterranean $'000**	**Corporate $'000**	**Total $'000**
Revenue	-	4,782	-	4,782
Cost of sales	-	(4,819)	-	(4,819)
Gross profit/(loss)	-	(37)	-	(37)
Exploration and evaluation expenses	-	(303)	(782)	(1,085)
Impairment of goodwill	-	(10,057)	-	(10,057)
Administrative expenses	-	(671)	(1,743)	(2,414)
Charge for share based payments	-	-	(617)	(617)
Foreign exchange movement	338	5	(187)	156
Results from operating activities and other income	338	(11,063)	(3,329)	(14,054)
Finance income	-	4	411	415
Finance expense	(2,783)	(7)	(23)	(2,813)
Loss before tax	(2,445)	(11,066)	(2,941)	(16,452)
Tax	-	-	-	-
Profit/(loss) for period	(2,445)	(11,066)	(2,941)	(16,452)
Reporting segments assets	453,195	30,007	30,068	513,270
Reporting segments liabilities	(79,440)	(16,281)	(18,178)	(113,899)

Material additions to segment assets are disclosed separately in notes 6 and 7. The disposal group held for sale as at 30 June 2019, sits within the Greater Mediterranean segment and details are disclosed separately in note 10.

Six months ended 30 June 2018

	Falkland Islands $'000	Greater Mediterranean $'000	Corporate $'000	Total $'000
Revenue	-	5,204	-	5,204
Cost of sales	-	(3,557)	-	(3,557)
Gross profit/(loss)	-	1,647	-	1,647
Exploration and evaluation expenses	134	(3,361)	(748)	(3,975)
Administrative expenses	-	(735)	(1,550)	(2,285)
Charge for share based payments	-	-	(622)	(622)
Foreign exchange movement	1,005	(98)	(530)	377
Results from operating activities and other income	1,139	(2,547)	(3,450)	(4,858)
Finance income	-	8	389	397
Finance expense	(2,947)	(3)	(5)	(2,955)
Loss before tax	(1,808)	(2,542)	(3,066)	(7,416)
Tax	-	(25)	-	(25)
Profit/(loss) for period	(1,808)	(2,567)	(3,066)	(7,441)
Reporting segments assets	429,122	42,212	45,540	516,874
Reporting segments liabilities	(83,415)	(17,946)	(1,481)	(102,842)

3 Impairment of goodwill

As a result of the acquisition of Mediterranean Oil & Gas plc in 2014, goodwill of €9 million arose relating to the portfolio of intangible exploration and appraisal assets and the strategic premium associated with a significant presence in a new region. However, following the decision to dispose of Rockhopper Egypt Pty Limited and with Italian portfolio now deemed largely non-core, a decision was made to impair the goodwill associated with that acquisition.

4 Taxation

	Six months ended 30 June 2019 $'000	Six months ended 30 June 2018 $'000	Year ended 31 December 2018 $'000
Current tax:			
Overseas tax	-	-	-
Adjustment in respect of prior periods	-	-	-
Total current tax	-	-	-
Deferred tax:			
Overseas tax	-	(25)	25
Total deferred tax	-	(25)	25
Tax on ordinary activities	-	(25)	25

5 Basic and diluted loss per share

	Six months ended 30 June 2019 Number	Six months ended 30 June 2018 Number	Year ended 31 December 2018 Number
Shares in issue brought forward	**457,495,899**	457,116,500	457,116,500
Shares issued			
- Issued under the SIP	**308,503**	276,166	379,399
Shares in issue carried forward	**457,804,402**	457,392,666	457,495,899
Weighted average number of Ordinary Shares	**454,574,168**	454,444,571	457,369,112

	$'000	$'000	$'000
Net loss after tax for purposes of basic and diluted earnings per share	**(16,452)**	(7,441)	(7,131)
Earnings per share - cents			
Basic	**(3.62)**	(1.64)	(1.57)
Diluted	**(3.62)**	(1.64)	(1.57)

The weighted average number of Ordinary Shares takes into account those shares which are treated as own shares held in trust (see note 9). As the Group is reporting a loss in each period 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.

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

	Six months ended 30 June 2019 Number	Six months ended 30 June 2018 Number	Year ended 31 December 2018 Number
Long term incentive plan	14,243,094	20,334,386	20,334,386
Share appreciation rights	786,967	1,333,011	890,335

6 Intangible exploration and evaluation assets

During the period additions of US$12.9 million relate to the Group's interests in the Falkland Islands. This has in part been offset by a reallocation of costs associated with the disposal of the Group's interests in Egypt (see note 10).

7 Property, plant and equipment

Additions of US$5.9m during the period relate to the Group's interests in the Greater Mediterranean, specifically Egypt. This has been offset by a reallocation of costs associated with the disposal of the Group's interest Egypt (see note 10).

