20 September 2019

# Clontarf Energy plc
# ("Clontarf" or the "Company")

## Interim Statement for the period ended 30 June 2019

Clontarf (AIM: CLON) today announces its unaudited financial results for the six months ended 30 June 2019.

The principal focus for the period ended was ongoing discussions with the Ghanaian authorities about the ratification of our signed Petroleum Agreement on Tano 2A Block, and negotiating a lithium evaporates agreement with the Bolivian authorities.

**Ghanaian Tano 2A Petroleum Agreement**

Ghana currently produces circa 200,000 barrels of oil per day, from the Jubilee, and TEN oil-fields. But potential output could increase dramatically with more pro-business policies. The latest discovery, by ENI, as announced in May 2019, confirms Ghana's prospectivity.

After a period of slow progress, Ghana's current NPP Government has galvanised the licensing effort. The administration is pro-development, and actively reviewing historic Petroleum Agreements, with a stated focus on early exploration, discoveries and output. During 2018 and 2019 the Ghanaian Ministry of Energy and the Ghanaian National Petroleum Commission considered the current re-application by Pan Andean Resources Ltd (which is owned 30% by Petrel Resources plc, 60% Clontarf, 10% local interests) over the original Tano 2A licence block acreage in the prospective Tano Basin, West Africa.

Clontarf and its partners have had cordial and frank discussions leading, we believe, to a meeting of minds.

The Ghanaian authorities are now keen to resolve outstanding issues, and drive forward with the professional and prompt development of Ghana's oil & gas potential.

Two official bodies are reviewing dormant and pending petroleum agreements in Ghana: the Ministry of Energy and the National Petroleum Commission.

Accordingly, the authorities are reviewing existing Petroleum Agreements, as well as conducting a separate bid round.

This fulfils Section 10 of the new Petroleum Exploration and Production Act, 2016 (Act 919) requiring enforcement of a transparency regime to better manage Ghanaian petroleum resources.

Clontarf, and its partners, have also discussed with the authorities the possibility of working along with GNPC regarding the current 'Block 1' (subject to parliamentary ratification).

Separately, we understand that Erin Energy Inc., a US company currently in Chapter 11, may soon relinquish or have abrogated that portion of the original Tano 2A acreage that Erin Energy Inc (formerly known as Camac Energy Inc.) was awarded in 2014 – which led to immediate legal action by Clontarf. This would open a path for Clontarf to recover all of the original 1,532km$^2$ acreage.

**Ghana's prospectivity highlighted:**
Ghana's prospectivity has been highlighted by yet another, recent oil discovery, subject to two confirmatory appraisal wells, of potentially 1 billion barrels, which could double Ghana's production by 2021.

What transformed such projects was much lower appraisal and development costs, a recovering oil price (currently $68), development of the gas market, but especially the Ghanaian government's openness to practical development approaches.

Each such discovery yields multiple additional well targets which can, in turn, be subsequently drilled. In turn, each development spreads and lowers infrastructure costs.

The Directors believe all outstanding issues have now been resolved with GNPC on our Tano 2A Block, and understand that the signed Petroleum Agreement is now being sent to the Cabinet. All legal proceedings have been dropped and all issues resolved to our satisfaction.

There is a mutual desire to complete the ratification process. Our strong preference is to honour as far as possible the terms of the existing signed Petroleum Agreement, adjusting the revised coordinates and any other fine-tuning necessary.

**Lithium in Bolivia**

In addition to advancing activities in Ghana, Clontarf hopes to participate in the ongoing lithium boom. Much of the world's economic lithium resource is in south-western Bolivia and neighbouring countries.

Our group has natural resources experience in Bolivia since 1988, and operated a lithium study with the Bolivian military from 2008 through 2011 – which had to be reluctantly discontinued by the partners due to then legal uncertainty over title. This uncertainty has now been resolved. Legal title can now be confirmed under the recently enacted 2017 Bolivian Lithium Law. A State Lithium Company, YLB, has now been established, which negotiates and supervises contracts. Initial agreements have been concluded with a German industrial design group and a Chinese State entity.

Clontarf was canvassed by officials, during 2018, to return to Bolivia to study lithium projects. Encouraged by the authorities, Clontarf updated its data-base, built a team of lithium and Bolivian experts, and sampled priority salt-lakes (salares). Our priority is to develop deposits with attractive lithium grade and acceptable levels of contaminants, especially magnesium – which can be deleterious for batteries.

