Company Registration No. 05542880 (England and Wales)
29th September 2020

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

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

Contents

Operational Highlights

Solo Oil (AIM: SOLO), the AIM investing company targeting attractive production and development opportunities within the European Energy market, is pleased to announce its Unaudited Interim Results for the six months ended 30 June 2020.

Period Highlights:

- The Board elected not to conclude the acquisition of production and development assets offshore the Netherlands from ONE Dyas. Whilst it was a disappointment not to conclude the process, subsequent macro events have proven this to be the right decision, both then and now;
- The Company has made significant progress on its Tanzanian asset sales process and extracting maximum value from the Ruvuma asset, which is key to delivering our broader strategy. The Company continues to await the completion of the Aminex / ARA Petroleum farmout ahead of the expected conclusion of its own process;
- Securing a financing facility with Prolific Basins LLC which ensures that the Company is able to fund its near-term commitments;
- Successful reduction of G&A through aggressive cost cutting measures, and renegotiating contracts with advisors and contractors;
- Implementation of an options in lieu of cash salary scheme for the Board and Executive Management team as part of the cash management programme in 2020. The Board has agreed to extend this programme until the end of H1 2021 to ensure that the Company retains as much cash as possible within the business;
- The focus on cost discipline and cash preservation will continue indefinitely;
- The Board continues to screen acquisition opportunities and is seeking to invest in a broader European energy market strategy in opportunities which meet the following criteria:
  - cash generative, with the potential to re-invest operational cash flow in further growth;
  - situated within the broader energy space, a market which the Board knows well;
  - primary targets within the natural gas space, augmented by opportunities which may benefit from low carbon and electrification dynamics;
  - assets which can attract the necessary investment capital, taking appropriate account of growing investor sentiment towards ESG and SRI indicators; and
  - assets which deliver stable returns, with lower exposure to global commodity prices; and
- Group cash at 30 June 2020 £0.7m

Post Period Highlights:

- Company continued to make progress on its portfolio rationalization and has entered into a conditional asset purchase agreement ("Agreement") with Reef Resources Limited ("Reef") and Levant for the sale ("Sale") of interests in the Ausable Reef gas assets (the “Assets”) held by Reef (71.44% interest) and Solo (28.56% interest) to Levant. Subject to satisfaction of certain conditions set out in the Agreement, including confirmatory due diligence by Levant on the Assets, Solo expects to complete the Sale in the near future
- Near term priorities for the Board and Executive Management:
  - Deliver a satisfactory outcome with the Tanzanian sales process
  - Crystalise a route to value realisation for our investment in Helium One
  - Manage our balance sheet effectively with cost discipline and utilisation of the investment facility;
  - Progress an acquisition that meets our screening criteria
  - Complete the transition into Scirocco Energy
  - Broadening the scope of the company’s investment activity beyond natural resources and into the wider possibilities of the energy market

Commenting on the Interim Results, Alastair Ferguson, Non-Executive Chairman said:

“While the world and industry have faced turbulent times, the Board has taken the opportunity to augment its strategic plan to focus our search for our initial asset acquisition on European energy assets that generate cash and are supportive of the overall markets move to a de-carbonized energy market in Europe.

Whilst it was disappointing not have concluded the deal with ONE Dyas back in late February this year – it was absolutely the right decision of the Board to make in the volatile commodity price environment.

During the period, the Company has secured an appropriate funding structure through the investment facility it put in place with Prolific Basins LLC, a U.S. based specialist energy investor. The Board felt that this was the right decision to ensure the Company has both the access to capital but also the flexibility in accessing that capital particularly in the current macroeconomic environment where circumstances require sufficient financial flexibility, particularly ahead of the major seismic and drilling campaign planned on the Ntorya discovery within the Ruvuma asset in Tanzania. ”

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").

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Chairman's Statement

Introduction

I am pleased to be providing this statement in my capacity as Non-Executive Chairman of Solo. The Company, like many in the sector and throughout the market, has not been immune to the global effects of the oil price crash and the Covid-19 pandemic that has been the almost singular focus of global markets in H1 2020. Solo has been impacted by these issues and the Board was clear that it had to terminate the Sales and Purchase Agreement ("SPA") that was entered with ONE-Dyas in October 2019 to acquire producing and development assets offshore the Netherlands.

Whilst it was a difficult decision to make given the amount of time and resources that had been expended on behalf of the Company to secure its maiden producing assets it was absolutely the correct decision for the Board to take. Events in the latter part of Q1 2020 and early Q2 further vindicate and support the decision to terminate the acquisition, in particular:

- forecast European gas demand has fallen 6%, relative to 2019 levels, in part attributable to COVID-19 and successive impact of lower heating demand from warmer winters;
- European gas market is facing severe challenges, with significantly medium-term oversupply, including spec LNG cargoes "hunting" for end markets;
- weaker demand from the power and industrial sectors in 2020 has compounded deteriorating market conditions, with European gas storage looking set to fill in the coming months; and
- 5-year low spot price of approximately €4 / MWh in May 2020.

Events since our decision to terminate the SPA have only furthered the resolve of the Board that it made the best decision in the interests of all shareholders.

