27 September 2018

Solo Oil plc
("Solo" or the "Company")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

Solo (AIM: SOLO), the natural resources investment company focused on acquiring and developing a diverse global non-operated portfolio of strategic oil and gas assets, is pleased to announce its Unaudited Interim Results for the six months ended 30 June 2018.

Period Highlights:

- Significant Resource Upgrade at Ntorya to gross 763 billion cubic feet ("bcf")
- Acquisition of additional 5% interest in Horse Hill Developments Limited and equity placement of £2m
- Commencement of flow testing operations at HH-1 with initial positive results from Portland Sandstone
- Helium One completed $2m pre-IPO round, funded through to drilling expected in H1'19
- Board strengthened with addition of Jon Fitzpatrick as NED

Post Period Highlights:

- Aminex farm-out provides commercial validation of Ruvuma
- Disposal of interest in Horse Hill Developments Limited for £4.5m in UKOG shares
- Board restructured with Alastair Ferguson appointed as Non-Executive Chairman (on the retirement of Neil Ritson) and Dan Maling as Managing Director
- Equity placement of £2.4m in August in conjunction with an attaching Open Offer of £1.2m
- Significantly strengthened balance sheet with zero debt – Riverfort arranged Convertible Loan fully repaid in August

Commenting on the Interim Results, Dan Maling, Managing Director said:

"The year to date has seen Solo take significant strides towards its strategic goal of monetising the mature assets within our portfolio. Buoyed both by operational and corporate events during the period we are confident that we have entered a transformative phase. As of today, we have a strong balance sheet which provides us with optionality as we progress commercial negotiations. Our newly formed Board is fully aligned with shareholders and is implementing a focused strategy to deliver near-term value and set the Company on a path to sustainable long-term growth."

Chairman's Statement

Introduction

I am pleased to be providing this statement in my capacity as newly appointed Chairman of Solo Oil. The year to date has been highly eventful for Solo Oil with major operational and corporate events occurring within the portfolio, especially in recent months as the company entered a more transformative phase and positioned itself for sustainable long-term growth.

The strategic focus throughout the first half of the year was to progress the mature assets within the portfolio towards monetisation events. Underpinned by operational catalysts for both Ruvuma in Tanzania and Horse Hill in UK, Solo began the year with confidence in its ability to monetise assets during the year. As of today, we have subsequently monetised our historic investment at the project level of Horse Hill, whilst retaining exposure to the near-term upside of the project through our investment in UKOG. We also now have a clear industry validation and commercial read-across of our 25% interest in Ruvuma following Aminex's farmout which occurred in July.

Transitional period

Solo is currently in the midst of a key transitional period. Under the guidance of a newly composed Board, Solo has one principal objective; to realise the inherent value of the portfolio through monetisation in order to generate value for our shareholders. Building on the technically led focus of the previous Executive Chairman Neil Ritson in developing and progressing the portfolio to its current state, the current Board has been constituted with a hard-edged focus on commercial delivery in order to achieve the essence of Solo's objective as an investment company; to make a return on our investments and recycle the proceeds into new opportunities. With Dan Maling appointed as Managing Director, supported by Jon Fitzpatrick and myself as incoming directors, we are confident that the existing Board has the requisite skills and industry experience to deliver on these objectives. With a current Board holding of 10%, the level of alignment between the Board and its shareholders is worthy of note as we seek to reset expectations and set the Company on a path to realise long-term value.

Material events year-to-date

Horse Hill Disposal

In August we were pleased to have delivered the first real monetisation event in the form of our disposal of direct interest in Horse Hill Developments Limited for shares in UK Oil and Gas plc for a total consideration of £4.5 million in UKOG shares. This material transaction delivered a return on investment of 45% on Solo's total investment in HHDL since February 2014 and a 50% return on the purchase of an additional 5% of HHDL purchased by Solo in February of this year. This has been reflected in the fair value gain of £1.3m in the Interim Statement of Comprehensive Income. Importantly, the transaction releases the company from future direct operational expenditure at Horse Hill but ensures exposure to the potential of the projects within UKOG's diverse portfolio, especially at Horse Hill which could see material catalysts if the ongoing long-term flow tests establish the commerciality of the project. As a significant shareholder in UKOG, Solo will monitor progress closely and will have the ability over time to sell some or all of the shares for cash.