The rapid growth in battery-powered electric vehicles (EVs) to circa 4 vehicles worldwide, albeit from a small base, is generating high demand growth for scarce minerals with which our group is familiar – especially battery-grade lithium and cobalt – as well as vanadium, zinc, and copper. EVs are still an enigma: electric motors are efficient converters of power into torque, but power must be generated and transmitted.

Electric cars offer advantages: it is far easier to build state-of-the-art electric motors than petrol or Diesel internal combustion engines (ICEs). Electric motors generate maximum torque immediately – though tyres take time to grip, as with conventional vehicles. Electric motors are far more efficient

(<90%) than Internal Combustion Engines (35% - 50%) but the electricity must first be generated (typically 30% to 55% efficiency) and transmitted and/or stored – which is typically only about 70% efficient. So much energy is lost by all vehicle types.

Power storage remains the key problem: existing battery technologies are inefficient, heavy, and expensive. But faster and more efficient charging technologies are being developed.

For the fast growth electric vehicles and electronic devices market, 'Lithium ion technology' is the best economically feasible solution developed so far, though it has 'only' tripled its performance since 1992. As the lightest metal, lithium contains comparable energy potential to petrol. Safety requires the dilution of lithium into lithium salts, and the addition of cobalt to render the release and recharge of the batteries safe. Compared to alternatives, lithium ion technologies offer a weight advantage.

The appeal of electric vehicles is that they are emission-free at the point of use – though the electricity must be generated and transmitted. There is also storage capacity in EVs (including buses & taxis). But stationary batteries share the same efficiency loss (>30% loss) - which is aggravated if you expend energy moving storage batteries around.

The power supply concept is that daytime higher demand generation goes to the grid, while night-time lower demand generation goes to public transport EVs operating as mobile storage. Emissions are currently moderately taxed (via carbon taxes and excise duties) and thus largely an externality - but the opportunity emerges as taxes on emissions rise or as emissions are disallowed - e.g. France, UK banning sales of diesel vehicles post-2040.

Any plausible demand forecast anticipates market needs greatly in excess of current supplies.

Lithium from salt pan deposits is in high demand. Clontarf has long been interested in Lithium evaporates suitable for high performance batteries. From 2008 through 2010 we operated a study joint venture on the world's largest salt-lake deposit in Bolivia. The technical results were encouraging but progress was frustrated by then lack of political and legal title certainty.

Following clarification of the applicable legal regime and fiscal terms, and the establishment of a National Lithium Company (YLB) under the Bolivian Ministry of Energy in 2017, we have re-established our Bolivian presence, and have submitted detailed proposals to the authorities: subject to securing the necessary funding, Clontarf would complete an exploration and laboratory work programme on a select group of medium-sized salares, produce an initial precipitate product as an Engineering, Procurement and Construction (EPC) contractor, and then produce additional, enhanced high performance precipitated and processed salts as a 49% joint venture partner. This formula fits with the spirit and letter of Bolivian legislation, and offers a sustainable route to participate in the coming lithium ion battery boom.

In this regard, during the period under review, Clontarf appointed Peter O'Toole as a Non-Executive Director. Mr O'Toole has operated civil engineering and construction companies for over 30 years, specialising in the mining and government infrastructure sectors. He is also the Honorary Consul General of Ireland in Bolivia. He is a Civil Engineer by discipline, educated at University of London – Queen Mary College, and GMIT Institute of Technology, Galway, Ireland. Peter's 30 years' operational experience in Bolivia over and encyclopaedic knowledge of Bolivian mining, hydrocarbon, and infrastructure needs provide Clontarf with the contacts, skills and credibility to execute a lithium evaporates project in South America.