Whilst the global market situation has impacted Solo's ability to complete its initial transaction due to a combination of limited ability to travel and a significant gulf in buyer and seller expectations the Board has been actively pursuing new cash generative deals. The Company has a clearly defined strategic vision and positioned itself for sustainable long-term growth.

The Board's focus in the first half of the year was three-fold:

- Following the termination of the SPA and in the face of the unprecedented situation, the Board took swift action to protect the financial position of the Company and enacted a major cost saving programme. Given the continued uncertainty and low commodity prices, the Board and Executive Management Team undertook an in-depth review of costs within the business;
- Continued to develop the Company's governance, structures and policies so as to ensure that they are in place to support the growth plan; and
- Ongoing screening of opportunities in line with strategic objectives.

Strategy and Business Development

The challenges presented by COVID-19 are accelerating the dialogue on a green European economy. In the coming months, the Board believes this will further expedite the industry-wide dialogue and action plan towards a zero-carbon energy market in continental Europe, reducing the reliance on traditional sources of energy. Given the ongoing structural difficulties and high volatility experienced in the European gas market, the Board has commenced a broader European energy market review to identify opportunities which meet the following criteria:

- cash generative, with the potential to re-invest operational cash flow in further growth;
- situated within the broad energy space, a market which the Board knows well;
- primary targets within the natural gas space, augmented by opportunities which may benefit from low carbon and electrification dynamics;
- assets which can attract the necessary investment capital, taking appropriate account of growing investor

sentiment towards ESG and SRI indicators; and

- assets which deliver stable returns, with lower exposure to global commodity prices.

The Board has been actively reviewing acquisition opportunities and continues to be involved in a number of ongoing processes. Further updates will be provided if, and when, appropriate. Any acquisition would be consistent with the strategy, set out above to create a scalable oil and gas business with a focus on capital efficiency and one that can deliver shareholder returns in all oil price environments. The global oil price crisis and the COVID-19 epidemic have made new business development activities challenging due to restricted travel, low forward curve pricing (restricting the accessibility to debt capital), reduced investment appetite from equity capital markets and a divergence in buyer and seller expectations on price. Despite these challenges, the Board continues to diligently seek opportunities to grow a sustainable investment business focused on cash generative energy assets.

With the inevitable increase of renewables replacing traditional hydrocarbon sources of energy, there will be an increased frequency of imbalance in European national grids due to the requirement of flexibility of supply from renewable energy generation. The Board, will therefore, consider broadening the remit of the Company's acquisition and investment strategy to consider energy transition opportunities in the European power sector including gas storage, gas peaking and battery storage which are complimentary to producing gas assets and meet the above objectives.

Cost reductions

The measures the Board have implemented include a major renegotiation of all major service contracts and a cash salary replacement for the Board and Executive Management. Whilst these measures further reduce our costs, it has also been important to ensure the retention of key capabilities and experience in the business.

The Board is highly focused on cost discipline and has made considerable progress over the past 18 months in reducing the Company's normal course G&A, accelerating an aggressive cost cutting exercise in recent months in order to preserve the Company's existing cash position. These actions have included:

- c. 50% reduction in Directors' fees in February and March 2020;
- 100% reduction in Directors' fees since April 2020;
- Executive Management unpaid since December 2019;
- implementation of a share option scheme in lieu of cash salary/fees for the Board and Executive Management which will support the Board's desire to preserve the Company's cash position;
- reduced costs further by transitioning finance function to a fully outsourced third-party service provider; and
- Romina Mele-Cornish stood down as CFO (a non-Board position) from 30 June 2020.

Investment Facility

On 29 June 2020, the Company announced that it has secured additional liquidity in the form of a US$5 million investment facility with Prolific Basins LLC (the “Subscriber”), a specialist energy investor. The tranched investment structure allows the Company to have a flexible funding option in place, should it be required, for the planned appraisal programme on its Ntorya gas field in Tanzania and for general working capital purposes. Securing the investment facility further strengthens Solo's optionality regarding its existing natural gas portfolio and its business development work.

Under the terms of the Subscription Deed, the Company immediately drew an initial US$500,000 under the investment facility, by way of an initial subscription for new ordinary shares of 0.2p each in the Company (the "Ordinary Shares").

Provided the Company satisfied certain conditions set out in the Subscription Deed, an additional investment of US$500,000 will be made by the Subscriber following the Company's 2020 annual general meeting which was held on the 25th September 2020. The Company expects to make a further announcement on this shortly. A further US$1,000,000 may be invested within the next 12 months. The Subscriber may invest a further additional US$3,000,000, with the consent of the Company only, for a total of US$5,000,000, in the aggregate, under the Subscription Deed.

The Company remains wholly committed to realising value from its interests in Tanzania and is encouraged by the interest received in its assets since commencing that sales process. We are however cognisant of the challenges being faced by the sector presently and therefore feel it is necessary to secure this funding now as it provides significant optionality and strengthens our hand with regards to any future negotiations in the knowledge that we can continue to fund our position of this exciting development if we do not receive offers that reflect our inherent value within our Tanzanian portfolio.