Ruvuma

Much of the core value within our portfolio is assigned to our 25% interest in the Ruvuma asset in Tanzania. We have therefore been pleased to witness two major events during the year to date that have underpinned the commercial value of the asset and provided a clearer line of sight to our goal of monetisation. Early in the year, the Operator issued a CPR conducted independently by RPS Energy Consultants Limited which delivered a significant resource upgrade of the Ntorya gas discovery in the Ruvuma PSA. The key highlights of the CPR were a tenfold increase from 2015 CPR for Ntorya 2C contingent resource estimate at gross 763 billion cubic feet ("bcf"), and a material increase of the Ntorya Pmean gross gas initially in place ("GIIP") to 1.87 trillion cubic feet ("tcf"). The CPR provided an independent validation of the materiality of the Ruvuma PSA and also confirmed that the Ntorya gas development could be sanctioned with three wells, and that an early production scheme ("EPS") would limit upfront capital expenditure and enable the main field development to be funded from future cash-flow.

Post period, Solo saw a more material development with regards to its interest in Ruvuma as Aminex announced a farmout of 50% interest and transfer of operatorship to The Zubair Corporation in exchange for $5m in cash in addition to a full carry on $35m in costs for the development of Aminex's remaining 25% interest in the Ruvuma PSA. The transaction underlined the commercial viability of the project and saw a well-capitalised, credible new partner entering the PSA and committing to a work programme that would drive the project forward. Importantly for Solo, the transaction provided a relevant valuation read-across that confirmed the significant upside value yet to be realised from our investment in Ruvuma.

Whilst Aminex's transaction and subsequent valuation achieved is independent of Solo's own monetisation process, it does directly impact the attractiveness of the project for potential industry partners given the strength of the new operator and its ability to move the project forward through the development phase. Solo is considering all of its options with regards to its 25% in the project, including a more aggressive marketing strategy as the company seeks to complete a partial or full sale of its interest. Aminex's farmout represents a major event for Solo and provides a much clearer route to monetisation of our core investment. Whilst timelines and likely outcomes remain unpredictable at present, Solo's Board is wholly confident that it will realise significant value from its historic investment in the project when the opportunity arrives. The Board has put in place a strategy to protect its interest in Ruvuma, including being able to fund its share of costs assuming the associated 3D seismic programme and drilling of the Chikumbi-1 well occur prior to any monetisation event.

Portfolio

Helium One

Elsewhere in the portfolio, Solo saw positive progress with regards to its early-stage investment in Helium One (He1). In June, Helium One provided an update in which it confirmed a pre-IPO funding round to raise $2m that would fund the company through to drilling activities, currently scheduled to occur in 1H'19. Following the pre-IPO funding round Solo now holds 18.7 million shares in Helium One Limited equivalent to a 13.8% interest. On the basis of the pre-IPO funding round pricing of US$0.20 per share Solo's interest is now valued at £2.84 million; in excess of the £2.55 million acquisition cost paid in March 2017. Solo will continue to assess its investment in He1 closely as the company moves closer to the drilling and potential IPO process; activities which are hoped to grow the value of Solo's investment and provide a -route to monetisation at the appropriate time.

Kiliwani North

Operational updates on the Kiliwani North asset, in which Solo holds 7.55% interest in Kiliwani North-1, have been mixed throughout the year to date. Early in the year, the Kiliwani North-1 well saw a decline in pressure and production volumes leading to a review by Operator Aminex. The Operator undertook detailed simulation studies and has since commenced remediation work on the well to establish sustainable production volumes. In a recent update provided by Aminex it stated that it intends to repair a faulty valve during the current quarter, which is expected to allow for gas to flow from the well and evaluate operational parameters at the reservoir and gas processing facility. Pending approvals, the Company will then proceed to perforate a lower untested and potentially gas bearing section of the reservoir system which is anticipated to occur during the fourth quarter with the intent to bring the well back to full time production. The operator is also planning 3D seismic activity on the licence in order to de-risk future prospects and leads as part of a wider field development. Whilst the issues at Kiliwani have impacted Solo's only source of production revenue during the period, the project still has potential to contribute within the overall portfolio and we are confident that the operator's ongoing activities will result in re-established production and further potential resource upside at Kiliwani South.

