

ANGLO AFRICAN OIL & GAS PLC
UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2020

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Directors	James A Cane (resigned on 18 March 2020) Philip J Beck Nicholas J Butler (resigned on 13 January 2020) Sarah Cope Brian M Moritz (resigned on 3 January 2020) Dexter Stewart N Ferreira (appointed on 18 March 2020) Tania A Maciver (appointed on 18 March 2020)
Company secretary	Cargil Management Services Limited 27-28 Eastcastle Street London W1W 8DH
Company number	04140379
Registered office	27-28 Eastcastle Street London W1W 8DH
Website	www.aaog.com
Nominated advisor and broker	FinnCap Limited 60 New Broad Street London EC2M 1JJ
Solicitors (UK)	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Independent Auditors	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU19 7DR

CHAIRS LETTER

For the six months ended 30 June 2020

This interim accounts covers the six-months period to 30 June 2020, during this period the Company completed the sale of Anglo African Oil & Gas Congo S.A.U ("AAOG Congo") the Company's Congolese subsidiary which held the working interest in the Tilapia Asset.

Faced with very limited cash resources and unable to fund the ongoing operational costs and liabilities of AAOG and AAOG Congo, and having considered the alternatives in detail with its advisers, the Board took the decision that the best option for Ordinary Shareholders was to find a buyer for AAOG Congo.

The Company announced on 27 December 2019, that it had entered into a conditional sale and purchase agreement ("SPA") with Zenith Energy Ltd for the sale of an 80% interest in AAOG Congo which holds a 56% interest in Tilapia in the Republic of the Congo ("Disposal").

The consideration for the Disposal was £1 million, of which £500,000 was in six equal monthly cash instalments from the date of completion and £500,000 of Zenith Ordinary Shares. In addition, Zenith was to fund AAOG's share of a US\$5.5 million work programme on Tilapia and fund the upfront cash element of any signature bonus payable for the new licence negotiated with Congolese Ministry of Hydrocarbons.

The Disposal would have resulted in AAOG retaining a carried interest in AAOG Congo without the requirement to raise additional funds for the future work programme.

The Company had anticipated that completion of the Disposal would take place swiftly following the shareholders' meeting in January 2020. Indeed, AAOG's cash position did not at the time allow for the completion of the Disposal to be delayed much beyond that. Disappointingly, Ministerial consent in the Republic of Congo to the change of control of AAOGC, a condition to the Disposal, was not forthcoming. Neither AAOG nor Zenith could say with any certainty when such consent would be forthcoming, particularly in light of the COVID-19 pandemic which restricted the ability to meet with officials and progress matters.

AAOGC's creditor position in December 2019 was circa \$3 million and the team in country was continuing operations and managing the creditors carefully with the cash that AAOG had been able to contribute as well as receipts from the sale of oil production from the Tilapia field. Since 20 January 2020, AAOG's primary cash source has been its strategic investor, Forum Energy Services Limited ("Forum"). Forum has indicated to the Board of AAOG that it was not prepared to fund any further cash calls from AAOGC given the uncertainty outlined above. This coupled with the collapse in the oil price in March 2020 and the impact of the COVID-19 pandemic meant a worsening financial position for AAOGC.

The Board of AAOG faced the very real prospect of AAOGC falling into some form of insolvency procedure which would obviously mean the Disposal would not complete and the Company would receive none of the consideration from Zenith.

Given the uncertainty as to the timing of completion of the Disposal, as well as no certainty on when AAOG could expect to receive funds from Zenith and when Zenith would assume AAOGC's liabilities and running costs pursuant to the Disposal, the Company and Zenith therefore entered into an agreement in April 2020 to accelerate the assumption by Zenith of the running costs and liabilities of AAOGC, as well as amend the terms of the consideration payable pursuant to the Disposal (the "Consideration") and the terms of Completion.