Outlook

Despite the global challenges faced by the market over the last 6 months, we remain highly encouraged that Solo is well positioned to execute on its planned growth strategy and setting the Company on a path to sustainable growth. We continue to focus our efforts on the business development activities as we seek to underpin the Company with high quality, cash generative assets in the European energy market. Concurrently, we continue to explore value realisation opportunities from our existing portfolio and believe we will be better placed to extract maximum value from these high impact assets as we achieve further scale.

We expect the second half of the year to be a transformative period in which we intend to continue to deliver our strategic evolution in line with our growth objectives.

Alastair Ferguson
Non-Executive Chairman

Date: 29th September 2020

Principle Risks and Uncertainties

The principal risks facing the Company were set out in the Company's annual report and accounts to 31 December 2019 and there has been one appreciable change in those risks, of which we are all aware.

The impact of Coronavirus on the global demand for oil and gas and the subsequent impact on oil and gas prices has been very evident in H1 2020, and in response we have seen the Oil Majors downgrade their long-term commodity price assumptions. There exists a risk that there will be significant further outbreaks of Coronavirus across the world which may detrimentally impact the Company's ability to meet its Investing Policy, specifically due to delays in sales processes, the bridging of buyer / seller pricing expectations and its ability to access equity capital and debt.

When the Company meets its investment objectives, the Company's risk profile will change, and a full statement of risks will be published in the subsequent Annual Report and accounts.

On behalf of the board

Alastair Ferguson
Non-Executive Chairman

Date: 29th September 2020

Directors’ Responsibilities

The directors are responsible for preparing the interim report in accordance with applicable law and regulations.

The directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The directors are also required to prepare the financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on the Company’s website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months ended 30 June 2020 (Unaudited) £ 000	Six months ended 30 June 2019 (Unaudited) (Restated) £ 000
Cost of sales		-	(922)
Operating expenses		-	44
Administrative expenses:			
G&A		(1,255)	(776)
Loss before investment activities		**(1,255)**	**(1,654)**
Gain/(loss) on disposal of shares held for trading		-	1,002
Interest income	**6**	9	-
Finance costs	**7**	(1)	-
Exchange (loss)		(23)	(4)
Fair value through profit and loss		-	(144)
Loss on ordinary activities before taxation		**(1,270)**	**(800)**
Income tax expense		**-**	-
Total comprehensive loss for the period attributable to equity shareholders		**(1,270)**	**(800)**
Loss per share (pence)			
Basic and diluted	**8**	(0.20)	(0.16)

Earnings per share is expressed in pence per share.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

	Six months ended 30 June 2020 (Unaudited) £ 000	Six months ended 30 June 2019 (Unaudited) (Restated) £ 000
Loss for the period	(1,270)	(800)
Total comprehensive loss	**(1,270)**	**(800)**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2020 (Unaudited)	As at 31 December 2019 (Audited)
		£ 000	£ 000
Non-current assets			
Intangible assets	**9**	15,204	15,092
Oil and gas properties	**10**	371	358
Investments	**11**	2,927	2,927
Total non-current assets		**18,502**	**18,377**
Current assets			
Trade and other receivables	**13**	599	1,437
Cash and cash equivalents		706	1,064
Total current assets		**1,305**	**2,501**
Total assets		**19,807**	**20,878**
Current liabilities			
Trade and other payables	**14**	(416)	(365)
Provisions	**15**	(184)	(184)
Total current liabilities		**(600)**	**(549)**
Net current assets		**705**	**1,952**
Non-current liabilities			
Long-term provisions	**15**	(183)	(168)
Total liabilities		**(783)**	**(717)**
Net assets		**19,024**	**20,161**
Equity			
Share capital	**16**	1,264	1,264
Deferred share capital	**16**	1,831	1,831
Share premium reserve		37,316	37,316
Share-based payments		1,268	1,135
Retained loss		(22,655)	(21,385)
Total equity		**19,024**	**20,161**

CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Note	Six months ended 30 June 2020 (Unaudited)	Six months ended 30 June 2019 (Unaudited) (Restated)
		£ 000	£ 000
Cash flows from operating activities			
Cash absorbed by operations	**22**	(160)	(910)
Interest paid		(1)	-
Net cash inflow/(outflow) from operating activities		**(161)**	**(910)**
Cash flows from investing activities			
Payments to acquire intangible assets		(151)	(100)
Proceeds from disposal of investments		-	1,127
Refund from unsuccessful transaction		670	-
Issue of loan to investee		-	(76)
Net cash inflow/(outflow) from investing activities		**519**	**951**
Net cash inflow/(outflow) from financing activities		**-**	**-**
Net (decrease) / increase in cash and cash equivalents		(358)	(41)
Cash and cash equivalents at beginning of period		1,064	2,999
Cash and cash equivalents at end of period		**706**	**2,958**

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Deferred share capital	Share premium	Share based payments	Accumulated losses	Total
	£000	£000	£000	£000	£000	£000
Balance at 31 December 2018 (as restated)	**1,264**	**1,831**	**37,316**	**1,135**	**(18,824)**	**22,722**
Loss for the period	-	-	-	-	(800)	(800)
Balance at 30 June 2019 (as restated)	**1,264**	**1,831**	**37,316**	**1,135**	**(19,624)**	**21,922**
Loss for the period	-	-	-	-	(1,761)	(1,761)
Balance at 31 December 2019	**1,264**	**1,831**	**37,316**	**1,135**	**(21,385)**	**20,161**
Loss for the period	-	-	-	-	(1,270)	(1,270)
Share-based payment charge	-	-	-	133	-	133
Balance at 30 June 2020	**1,264**	**1,831**	**37,316**	**1,268**	**(22,655)**	**19,024**

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 2020 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 2019. The figures for the period ended 31 December 2019 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 29th September 2020.