Non-Core

No material activity has taken place on Solo's non-core investments in Burj Africa or Reef Resources. These assets are currently the subject of review by the Board with regards to ongoing participation. At present these non-core assets require minimal investment of time or financial resources.

Corporate

The year to date has resulted in material corporate events that have provided the Company with the stability it requires in this pivotal stage in its development. Having concluded a Placing and Open Offer post period, coupled with the monetisation of Solo's direct interest in HHDL, Solo's balance sheet is healthy and provides the company with optionality and flexibility with regards to near-term operational commitments and commercial negotiations. The Company continues to implement a strict focus on cost discipline and has reduced G&A during the period, down 24% from the corresponding period in 2017.

The restructuring of the Board during and post-period has been symbolic of the transition with regards to the portfolio and the hard-edged focus on delivering near-term commercial objectives. Post-period Neil Ritson stepped down from his role as Executive Chairman, with Dan Maling assuming the position as Managing Director and only Executive Director. Fortunately, we retain Neil's wide-ranging experience as a technical advisor, something that is important to Solo given the role he played in identifying and progressing the assets within Solo's portfolio today. The addition of myself and Jon Fitzpatrick as non-executive directors of Solo ensures the Company has broad ranging industry experience with a particular focus on commercial delivery.

We are aware that the task of realising value from the portfolio is not easy, however we will strive to extract maximum value from our historic investments on behalf of long-term shareholders, as well as new shareholders including the Board. The current board remains committed to the proposal of returning proceeds of any future monetisation efforts in Tanzania to shareholders in the form of a special dividend, whilst also considering the next stage of Solo's investment strategy in terms of the next cycle of investment opportunities. It is our intention to provide more clarity on Solo's forward strategy in due course.

Outlook

Solo is currently at an exciting and transformational stage in its development. The near-term focus of the Board is on the commercialisation or divestment of the mature assets within the portfolio and we believe that the operational and corporate events on the near-term horizon will provide Solo with the opportunity to increase the core value of the portfolio and provide clear routes to monetisation that generate value for all our shareholders.

Alastair Ferguson
Non-Executive Chairman

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

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CONDENSED INTERIM INCOME STATEMENT

	Notes	Six months ended 30 June 2018 (Unaudited) £ 000's	Six months ended 30 June 2017 (Unaudited) £ 000's	Year ended 31 December 2017 (Audited) £ 000's
Revenue		-	451	614
Operating expenses		-	-	(87)
Administrative expenses:				
G&A		(344)	(450)	(1,064)
Share based expense		(27)	(197)	(197)
Exchange (loss) / gain		(63)	(110)	(81)
Profit/(loss) from operation		**(434)**	**(306)**	**(815)**
Impairment charge		-	-	(300)
Amortisation costs		-	(310)	(484)
Finance costs		(138)	-	(126)
Finance income		57	-	66
(Loss) on ordinary activities before taxation		**(514)**	**(616)**	**(1,659)**
Income tax		**-**	-	-
Retained (Loss) for the period attributable to equity holders of the Company		**(514)**	**(616)**	**(1,659)**
Loss per share (pence)				
Basic and diluted	**2**	(0.11)	(0.16)	(0.43)