**John Teeling**
**Chairman**
**19 September 2019**

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

**ENDS**

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**Clontarf Energy plc**
**Financial Information (Unaudited)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | Six Months Ended | | Year Ended |
|---|---|---|---|
| | **30 June 19** | **30 June 18** | **31 Dec 18** |
| | **unaudited** | **unaudited** | **audited** |
| | **£'000** | **£'000** | **£'000** |
| **REVENUE** | - | - | - |
| Cost of sales | - | - | - |
| **GROSS PROFIT** | - | - | - |
| Impairment of exploration and evaluation assets | - | ( 112 ) | ( 112 ) |
| Administrative expenses | ( 123 ) | ( 125 ) | ( 239 ) |
| **OPERATING LOSS** | ( 123 ) | ( 237 ) | ( 351 ) |
| Finance costs | - | - | - |
| **LOSS BEFORE TAXATION** | ( 123 ) | ( 237 ) | ( 351 ) |
| Income Tax | - | - | - |
| **TOTAL COMPREHENSIVE LOSS FOR THE PERIOD** | ( 123 ) | ( 237 ) | ( 351 ) |
| **LOSS PER SHARE - basic and diluted** | (0.02p) | (0.04p) | (0.06p) |

**CONDENSED CONSOLIDATED BALANCE SHEET**

| | **30 June 19** | **30 June 18** | **31 Dec 18** |
|---|---|---|---|
| | **unaudited** | **unaudited** | **audited** |
| | **£'000** | **£'000** | **£'000** |
| **ASSETS:** | | | |
| **NON-CURRENT ASSETS** | | | |
| Intangible assets | 837 | 720 | 818 |
| | 837 | 720 | 818 |
| **CURRENT ASSETS** | | | |
| Other receivables | 9 | 6 | 4 |
| Cash and cash equivalents | 425 | 237 | 512 |
| | 434 | 243 | 516 |
| **TOTAL ASSETS** | 1,271 | 963 | 1,334 |
| **LIABILITIES:** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade payables | ( 71 ) | ( 81 ) | ( 56 ) |
| Other payables | ( 1,116 ) | ( 1,026 ) | ( 1,071 ) |
| | ( 1,187 ) | ( 1,107 ) | ( 1,127 ) |
| **TOTAL LIABILITIES** | ( 1,187 ) | ( 1,107 ) | ( 1,178 ) |
| **NET ASSETS** | 84 | ( 144 ) | 207 |
| **EQUITY** | | | |
| Share capital | 1,793 | 1,455 | 1,793 |
| Share premium | 10,900 | 10,773 | 10,900 |
| Share based payment reserve | 191 | 191 | 191 |
| Retained earnings - (Deficit) | ( 12,800 ) | ( 12,563 ) | ( 12,677 ) |
| **TOTAL EQUITY** | 84 | ( 144 ) | 207 |

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| | Share Capital £'000 | Share Premium £'000 | Share based Payment Reserves £'000 | Retained Losses £'000 | Total Equity £'000 |
|---|---|---|---|---|---|
| **As at 1 January 2018** | 1,455 | 10,773 | 191 | ( 12,326 ) | 93 |
| Total comprehensive loss | - | - | - | ( 237 ) | ( 237 ) |
| **As at 30 June 2018** | 1,455 | 10,773 | 191 | ( 12,563 ) | ( 144 ) |
| Shares issued | 338 | 162 | - | - | 500 |
| Share issue expenses | - | ( 35 ) | - | - | ( 35 ) |
| Total comprehensive loss | | | - | ( 114 ) | ( 114 ) |
| **As at 31 December 2018** | 1,793 | 10,900 | 191 | ( 12,677 ) | 207 |
| Total comprehensive loss | - | - | - | ( 123 ) | ( 123 ) |
| **As at 30 June 2019** | 1,793 | 10,900 | 191 | ( 12,800 ) | 84 |

| **CONDENSED CONSOLIDATED CASH FLOW** | **Six Months Ended** | | **Year Ended** |
|---|---|---|---|
| | **30 June 19 unaudited £'000** | **30 June 18 unaudited £'000** | **31 Dec 18 audited £'000** |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| **Loss for the period** | ( 123 ) | ( 237 ) | ( 351 ) |
| Impairment of exploration and evaluation assets | - | 112 | 112 |
| Exchange movements | 2 | 2 | 3 |
| | ( 121 ) | ( 123 ) | ( 236 ) |
| Movements in Working Capital | 55 | 57 | 48 |
| **CASH USED BY OPERATIONS** | ( 66 ) | ( 66 ) | ( 188 ) |
| **NET CASH USED IN OPERATING ACTIVITIES** | ( 66 ) | ( 66 ) | ( 188 ) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for intangible assets | ( 19 ) | ( 129 ) | ( 196 ) |
| **NET CASH USED IN INVESTING ACTIVITIES** | ( 19 ) | ( 129 ) | ( 196 ) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | - | - | 500 |
| Share issue expenses | - | - | ( 35 ) |
| **NET CASH GENERATED BY FINANCING ACTIVITIES** | - | - | 465 |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | ( 85 ) | ( 195 ) | 81 |
| Cash and cash equivalents at beginning of the period | 512 | 434 | 434 |
| Effect of exchange rate changes on cash held | ( 2 ) | ( 2 ) | ( 3 ) |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | 425 | 237 | 512 |