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 2019 annual financial statements.

2 ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim financial statements of the Company.

Amendments to IFRS 3: Definition of a Business
The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform
The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the interim financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: Definition of Material
The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim financial statements of, or is there expected to be any future impact to the Company

Conceptual Framework for Financial Reporting issued on 29 March 2018
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the interim financial statements of the Company.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Useful lives of intangible assets and property, plant and equipment (note 9)
Intangible assets and property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are based on judgement and experience and periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the income statement in specific periods.

Hydrocarbon reserve and resource estimates (note 10)
Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Company's oil and gas properties. The Company estimates its commercial reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the Production-Sharing Agreements. A breakdown of reserves can be found below. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The current long-term gas price assumption used in the estimation of commercial reserves currently held by the Company is US$3/MMTBU. The carrying amount of oil and gas development and production assets at 30 June 2020 is shown in note 10.

The Company estimates and reports hydrocarbon reserves in line with the principles contained in the SPE Petroleum Resources Management Reporting System (PRMS) framework. As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Company's financial position and results which include:

- The carrying value of exploration and evaluation assets; oil and gas properties; property and plant and equipment may be affected due to changes in estimated future cash flows
- Depreciation and amortisation charges in the income statement may change where such charges are determined using the Units of Production (UOP) method, or where the useful life of the related assets change
- Provisions for decommissioning may require revision – where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.

Share-based payments
The Company utilised an equity-settled share-based remuneration scheme for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of services rendered.

Resource summary – Ntorya Field

Licence		1C	2C	3C	Gross Mean unrestricted GIIP
			Gross Licence Basis (bcf)		
Mtwara	Development pending	26	81	213	
Mtwara	Development unclarified	324	682	950	1,870
			763		

Resource summary excluding Ntorya Field

		Prospective Resources (bcf)* Gross on Licence			
Prospect/Lead	**1U**	**2U**	**3U**	**Mean unrisked**	**Pg %**
Chikumbi Jurassic	399	936	1,798	1,351**	8***
Namisange	56	235	1,925	1,183	8***
Likonde updip	39	166	702	444	10***
Ziwani NW	8	35	153	68	<5***
Ziwani SW	12	54	236	105	<5***

* Assuming development licence is ratified
** P50
*** RPS assessment of PG

4 OPERATING SEGMENTS

Based on risks and returned, the directors consider that the primary reporting format is by business segment. The directors consider that there are two business segments:

- Operations on its investments in Tanzania
- Head office support from the UK

In the prior period, the company held investments with companies operating in Canada. These were disposed of in the year ended 31 December 2019.

6 months to 30 June 2020	**Canada**	**Tanzania**	**UK**	**Total**
	£000	**£000**	**£000**	**£000**
Administrative expenses	-	(16)	(1,239)	(1,255)
Interest income	-	9	-	9
Finance costs	-	-	(1)	(1)
Other gains and losses	-	-	(23)	(23)
Profit/(loss) from operations per reportable segment	-	(7)	(1,263)	(1,270)
Additions to non-current assets	-	112	-	112
Reportable segment assets	-	18,774	1,147	19,921
Reportable segment liabilities	-	183	641	824

6 months to 30 June 2019	**Canada**	**Tanzania**	**UK**	**Total**
	£000	**£000**	**£000**	**£000**
Cost of sales	-	-	(922)	(922)
Operating expenses	-	-	44	44
Administrative expenses	-	(12)	(764)	(776)
Other gains and losses	-	-	998	998
Fair value through profit and loss	-	-	(144)	(144)
Profit/(loss) from operations per reportable segment	-	(12)	(788)	(800)
Additions to non-current assets	-	97	-	97
Reportable segment assets	125	18,417	3,794	22,336
Reportable segment liabilities	-	171	414	585

5 EMPLOYEES

The average number of employees (excluding executive directors) was:

	6 months to 30 June 2020	**6 months to 30 June 2019**
	1	-

There was one employee during the 6 months to 30 June 2019 who resigned in March 2019 therefore average employee numbers for the 6 months ended 30 June 2019 was nil.