The Company agreed to Dispose of 100% of AAOG's interest in AAOGC rather than the 80% originally envisaged. The Consideration was amended to £200,000 which was paid in cash. The payment of the Consideration was not conditional on Ministerial consent. Zenith therefore acquired 100% of AAOGC on 3 May 2020 and assumed responsibility for all liabilities within and ongoing costs associated with AAOGC from that Date. As a result, shareholders in AAOG no longer have any exposure to the Tilapia asset or its liabilities or receivables.

CHAIRS LETTER

For the six months ended 30 June 2020

The Disposal constituted a fundamental change of business of the Company as the Company ceased to own, control or conduct all or substantially all, of its existing trading business, activities or assets. The Company is now therefore an AIM Rule 15 cash shell and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from 5 May 2020 or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Company's Ordinary Shares will then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM will be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

The Company is now actively seeking an acquisition of an asset or a company with the ability to increase value for shareholders and the Board is actively reviewing opportunities.

Results for the year

Group's Loss for the period from continuing operations £462,000 (2019 - £2,212,000), the reduced loss is due to lower staffing costs and overhead's since the marketing and sale of AAOG.

With the sale of AAOGC the Company continues to review and reduce overhead costs, as it seeks new opportunities.

Finance

To protect the interests of its members the Company has entered into an unsecured convertible loan note in June 2020 amounting to £1,500,000 the first drawdown of £160,000 was completed on 12 June 2020. All drawdowns and associated fees are convertible into ordinary shares.

The Company continues to discuss finance options with external investors and its major shareholder.

Overall strategy

With the sale of its only asset in May 2020, the Company is currently an AIM Rule 15 cash shell and is currently looking at opportunities for acquisitions that will establish a near term cash generating business in the natural resources sector.

The board will keep shareholders informed of its progress on a regular basis.

Sarah Cope

Non-Executive Chair

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

		SIX MONTHS ENDED 30.06.20 £'000	SIX MONTHS ENDED 30.06.19 (Restated *) £'000	YEAR ENDED 31.12.19 (audited) £'000
	Notes			
Continuing operations				
Revenue		-	-	-
Cost of sales		-	-	(755)
		-	-	(755)
Administrative expenses	5	(462)	(1,970)	(3,604)
Share-based payment (charge) /credit		-	(47)	135
Loss from operating activities before exceptional items		(462)	(2,017)	(4,224)
Fundraising costs		-	(195)	-
Loss from operating activities		(462)	(2,212)	(4,224)
Finance costs		-	-	(4,675)
Loss before tax		(462)	(2,212)	(8,899)
Taxation		-	-	-
Loss for the period from continuing activities		(462)	(2,212)	(8,899)
Loss for the period from discontinued operation	9	(172)	(241)	(10,495)
Total loss for the year		(634)	(2,453)	(19,394)
Other comprehensive loss				
Exchange differences on translating foreign operations		229	60	40
Total comprehensive loss for the period		(405)	(2,393)	(19,354)
Loss per share				
Basic earnings (loss) per share	6			
- From continuing operations		(0.10)	(0.92)	(2.87)
- From discontinued operations		(0.04)	(0.11)	(3.39)
Total		(0.14)	(1.03)	(6.26)

*The 30 June 2019 comprehensive income number have been restated for discontinued operation, see note 9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2020 (unaudited)

		30 June 2020	30 June 2019	31 December 2019 (audited)
	Notes	£'000	£'000	£'000
Non-current assets				
Property, plant and equipment	7	-	139	-
Intangible assets	8	-	12,709	-
		-	12,848	-
Current assets				
Assets included in disposal group classified as held for sale	9	-	-	5,482
Stock		-	37	-
Trade and other receivables	10	52	3,651	497
Prepayments		77	89	9
Cash and cash equivalents		170	739	170
		299	4,516	6,158
Total assets		299	17,364	6,158
Equity				
Share capital	11	24,274	16,273	24,203
Share premium		17,210	17,159	17,110
Currency revaluation reserve		-	249	229
Retained deficit		(41,879)	(24,351)	(41,474)
		(395)	9,330	68
Current liabilities				
Liabilities included in disposal group classified as held for sale	9	-	-	5,379
Trade and other payables		694	5,118	711
Provisions	12	-	2,916	-
		694	8,034	6,090
Total equity and liabilities		299	17,364	6,158