8 Tax payable

	Six months ended 30 June 2019 $'000	Six months ended 30 June 2018 $'000	Year ended 31 December 2018 $'000
Current tax payable	-	-	-
Non current tax payable	40,304	41,980	37,860
	40,304	41,980	37,860

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. The Outstanding Tax Liability is intended to be binding and final except, subject to the satisfaction of the Falkland Islands' Commissioner of Taxation, Rockhopper shall be entitled to make an adjustment to the Outstanding Tax Liability if any part of the Development Carry from Premier becomes "irrecoverable".

The Outstanding Tax Liability is payable on the earlier of:

- First royalty payment date, which is expected to occur within six months of the date of first oil
- The date on which Rockhopper disposes of all or a substantial part of the Company's remaining interest in the Licences, or otherwise realises value from the Licences
- A change of control of Rockhopper Exploration plc

As security the Group has provided fixed and floating security over all assets (with limited carve outs where this would conflict with applicable law or existing terms). While such security is in place, restrictions, subject to conventional carve outs, exist on granting further security. The Group also agreed to maintain a minimum 20% interest in licence PL032 and not to make dividends or distributions.

The outstanding tax liability is £59.6 million and is expected to be 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% to £31.8 million.

9 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 as well as shares held by Apex Financial Services (Trust Company) Limited on behalf of the Employee Benefit Trust which have been purchased to settle future exercises of options.
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 subject to settling all contingent and actual liabilities as at 4 July 2013 it can distributed or used to acquire the share capital of the Company. 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.

10 Disposal group held for sale

On 23 July 2017, the Group announced the sale of Rockhopper Egypt Pty Limited. The key asset of Rockhopper Egypt Pty Limited is a 22% working interest in the Abu Sennan concession. The transaction is expected to complete by the year end 2019 and accordingly the assets and associated liabilities are presented as a disposal group.

As at 30 June 2019, following impairments to intangible exploration and evaluation assets ($0.2 million) and property, plant and equipment ($0.7 million) the disposal group comprised assets of $17.3 million less liabilities of $0.7 million, detailed as follows.

	$'000
Intangible exploration and evaluation assets	1,810
Property, plant and equipment	12,395
Inventories	60
Other receivables	2,397
Cash	633
Other payables	(743)
	16,552

11 Post balance sheet events

Sea Lion Project Update

Rockhopper Exploration plc (AIM: RKH), the oil and gas exploration and production company with key interests in the North Falkland Basin and the Greater Mediterranean region, is pleased to provide a progress update regarding its Sea Lion development (the "Project"), in line with updates being provided today by Premier Oil plc (Project operator).

Highlights

· Through the post-FEED optimisation process, the Project has been substantially de-risked from a technical, cost and schedule perspective
· Resources to be developed in Phase 1 of the Project have increased from 220 to 250 million barrels (gross) with associated capex to first oil estimated at approximately US$1.8 billion (gross)
· Key service and supply contracts are nearing final agreement in preparation for execution at Project sanction
· Continued focus on securing senior debt funding ahead of final investment decision
· Preliminary Information Memorandum ("PIM") and comprehensive set of independent expert reports, which formed the basis of a financing guarantee application package for the senior debt component of the Project financing, were submitted to potential senior lenders including export credit agencies in July 2019

Disposal of Abu Sennan, Egypt

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 that it has signed a share purchase agreement ("SPA") with United Oil and Gas plc ("United") for the sale of Rockhopper Egypt Pty Limited for consideration of US$16 million. The key asset of Rockhopper Egypt Pty Limited is a 22% working interest in the Abu Sennan concession ("Abu Sennan").

Under the terms of the SPA, the consideration will be satisfied by a payment by United of not less than US$11 million in cash at completion.

In order to satisfy the cash component of the consideration, United has announced a prepayment financing structure of up to US$8 million with BP. In addition, United has announced the intention to raise capital through the issue of new shares simultaneously to the proposed acquisition. A proportion of such placement proceeds will be used to make a further cash payment to Rockhopper shortly after completion. Any shortfall between the headline consideration of US$16 million and the cash payments from United will be satisfied in new United shares being issued to Rockhopper (the "Consideration Shares"). The Consideration Shares issued to Rockhopper will be priced at the price at which United issue new shares as part of their proposed capital raise.

Any Consideration Shares held by Rockhopper in United are subject to certain lock-up and orderly market disposal provisions for a period of up to 12 months from completion.

The transaction is subject to satisfaction of customary conditions precedent including United shareholder approval, completion of the readmission of United to trading on AIM and receipt of Egyptian government approvals. The transaction is expected to complete during Q4 2019 with the effective date being 1 January 2019.

Sea Lion funding update

On 30 July 2019, Rockhopper provided a Sea Lion funding update which announced that the Preliminary Information Memorandum ("PIM"), which will form the basis of a loan application for the Sea Lion senior debt project financing, has been submitted to potential seniors lenders.