	6 months to 30 June 2020 (unaudited)	**6 months to 30 June 2019 (unaudited)**
	£000	**£000**
Their aggregate remuneration comprised:		
Wages and salaries	25	8

	6 months to 30 June 2020 (unaudited) £000	6 months to 30 June 2019 (unaudited) £000
Directors remuneration	104	94

	Salary and fees £000	Share-based payments £000	Termination payments £000	Total £000
Period ended 30 June 2020				
Jonathan Fitzpatrick	6	18	-	24
Alastair Ferguson	9	29	-	38
Tom Reynolds	8	16	-	24
Don Nicolson (appointed 11 November 2019)	6	19	-	25
Don Strang (resigned 26 November 2018)	(7)	-	-	(7)
	22	82	-	104

	Salary and fees £000	Share-based payments £000	Termination payments £000	Total £000
Period ended 30 June 2019				
Jonathan Fitzpatrick	15	-	-	15
Alastair Ferguson	46	-	-	46
Tom Reynolds	28	-	-	28
Don Strang (resigned 26 November 2018)	5	-	-	5
	94	-	-	94

From February 2020, the directors opted to defer their salaries with payments resuming from June 2021. Shares in lieu of salary will be issued for deferred amounts.

6 INTEREST INCOME

	6 months to 30 June 2020 (unaudited) £000	6 months to 30 June 2019 (unaudited) £000
Interest income	9	-

Interest income relates to interest charged on outstanding invoices.

7 FINANCE COSTS

	6 months to 30 June 2020 (unaudited) £000	6 months to 30 June 2019 (unaudited) £000
Finance costs	1	-

8 EARNINGS PER SHARE

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

	Six months to 30 June 2020 (Unaudited)	Six months to 30 June 2019 (Unaudited)
Net loss after taxation (£000)	(1,270)	(800)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share (millions)	631.70	509.39
Basic and diluted loss per share (pence)	0.20	(0.16)

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.

9 INTANGIBLE ASSETS

	Exploration and evaluation expenditure £000
Cost	
At 1 January 2019	17,777
Additions at cost	237
Disposals	(264)
At 31 December 2019	17,750
Additions at cost	112
At 30 June 2020	17,862
Impairment	
At 31 December 2019 and 30 June 2020	2,658
Carrying amount	
At 30 June 2020	**15,204**
At 31 December 2019	**15,092**

The additions to deferred exploration and evaluation expenditure during the period relate mainly to the completion of drilling operations for the Ntorya-2 appraisal and subsequent testing of the well.

Following a review of the carrying value and future prospects for Solo’s assets no impairment has been recognized as the carrying value is deemed appropriate based on the future outlook.

10 OIL AND GAS PROPERTIES

Cost	**£000**
At 1 January 2019	1,124
Foreign exchange	(7)
At 31 December 2019	1,117
Foreign exchange	13
At 30 June 2020	1,130
Accumulated depreciation	
At 31 December 2019 and 30 June 2020	759
Carrying amount	
At 30 June 2020	**371**
At 31 December 2019	**358**

The Oil & Gas properties comprise the 8.29% participating interest in the Kiliwani North Development Licence, in Tanzania.

A decommissioning provision has been recognised for future liabilities relating to oil and gas properties. This future obligation is denominated in USD therefore there has been a foreign exchange on this in the period.

Accumulated amortisation has been calculated on a units of production basis. As there was no production during the period to 30 June 2020, the amortisation charge for the period is nil (Year ended 31 December 2019: £nil).

Impairment Review
The Directors have carried out an impairment review as at 30 June 2019, and determined that an impairment charge is not currently required. The Directors based this assessment on continuing operational work schedules that are ongoing to improve operational efficiencies and production.

11 INVESTMENTS – UNQUOTED EQUITY INSTRUMENTS

Cost	**£000**
At 1 January 2019	4,054
Additions	100
Disposals	(1,227)
At 31 December 2019	2,927
At 30 June 2020	2,927
Impairment	
At 1 January 2019	1,151
Disposals	(1,151)
At 31 December 2019	-
At 30 June 2020	-
Carrying amount	
At 30 June 2020	**2,927**
At 31 December 2019	**2,927**

The investments in the current period relate to an equity investment held in Helium One Ltd, a company incorporated in the British Virgin Islands. Their subsidiaries hold helium mining licences across Tanzania. The balance of the investment at 30 June 2020 relates to the investment in Helium One.

During 2019 Solo Oil PLC paid supplier invoices on behalf of Helium One totalling £100k. This was considered an addition to the value of the investment in Helium One.

On 8 October 2019 the investment in Burj Africa was disposed for a consideration of £1. This investment was fully impaired at the date of disposal.

On 9 December 2019 the investment in Petroteq shares (formerly Deloro Energy) was disposed for a consideration of £9k. This investment was held at £76k and a loss on disposal of £67k was recognised in the year ended 31 December 2019.

12 SUBSIDIARY COMPANY

The only subsidiary of Solo Oil Plc is Scirocco Energy International Limited a wholly-owned, UK incorporated micro-entity, which is dormant, and has been since incorporation with an issued share capital of £1. The registered office of the subsidiary is 1 Park Row, Leeds, United Kingdom, LS1 5AB. The subsidiary has not been consolidated into these accounts as it does not have a material impact on Solo Oil Plc as it is dormant.