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (unaudited)**

	Share capital	Share premium	Currency translation reserve	Retained deficit	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2018	13,272	14,492	189	(21,945)	6,008
Share issue for the period	3,000	3,000	-	-	6,000
Costs of issue of share capital	-	(333)	-	-	(333)
Share-based payment charge	-	-	-	47	47
Total comprehensive loss for the period	-	-	60	(2,453)	(2,393)
Balance at 30 June 2019	16,272	17,159	249	(24,351)	9,329
Share issue for the period	7,931	318	-	-	8,249
Costs of issue of share capital	-	(367)	-	-	(367)
Share-based payment credit	-	-	-	(182)	(182)
Total comprehensive loss for the period	-	-	(20)	(16,941)	(16,961)
Balance at 31 December 2019	24,203	17,110	229	(41,474)	68
Share issue for the period	71	100	-	-	171
Total comprehensive loss for the period	-	-	(229)	(405)	(634)
Balance at 30 June 2020	24,274	17,210	-	(41,879)	(395)

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (unaudited)**

	SIX MONTHS ENDED 30.06.20 £'000	SIX MONTHS ENDED 30.06.19 (* Restated) £'000	YEAR ENDED 31.12.19 (audited) £'000
Cash flows from operating activities			
Total comprehensive loss for the period	(462)	(2,212)	(8,899)
Depreciation and amortisation		13	11
Impairment of fixed assets	-	-	27
Loss on issue of own equity	-	-	4,675
Share-based payment charge/(credit)		47	(135)
Net cash used in continuing operation	(462)	(2,152)	(4,321)
Net cash used in discontinued operation	(172)	(310)	(1,482)
Net cash used in operating activities	(634)	(2,462)	(5,803)
Decrease/(increase) in trade and other receivables	445	(20)	(203)
(Increase)/decrease in prepayments	(68)	(44)	36
Decrease in trade and other payables	(17)	(159)	(756)
Cash used in operating activities	(274)	(2,685)	(6,726)
Cash flows from investing activities			
Proceeds from sale of investment in subsidiary	103	-	-
Purchase of tangible fixed assets	-	-	(8)
Cash used by discontinued operations	-	(2,364)	(2,065)
Net cash from/used in investing activities	103	(2,364)	(2,073)
Cash flows from financing activities			
Issue of share capital	171	6,000	9,574
Costs of issuing share capital	-	(333)	(700)
Net cash flows from financing activities	171	5,667	8,874
Net increase in cash and cash equivalents	-	618	75
Cash and cash equivalents at beginning of period	170	121	121
Cash and cash equivalents at year end	170	739	196
Cash and cash equivalents included in disposal group	-	(675)	(26)
Cash and cash equivalents at end of period	170	64	170

*The 30 June 2019 Consolidated Statement of Cash Flow has been restated for discontinued operation, see note 9.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (unaudited)**

1. REPORTING ENTITY

Anglo African Oil & Gas plc is a company incorporated and domiciled in England and Wales. The address of the Company's registered office is 27/28 Eastcastle Street, London, W1W 8DH.

In preparing the consolidated interim financial statements for the six months ended 30 June 2020 the financial statements of its subsidiary undertakings, Sonnberg Diamonds (Namibia) (Pty) Limited and Anglo African Oil & Gas Congo SAU (AAOGC), has been included in discontinued operations as AAOGC was sold in May 2020.

Anglo African Oil & Gas SAU is a company registered in Republic of the Congo. The office address is Site de Tilapia, Route Nationale no. 5, BP-1753, Pointe-Noire, Republic of the Congo.

Sonnberg Diamonds (Namibia) (Pty) Limited is a dormant company registered in Namibia. The registered office address is PO Box 199, Lüderitz Namibia.

2. ACCOUNTING POLICIES

Statement of compliance

This consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards. The financial statements are unaudited and do not constitute statutory accounts as defined in section 434(3) of the Companies Act 2006. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial performance and position of the Group since the last annual consolidated financial statements for the year ended 31 December 2019.