The PIM submission is supported by a comprehensive set of independent expert reports covering the full range of technical, reservoir, HSSE, legal and tax aspects of the Sea Lion project.

As part of the PIM submission process, lender due diligence advisers including financial and legal advisors have appointed.

Grant of options under Long Term Incentive Plan

On 1 August 2019, Rockhopper announced that on 31 July 2019, certain Directors were granted awards in the form of options to acquire Rockhopper shares under the Company's Long Term Incentive Plan ("LTIP") which has been operated annually since its approval by shareholders at the 2013 Annual General Meeting. A summary of the LTIP is included in the 2013 AGM notice which can be found on the Company's website and in the 2018 Annual Report.

Details of the awards are shown below:

Name	Number of options under award
Sam Moody (CEO)	2,100,000
Stewart MacDonald (CFO)	2,100,000

The awards are structured as nil-cost options and, subject to meeting specific performance criteria as outlined below, will normally vest three years after the start of the performance period. The percentage of awards which will vest will be dependent on total shareholder return measured against a peer group of 14 other oil and gas companies over a three year period ending on 31 March 2022. Performance measurement for these awards will be based on the Company's average share price over the 90 day dealing period to 31 March 2019 measured against the average share price for the 90 day dealing period to 31 March 2022. No awards will vest in the event that the Company's total shareholder return is below the median of its peer group over the three year measurement period. In the event that the awards vest, the vested awards will normally remain exercisable for a period of seven years subject to the rules of the LTIP regarding leavers.

Egypt Update

On 7 August 2019, Rockhopper provided an operational update in relation to the Abu Sennan concession.

Al Jahraa-7

The development well, Al Jahraa-7, was spudded on 25 May 2019, and reached total depth of 3,970m MD in the Kharita formation on 23 June 2019. Initial petrophysics indicated pay in the following intervals:

Abu Roash-C Net Pay: 7m
Abu Roash-E Net Pay: 4m
Upper Bahariya Net Pay: 9m
Lower Bahariya_1 Net Pay: 6m
Lower Bahariya_2 Net Pay: 5m

A series of well tests of the Abu Roash-E and Bahariya reservoirs has commenced, initially with the rig on location and subsequently following release of the rig. These operations remain ongoing.

Al Jahraa-12 (formerly WI-1)

The third Al Jahraa field development well (Al Jahraa-12) of this campaign was spudded on 4 August 2019. The well is being drilled as a deviated hole to appraise the Abu Roash-C downdip of the Al Jahraa-3 well and in the water leg. In addition, it will further explore the potential of the Bahariya reservoirs. The well is anticipated to take around 55 days to drill, test and complete. Current production from Abu Sennan is approximately 5,100 boepd gross (1,120 boepd net to Rockhopper's 22% working interest).

Independent review report to Rockhopper Exploration plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Rockhopper Exploration plc's condensed consolidated interim financial statements (the "interim financial statements") in the half-year results of Rockhopper Exploration plc for the 6 month period ended 30 June 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

Emphasis of matter

Without modifying our conclusion on the interim financial statements, we draw attention to Note 1.4 in the financial statements, which indicate that in downside forecast scenarios which adjust for matters outside of the Group's control, and in the absence of sufficient mitigating actions being able to be taken by management on a timely basis, the Group may have insufficient funds to meet its forecast cash requirements during the next 12 months. These events or conditions, together with the other matters stated in Note 1.4, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated balance sheet as at 30 June 2019;
- the condensed consolidated income statement and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated cash flow statement for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-year results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

As disclosed in note 1.2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-year results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-year results in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

Our responsibility is to express a conclusion on the interim financial statements in the half-year results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

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

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

We have read the other information contained in the half-year results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2019

Glossary:

2C	best estimate of contingent resources
2P	proven plus probable reserves
3C	a high estimate category of contingent resources
AGM	Annual General Meeting
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
EGPC	Egyptian General Petroleum Company
EIS	Environmental Impact Statement
ERCE	ERC Equipoise Limited
Farm-down	to assign an interest in a licence to another party
FEED	Front End Engineering and Design
FDP	Field Development Plan
FID	Final Investment Decision
FIG	Falkland Islands Government
FOGL	Falkland Oil and Gas Limited
FPSO	Floating Production, Storage and Offtake vessel
G&A	General and administrative costs
Group	the Company and its subsidiaries
High	a high estimate category of Prospective Resources also used as a generic term to describe a high or optimistic estimate
IFRS	International Financial Reporting Standard
kboepd	thousand barrels of oil equivalent per day
Low	a low estimate category of Prospective Resources also used as a generic term to describe a low or conservative estimate
LOI	Letter of Intent
mmbbls	million barrels (of oil)
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
SURF	Subsea, Umbilicals, Risers and Flowlines
tvdss	true vertical depth subsea

END

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