13 TRADE AND OTHER RECEIVABLES

	30 June 2020	31 December 2019
	£000	£000
Trade receivables	302	283
Less provision for expected credit losses	(30)	(28)
	272	255
Loan to Helium One Ltd	64	76
VAT recoverable	10	122
Prepayments and accrued income	139	210
Other debtors	114	774
	599	**1,437**

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

On 1 March 2019 the Company subscribed to USD $1,000,000 convertible loan notes from Helium One Limited for USD $100,000. In accordance with the terms of the agreement, a redemption note can be issued with five days notice. This currently has a carrying value of £64k.

14 TRADE AND OTHER PAYABLES

	30 June 2020	31 December 2019
	£000	£000
Trade payables	213	193
Other payables	17	5
Accruals	186	167
	416	**365**

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

15 PROVISIONS FOR LIABILITIES

	30 June 2020	31 December 2019
	£000	£000
PAYE Settlement	184	184
Decommissioning provision	183	168
	367	**352**

Analysis of provisions

Provisions are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date as follows:

Current liabilities	184	184
Non-current liabilities	183	168
	367	**352**

	PAYE Settlement £000	Decom' Provision £000	Total £000
At 1 January 2020	184	168	352
Unwinding of discount	-	13	13
Adjustment for change in discount rate	-	-	-
Exchange difference	-	2	2
At 30 June 2020	**184**	**183**	**367**

The PAYE settlement provision relates to the amounts owed by Daniel Maling, former Managing Director for the PAYE on the share settled transactions.

Decommissioning costs are expected to be incurred over the remaining lives of the wells, which are estimated to end between 2036 and 2042. The provision for decommissioning is reviewed annually and at 31 December 2018 and 2019 relates to wells in Tanzania. The provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices which are discounted at 5.89% per annum.

16 SHARE CAPITAL

	Number of shares	Nominal value £000
a) Called up, allotted, issued and fully paid: Ordinary shares of 0.2p each		
At 31 December 2019 and 30 June 2020	631,704,118	1,264

	30 June 2020 £000	31 December 2019 £000
b) Deferred shares		
Deferred shares of 265,324,634 at 0.69 pence each	1,831	1,831

c) Total share options in issue
During the period no options were granted.

Exercise price (original)	Amended	Expiry date	Amended	Original options in issue at 30 June 2020
0.5p	10p	31 December 2020	10,200,000	204,000,000
0.5p	10p	31 December 2020	3,425,000	68,500,000
0.3p	6p	31 December 2020	5,000,000	100,000,000
0.35p	7p	31 October 2021	10,625,000	212,500,000
			29,250,000	585,000,000

d) Total warrants in issue
No warrants lapsed in the period and no warrants were issued, cancelled or exercised during the period (2019: nil).

As at 30 June 2020 there were 3,547,129 at 2.25p outstanding (31 December 2019: 3,547,129 at 2.25p).

17 FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics; and
- The carrying amounts of financial instruments

	30 June 2020 £000	31 December 2019 £000
Financial assets at amortised cost		
Trade receivables	272	255
Other debtors	114	774
Prepayments and accrued income	139	210
Cash and cash equivalent	706	1,064
	1,231	**2,303**

	Book value 30 June 2020 £000	Fair value 30 June 2020 £000	Book value 31 Dec 2019 £000	Fair value 31 Dec 2019 £000
Financial assets at fair value				
Non-current investment – Helium One	2,927	2,927	2,927	2,927
Current loans – Helium One	64	64	76	76
	2,991	2,991	3,003	3,003

	30 June 2020 £000	31 December 2019 £000
Financial liabilities at amortised cost		
Trade payables	213	193
Accruals	186	167
	399	**360**

The table below analysis financial instruments carried at fair value, by valuation method.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values for the Company's assets and liabilities are not materially different from their carrying values in the financial statements.

The following table presents the Company's financial assets that are measured at fair value:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Non-current investment – Helium One	-	-	2,927	2,927
Current loans – Helium One	-	-	64	64
	-	-	2,991	2,991

The Company does not have any liabilities measured at fair value. There have been no transfers in to or transfers out of fair value hierarchy levels in the period.

Financial instruments in level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. No investments are valued using level 1 inputs in the period.

Financial instruments in level 2
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No investments are valued using level 2 inputs in the period.

Financial instruments in level 3
If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Following the guidance of IFRS 9, these financial instruments have been assessed to determine the fair value of the instrument. In their assessment, the Directors have considered both external and internal indicators to decide whether an impairment charge must be made or whether there needs to be a fair value uplift on the instrument. Instruments included in Level 3 comprise of convertible loan notes held with Helium One. Details of this can be found at Note 13.

The carrying value of the Company's financial assets and liabilities measured at amortised cost are approximately equal to their fair value.

The Company is exposed through its operations to one or more of the following financial risk:

- Fair value or cash flow interest rate risk
- Foreign currency risk
- Liquidity risk
- Credit risk
- Market risk
- Expected credit losses

Policy for managing these risks is set by the Board. The policy for each of the above risks is described in more detail below.

Fair value and cashflow interest rate risk
Generally the Company has a policy of holding debt at a floating rate. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. Operations are not permitted to borrow long-term from external sources locally.