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

	Six months ended 30 June 2018 (Unaudited) £ 000's	Six months ended 30 June 2017 (Unaudited) £ 000's	Year ended 31 December 2017 (Audited) £ 000's
Loss for the period	(514)	(616)	(1,659)
Fair value adjustment of Available for sale assets	1,315	(3)	(577)
Total comprehensive income	**801**	**(619)**	**(2.236)**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2018 (Unaudited) £ 000's	As at 30 June 2017 (Unaudited) £ 000's	As at 31 December 2017 (Audited) £ 000's
Non-current assets				
Intangible assets		14,660	14,868	13,816
Oil & gas properties		194	2,173	194
Available for sale assets	**3**	5,476	1,176	3,226
Total non-current assets		**20,330**	**18,217**	**17,236**
Current assets				
Trade and other receivables	**4**	2,514	1,151	1,395
Cash and cash equivalents		147	526	396
Total current assets		**2,661**	**1,677**	**1,791**
Total assets		**22,991**	**19,894**	**19,027**
Current liabilities				
Trade and other payables	**5**	(1,366)	(603)	(324)
Borrowings		(897)	-	(1,080)
Total liabilities		**(2,263)**	**(603)**	**(1,404)**
Net assets		**20,728**	**19,291**	**17,623**
Equity				
Share capital		926	785	785
Deferred share capital		1,831	1,831	1,831
Share premium reserve		33,885	31,799	31,749
Share-based payments		1,156	1,130	1,129
AFS reserve		622	(119)	(693)
Retained loss		(17,692)	(16,135)	(17,178)
Total equity attributable to equity holders of the parent		**20,728**	**19,291**	**17,623**

CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Six months ended 30 June 2018 (Unaudited) £ 000's	Six months ended 30 June 2017 (Unaudited) £ 000's	Year ended 31 December 2017 (Audited) £ 000's
Cash outflow from operating activities			
Operating loss	(434)	(306)	(815)
Adjustments for:			
Share-based payments	(27)	197	196
Decrease/(increase) in receivables	(1,119)	185	(55)
Increase/(decrease) in payables	(1,690)	159	(120)
Foreign exchange loss	-	2	-
Net cash inflow/(outflow) from operating activities	**(3,216)**	**237**	**(794)**
Cash flows from investing activities			
Interest received	57		66
Payments to acquire intangible assets	(844)	(4,637)	(2,080)
Payments to acquire available for sale investment	(935)	-	(1,276)
Net cash outflow from investing activities	**(1,722)**	**(4,637)**	**(3,290)**
Cash flows from financing activities			
Repayments of borrowings	(183)	-	1,080
Finance costs	(138)	-	(126)
Proceeds on issuing of ordinary shares	2,437	4,550	3,200
Cost of issue of ordinary shares	(160)	(224)	(274)
Net cash inflow from financing activities	**1,956**	**4,326**	**3,880**
Net (decrease) in cash and cash equivalents	(249)	(74)	204
Cash and cash equivalents at beginning of period	396	600	600
Cash and cash equivalents at end of period	**147**	**526**	**396**

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Deferred share capital	Share premium	Share based payments	AFS reserve	Accumulated losses	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 31 December 2016	**699**	**1,831**	**27,559**	**933**	**(116)**	**(15,519)**	**15,387**
Loss for the period	-	-	-	-	-	(1,659)	(1,659)
Decrease in value of Available for sale assets	-	-	-	-	(577)	-	(577)
Total comprehensive income	**-**	**-**	**-**	**-**	**(577)**	**(1,659)**	**(2,236)**
Share issue	86	-	4,464	-	-	-	4,550
Cost of share issue	-	-	(274)	-	-	-	(274)
Share-based payment charge	-	-	-	196	-	-	196
Total contributions by and distributions to owners of the Company	**86**	**-**	**4.190**	**196**	**-**	**-**	**4.472**
Balance at 31 December 2017	**785**	**1,831**	**31,749**	**1,129**	**(693)**	**(17,178)**	**17,623**
Loss for the period	-	-	-	-	-	(514)	**(514)**
Fair value adjustment of Available for sale assets	-	-	-	-	1,315	-	**1,315**
Total comprehensive income	**-**	**-**	**-**	**-**	**1,315**	**(514)**	**801**
Share capital issued	141	-	2,296	-	-	-	**2,437**
Cost of share issue	-	-	(160)	-	-	-	**(160)**
Share-based payment charge	-	-	-	27	-	-	**27**
Total contributions by and distributions to owners of the Company	**141**	**-**	**2,136**	**27**	**1,315**	**(514)**	**3,105**
Balance at 30 June 2018	**926**	**1,831**	**33,885**	**1,156**	**622**	**(17,692)**	**20,728**

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

The financial information has been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The condensed interim financial information for the period ended 30 June 2018 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the period ended 31 December 2017. The figures for the period ended 31 December 2017 have been extracted from these accounts, which have been delivered to the Registrar of Companies, and contained an unqualified audit report.