A copy of the audited annual report for the year ended 31 December 2019 will be delivered to the Registrar of Companies after the approval of shareholders. The auditor's report on these accounts was qualified and did contain statements under s498(2) or s498(3) of the Companies Act 2006.

This consolidated interim financial report was approved by the Board of Directors on .

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2019.

4. OPERATING SEGMENTS

In May 2020 the Company sold its 100% owned subsidiary Anglo African Oil & Gas Congo, since the sale the Company has become a Cash Shell under Rule 15 of AIM. Therefore, the Company only has one operating segment reflected in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (unaudited)**

5. ADMINISTRATIVE EXPENSES

Administrative expenses include:

	SIX MONTHS ENDED 30.06.20 £'000	SIX MONTHS ENDED 30.06.19 £'000	YEAR ENDED 31.12.19 £'000
Costs incurred relating to potential acquisition	-	290	290
Depreciation and amortisation	-	13	11
Directors Remuneration	133	395	572

The directors are considered to be key management personnel.

6. BASIC AND DILUTED LOSS PER SHARE

Basic

The calculation of loss per share for the six months to 30 June 2020 is based on the loss for the period attributable to ordinary shareholders of £634,000 divided by a weighted average number of ordinary shares in issue of 439,958,935 (December 2019 - £19,394,000 - Number 309,622,332).

In the opinion of the directors, all of the outstanding share options and warrants are anti-dilutive and, hence, basic and fully diluted loss per share are the same.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (unaudited)

7. PROPERTY, PLANT AND EQUIPMENT

	SIX MONTHS ENDED 30.06.20 £'000	SIX MONTHS ENDED 30.06.19 £'000	YEAR ENDED 31.12.19 £'000
Cost			
Balance at 1 January	-	5,032	5,032
Additions continuing operations	-	-	8
Additions discontinuing operations	-	41	101
Transfer to assets available for sale	-	-	(4,839)
Impairment	-	-	(302)
Balance at period end	-	5,073	-
Depreciation			
Balance at 1 January	-	4,921	4,921
Transfer to assets available for sale	-	-	(4,657)
Depreciation	-	13	11
Impairment	-	-	(275)
Balance at period end	-	4,934	-
Carrying amounts			
At period end	-	139	-

8. INTANGIBLE ASSETS

	SIX MONTHS ENDED 30.06.20 £'000	SIX MONTHS ENDED 30.06.19 £'000	YEAR ENDED 31.12.19 £'000
Cost			
Balance at 1 January	1,154	13,038	13,038
Additions discontinued operations	-	2,323	1,964
Transfer to asset available for sale	-	-	(13,848)
Balance at period end	1,154	15,361	1,154
Amortisation			
Balance at 1 January	1,154	2,652	2,652
Impairment	-	-	9,494
Transfer to asset available for sale	-	-	(10,992)
Balance at period end	1,154	2,652	1,154
Balance at period end	-	12,709	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (unaudited)

9. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCOUNTED OPERATIONS GROUP

On 4 May 2020 the group sold its 100% owned subsidiary Anglo African Oil & Gas Congo SAU (AAOGC), the gross proceeds of the sale were £200,000, the carrying value of the disposal group has been reduced to £103,000 to reflect the legal costs of the disposal.

Under IFRS 5 the results of the disposal group are included separately in the consolidated income statement and the comparatives are restated. The detailed results are summarised as follows:

	SIX MONTHS ENDED 30.06.20 £'000	SIX MONTHS ENDED 30.06.19 £'000	YEAR ENDED 31.12.19 £'000
Revenue	94	173	319
Cost of sales	(192)	(259)	(1,070)
	(98)	(86)	(751)
Administrative expenses	(74)	(154)	(265)
Impairment of exploration and evaluation assets	-	-	(9,493)
Operating loss	(172)	(240)	(10,509)
Finance cost	-	(1)	(10)
Loss from discontinuing operation before tax	(172)	(241)	(10,519)
Taxation	-	-	24
Loss for the period from discontinuing operation	(172)	(241)	(10,495)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	(172)	(241)	(10,495)
Loss on re-measurement and disposal			
Loss before tax on re-measurement to fair value less	(172)	(241)	(10,495)
Total loss on re-measurement and disposal	(172)	(241)	(10,495)
Loss for the period from discontinuing operations	(172)	(241)	(10,495)