Foreign currency risk
Foreign exchange risk arises because the Company has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Company's investments are operating. The Company's net assets are exposed to currency risk giving rise to gains or losses on retranslation into sterling. Only in exceptional circumstances will the Company consider hedging its net investments in overseas operations as generally it does not consider that the reduction in volatility in net assets warrants the cash flow risk created from such hedging techniques.

The Company's exposure to foreign currency risk at the end of the reporting period is summaries below. All amounts are presented in GBP equivalent.

	30 June 2020	**30 June 2020**	**31 Dec 2019**	**31 Dec 2019**
	£000	**£000**	**£000**	**£000**
	USD	**EUR**	**USD**	**EUR**
Trade and other receivables	302	-	283	659
Cash and cash equivalents	10	-	94	-
Trade and other payables	-	(18)	(41)	-
Provisions	(183)	-	(168)	-
Net exposure	129	(18)	168	659

Sensitivity analysis

As shown in the table above, the Company is primarily exposed to changes in the GBP:USD exchange rate through its cash balance held in USD and trading balances and to changes in the GBP:EUR exchange rate due to the deposit denominated in EUR. The table below shows the impact in GBP on pre-tax profit and loss of a 10% increase/decrease in the GBP to USD exchange rate, holding all other variables constant. Also shown is the impact of a 10% increase/decrease in the GBP to EUR exchange rate, being the other primary currency exposure.

	30 June 2020	**31 December 2019**
	£000	**£000**
GBP:USD exchange rate increases 10%	45	11
GBP:USD exchange rate decreases 10%	(55)	(13)
GBP:EUR exchange rate increases 10%	2	60
GBP:EUR exchange rate decreases 10%	(2)	(73)

Liquidity risk

The liquidity risk of each entity is managed centrally by the treasury function. Each operation has a facility with treasury, the amount of the facility being based on budgets. The budgets are set locally and agreed by the board annually in advance, enabling the cash requirements to be anticipated. Where facilities of entities need to be increased, approval must be sought from the finance director. Where the amount of the facility is above a certain level agreement of the board is needed.

All surplus cash is held centrally to maximise the returns on deposits through economies of scale. The type of cash instrument used and its maturity date will depend on the forecast cash requirements.

The table below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented are the undiscounted cash flows.

	Less than 6 months	**6 to 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**
	£000	**£000**	**£000**	**£000**
30 June 2020				
Trade and other payables	416	-	-	-
Provisions	-	184	-	-
Total	416	184	-	-
31 December 2019				
Trade and other payables	365	-	-	-
Provisions	-	184	-	-
Total	365	184	-	-

Credit risk

The Company is mainly exposed to credit risk from credit sales. It is Company policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

The Company does not enter into complex derivatives to manage credit risk, although in certain isolated cases may take steps to mitigate such risks if it is sufficiently concentrated.

Market risk

As the Company is now investing in listed companies, the market risk will be that of finding suitable investments for the Company to invest in and the returns that those investments will return given the markets that in which investments are made.

Expected credit losses

Allowances are recognised as required under the IFRS 9 impairment model and continue to be carried until there are indicators that there is no reasonable expectation of recovery.

For trade and other receivables which do not contain a significant financing component, the Company applies the simplified approach. This approach requires the allowance for expected credit losses to be recognised at an amount equal to lifetime expected credit losses. For other debt financial assets the Company applies the general approach to providing for expected credit losses as prescribed by IFRS 9, which permits for the recognition of an allowance for the estimated expected loss resulting from default in the subsequent 12-month period. Exposure to credit loss is monitored on a continual basis and, where material, the allowance for expected credit losses is adjusted to reflect the risk of default during the lifetime of the financial asset should a significant change in credit risk be identified.

The majority of the Company's financial assets are expected to have a low risk of default. A review of the historical occurrence of credit losses indicates that credit losses are insignificant due to the size of the Company's clients and the nature of the services provided. The outlook for the oil and gas industry is not expected to result in a significant change in the Company's exposure to credit losses. As lifetime expected credit losses are not expected to be significant the Company has opted not to adopt the practical expedient available under IFRS 9 to utilise a provision matrix for the recognition of lifetime expected credit losses on trade receivables. Allowances are calculated on a case-by-case basis based on the credit risk applicable to individual counterparties.

Exposure to credit risk is continually monitored in order to identify financial assets which experience a significant change in credit risk. In assessing for significant changes in credit risk the Company makes use of operational simplifications permitted by IFRS 9. The Company considers a financial asset to have low credit risk if the asset has a low risk of default; the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term; and no adverse changes in economic or business conditions have been identified which in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Where a financial asset becomes more than 30 days past its due date additional procedures are performed to determine the reasons for non-payment in order to identify if a change in the exposure to credit risk has occurred.

Should a significant change in the exposure to credit risk be identified the allowance for expected credit losses is increased to reflect the risk of expected default in the lifetime of the financial asset. The Company continually monitors for indications that a financial asset has become credit impaired with an allowance for credit impairment recognised when the loss is incurred. Where a financial asset becomes more than 90 days past its due date, additional procedures are performed to determine the reasons for non-payment in order to identify if the asset has become credit impaired.