The condensed interim financial information contained in this document does not constitute statutory accounts. In the opinion of the directors the financial information for this period fairly presents the financial position, result of operations and cash flows for this period.

This Interim Financial Report was approved by the Board of Directors on [26] September 2018.

Statement of compliance

These condensed company interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union with the exception of International Accounting Standard ('IAS') 34 – Interim Financial Reporting. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements and should be read in conjunction with the Company's 2017 annual financial statements.

2 LOSS PER ORDINARY SHARE

The calculation of earnings per share is based on the loss after taxation divided by the weighted average number of share in issue during the period:

	Six months to 30 June 2018 (Unaudited)	**Six months to 30 June 2017 (Unaudited)**	**Year ended 31 December 2017 (Audited)**
Net loss after taxation (£ 000's)	(514)	(616)	(1,659)
Weighted average number of ordinary shares used in calculating basic earnings per share (millions)	437.6	376.9	384.7
Basic loss per share (pence)	(0.11)	(0.16)	(0.43)

As the inclusion of the potential ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive and, as such, a diluted loss per share is not included.

3 AVAILABLE FOR SALE ASSETS

Available-for-sale investments comprise investments in unlisted securities and are held by the Company as a mix of strategic and short-term investments.

Non-current assets – unlisted investments	**30 June 2018 £000's**	**31 December 2017 £000's**
Valuation at 1 January	3,226	1,176
Additions at cost	935	2,627
Change in fair value recognised in Other Comprehensive Income	1,315	(577)
Valuation at balance sheet date	**5,476**	**3,226**

Solo disposed of its investment in Horse Hill Development in August 2018 for £4.5m. A fair value adjustment reflecting the increase in value has been recognised as at 30 June 2018 and the directors consider that the carrying amount of assets held for sale approximates to their fair value.

4 TRADE AND OTHER RECEIVABLES

	30 June 2018	31 December 2017
	£000's	£000's
Trade receivables	285	336
Loan to Horse Hill Developments Ltd	1,927	749
Prepayments	31	28
Other debtors	271	282
	2,514	**1,395**

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

5 TRADE AND OTHER PAYABLES

	30 June 2018	31 December 2017
	£000's	£000's
Trade payables	750	162
Other payables	4	34
Accruals	612	128
	1,366	**324**

The directors consider that the carrying amount of trade payables approximates to their fair value.

6 EVENTS AFTER THE REPORTING DATE

On 6 August the Directors of Solo announced that the Company had raised in aggregate approximately £2.41 million (before expenses) through a firm placing and conditional placing through the issue of 107,310,857 shares and that the Company plans shortly to commence an open offer to existing shareholders. Furthermore, on the 13 September the Company reported that it had received valid applications, in respect of a total of 52,439,328 new ordinary shares representing a percentage take up of 100 per cent. of the new ordinary shares available under the open offer.

On 8 August the Company announced board changes with Alastair Ferguson appointed as the company's non-executive director on the retirement of Neil Ritson and Dan Maling promoted to Managing Director.

On 30 August the Company announced it had agreed to enter into a conditional sale and purchase agreement ("SPA") to dispose of its entire 15% interest in Horse Hill Developments Limited ("HHDL") to UK Oil and Gas plc ("UKOG") for a total cash consideration of £4.5 million together with a simultaneous purchase of 234,042,221 new ordinary share in UKOG equivalent to a 4.2% interest in UKOG.

On 3 September the Company announced that in relation to the US$5m Convertible Loan facility previously announced on 14 November 2017 ("Facility"), and the US$1.5m advance ("Loan") drawn at that time, it had now repaid in full all principal, interest and fees payable under the Facility. Since the last conversion notice actioned on 13 July 2018, the Company had made cash repayments totaling US$810,677 (£624,221 at USD$0.77).

7 ***A copy of this interim statement is available on the Company's website www.solooil.co.uk.***