Group

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (unaudited)**

	YEAR ENDED 31.12.19 £'000
Non-current assets	
Property, plant and equipment	182
Intangible assets	2,856
Current assets	
Stock	37
Trade receivables	125
Other receivables	2,256
Cash and cash equivalents	26
Assets classified as held for sales	5,482
Current liabilities	
Provisions	2,942
Trade and other payables	2,437
Liabilities classified as held for sales	5,379

10. TRADE AND OTHER RECEIVABLES

	SIX MONTHS ENDED 30.06.20 £'000	SIX MONTHS ENDED 30.06.19 £'000	YEAR ENDED 31.12.19 £'000
Trade receivables	-	172	-
Directors' loan	-	-	25
Other receivables	52	5,981	472
Less: expected credit loss provision	-	(2,502)	-
	52	3,651	497

The 100% owned subsidiary Anglo African Oil & Gas Congo SAU (AAOGC), was sold in May 2020, with the sale of the AAOGC the Company impaired the amounts owed by AAOGC based on the sale proceeds Note 9.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (unaudited)

11. SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	SIX MONTHS ENDED 30.06.20 £	SIX MONTHS ENDED 30.06.19 £	YEAR ENDED 31.12.19 £
466,619,543	Ordinary	£0.001 *(2019 - £0.05)	466,620	11,896,453	19,827,420
39,922,460	Deferred	£0.09	3,593,021	3,593,021	3,593,021
86,998,615	B Deferred	£0.009	782,988	782,988	782,988
396,548,396	C Deferred	£0.049	19,430,871	-	-
			24,273,500	16,272,462	24,203,429

*On 13 January 2020 the Company reduced the nominal value of each Ordinary Share from £0.05 to £0.001, by subdividing each ordinary share into one new ordinary share of £0.001 and one deferred share of £0.049.

The holders of deferred shares are not entitled to receive dividends or to vote at meetings of the Company and have no material interest in the Company's residual assets.

12. PROVISIONS

	SIX MONTHS ENDED 30.06.20 £	SIX MONTHS ENDED 30.06.19 £	YEAR ENDED 31.12.19 £
Balance brought forward	-	2,792	2,907
Provision for made during the period	-	124	35
Transfer to liabilities included in disposal group classified as held for sale	-	-	(2,942)
At end of period	-	2,916	-

13. RELATED PARTY TRANSACTION

During the period the Company was invoiced for consultancy services from 'The Petroleum and Renewable Energy Company Limited' totalling £Nil (H1 2019 - £141,000) as at 30 June 2020 there was Nil (H1 2019 - £28,000) of these invoices outstanding and included in trade creditors. Phil Beck is a director of The Petroleum and Renewable Energy Company Limited.

14. CONTINGENT LIABILITIES

The Company has received notice of a potential claim from Askill Limited ("Askill"), an energy advisory firm, for US\$1.75 million. Askill's alleged claim relates to the Company's aborted efforts to acquire the Tunisian assets of MedCo. No formal legal claim has been filed against the Company.

The Board of Directors believes that Askill's potential claim is without merit, as the claim is in respect of completion fees in relating to the Medco acquisition. The acquisition was rejected by the board of AAOG in March 2019.

15. EVENTS AFTER THE REPORTING PERIOD

On 18 August 2020 the Company issued 7,089,684 ordinary shares at a price of £0.02821 each and on 2 September 2020 the Company issued 15,158,637 ordinary shares at a price of £0.002553 each in respect of the conversion by Riverfort Global Opportunities PCC Limited ("Riverfort") of £20,000 and £38,700 respectively in principal of the convertible loan note entered into between the Company and Riverfort on 10 June 2020.