The Company considers an asset to be credit impaired once there is evidence that a loss has been incurred. In addition to recognising an allowance for expected credit loss, the Company monitors for the occurrence of events that have a detrimental impact on the recoverability of financial assets. Evidence of credit impairment includes, but is not limited to, indications of significant financial difficulty of the counterparty, a breach of contract or failure to adhere to payment terms, bankruptcy or financial reorganisation of a counterparty or the disappearance of an active market for the financial asset.

A financial asset is only written off when there is no reasonable expectation of recovery.

A provision matrix can be used based on historical data of default rates adjusted for a forward-looking estimate. The history of default rates needs to be accessed in conjunction with the aging of the trade receivable balance. The aging of a balance alone does not require a provision but can be used as a structure to apply the rates calculated. The historical default rates are used in accordance with forward looking information. From a commercial perspective the TPDC has continued to delay settlement of the trade receivables balance based on requests from the TPDC to Aminex for payments of certain amounts which they wish to offset against the trade receivables. Until this issue is resolved there will be no payment of the invoices and as such an ECL is required to be recognised.

In order to determine the amount of ECL to be recognised in the financial statements, Solo is using a provision matrix based on its historical observed default rates which is adjusted for forward-looking estimates and establishes that ECL should be calculated as:

None-past due	0.5% of carrying value
30 days past due	2% of carrying value
31-60 past due	4% of carrying value
61-90 past due	6% of carrying value
More than 90 days past due	10% of carrying value

The simplified approach enables Solo to make an estimate of ECL as they are unable to track the credit worthiness of customers. The matrix above reflects the best estimate of the directors that the claim by TPDC will be successful and is the lifetime credit loss expected.

The total outstanding amount is £302k at 30 June 2020 which is all over 90 days past due resulting in an ECL of £30k in the current period.

18 RELATED PARTY TRANSACTIONS

The Company had the following amounts outstanding from its investee companies (note 13) at the balance sheet date.

	30 June 2020 £000	31 December 2019 £000
Helium One Ltd	64	76

There were no transactions between the parent and its dormant subsidiary, which are related parties, during the period. Details of director's remuneration, being key personnel, are given in Note 5.

The Company entered into transactions with the following related parties who have common directors during the current period:

	30 June 2020 £000	31 December 2019 £000
Gneiss Energy Limited – provision of corporate finance advisory – common director Jonathan Fitzpatrick	146	538
Quixote Advisors Ltd – provision of management services – common director Tom Reynolds	32	53

19 ULTIMATE CONTROLLING PARTY

In the opinion of the directors there is no controlling party.

20 COMMITMENTS

As at 30 June 2020, the Company had no material commitments (31 December 2019: £nil).

21 RETIREMENT BENEFIT SCHEME

The Company operates only the basic pension plan required under UK legislation, contributions thereto during the period amounted to £nil (31 December 2019: nil).

22 CASH GENERATED BY OPERATIONS

	30 June 2020 £000	30 June 2019 £000
Loss for the period after tax	(1,270)	(800)
Adjustments for:		
Finance costs	1	-
Share-based payment expense	82	-
(Decrease)/increase in provisions	15	-
Movements in working capital:		
Decrease in trade and other receivables	910	261
Increase/(decrease) in trade and other payables	102	(371)
Cash absorbed by operations	**(160)**	**(910)**

23 EVENTS AFTER THE REPORTING DATE

Investment Facility

On 29 June 2020, the Company announced it had entered into a share subscription deed (the "Subscription Deed") with Prolific Basins LLC (the "Subscriber"), a U.S.-based specialist energy focused investor.

Pursuant to the Subscription Deed, the Subscriber made an investment of US$500,000 (the "First Closing"), by way of an initial subscription for new ordinary shares of 0.2p each in the Company (the "Ordinary Shares").

Provided the Company satisfies certain conditions set out in the Subscription Deed, an additional investment of US$500,000 will be made by the Subscriber following the Company's next annual general meeting, and a further US$1,000,000 may be invested within the next 12 months. The Subscriber may invest a further additional US$3,000,000, with the consent of the Company only, for a total of US$5,000,000, in the aggregate, under the Subscription Deed.

Covid-19

In December 2019, a novel strain of coronavirus (“COVID-19”) surfaced in China and has spread around the world resulting in worldwide business and social disruption. This has resulted in a drop in oil prices. The assets which the Company holds are currently not operational therefore they have not felt a strong impact of the COVID-19 pandemic, however the Board are aware that this may impact the valuation of the assets held and potential target companies.

Sale of Tanzanian Assets

The Board announced on the 2nd of March that the most appropriate course of action regarding Tanzanian assets is to run a formal process to explore value realisation options for the assets including, but not limited to, the sale of Solo's interests in the certain, or all, of its Tanzanian assets. In particular, the Board is confident in the inherent value of its 25% interest in the Ruvuma asset and will consider reasonable offers that reflect the quality of the asset and its significant upside potential. A formal dataroom has been established and the formal process was begun in March.

24 A copy of this interim statement is available on the Company’s website www.solooil.co.uk.