**Notes:**

**1. INFORMATION**

The financial information for the six months ended 30 June 2019 and the comparative amounts for the six months ended 30 June 2018 are unaudited. The financial information above does not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Interim Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the Group 2018 Annual Report, which is available at www.clontarfenergy.com

The interim financial statements have not been audited or reviewed by the auditors of the Group pursuant to the Auditing Practices board guidance on Review of Interim Financial Information.

**2.** No dividend is proposed in respect of the period.

**3. LOSS PER SHARE**

Basic loss per share is computed by dividing the loss after taxation for the year available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets out the computation for basic and diluted earnings per share (EPS):

| | Six months Ended | | Year Ended |
|---|---|---|---|
| | **30 June 19** | **30 June 18** | **31 Dec 18** |
| | **£'000** | **£'000** | **£'000** |
| **Numerator** | | | |
| For basic and diluted EPS | (123) | (237) | (351) |
| **Denominator** | | | |
| For basic and diluted EPS | 716,979,964 | 581,844,829 | 619,608,620 |
| Basic EPS | (0.02p) | (0.04p) | (0.06p) |
| Diluted EPS | (0.02p) | (0.04p) | (0.06p) |

Basic and diluted loss per share are the same as the effect of the outstanding share options is anti-dilutive and is therefore excluded.

**4. INTANGIBLE ASSETS**

| **Exploration and evaluation assets:** | **30 June 19** | **30 June 18** | **31 Dec 18** |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| **Cost:** | | | |
| At 1 January | 8,529 | 8,302 | 8,302 |
| Additions | 19 | 129 | 227 |
| **Closing Balance** | **8,548** | **8,431** | **8,529** |
| **Impairment:** | | | |
| At 1 January | 7,711 | 7,599 | 7,599 |
| Provision for impairment | - | 112 | 112 |
| **Closing Balance** | **7,711** | **7,711** | **7,711** |
| **Carrying value:** | | | |
| **At 1 January** | **818** | **703** | **703** |
| **At period end** | **837** | **720** | **818** |

| Regional Analysis | 30 Jun 19<br>£'000 | 30 Jun 18<br>£'000 | 31 Dec18<br>£'000 |
|---|---|---|---|
| Peru | - | - | - |
| Ghana | 837 | 720 | 818 |
| Guinea | - | - | - |
| | **837** | **720** | **818** |

Exploration and evaluation assets relates to expenditure incurred in prospecting and exploration for oil and gas in Peru, Ghana and Equatorial Guinea. The directors are aware that by its nature there is an inherent uncertainty in such development expenditure as to the value of the asset.

During the year to 31 December 2018 the Group incurred expenditure of £111,682 on evaluating licences in Equatorial Guinea. An impairment charge of £111,682 was recorded by the Group in the same year (and same half year period) in which the expenditure occurred in respect of those licences.

On 17 September 2018 the company announced that the Company's Directors believe they have resolved the outstanding issues with the Ghana National Petroleum Corporation (GNPC) regarding a contract for the development of the Tano 2A Block. As such, all legal proceedings have been withdrawn and the Company looks forward to making further announcements regarding the Petroleum Agreement in due course

The realisation of these intangible assets is dependent on the discovery and successful development of economic oil and gas reserves the ongoing title to the license, the ability of the company to finance the development of the asset and on the future profitable production or process from the asset which is affected by the uncertainties outlined above and risks outlined below. Should this prove unsuccessful the value included in the balance sheet would be written off to the statement of comprehensive income.

The group's activities are subject to a number of significant potential risks including:

- licence obligations
- requirement for further funding
- geological and development risks
- title to assets
- political risks

## 5. TRADE PAYABLES

| | 30 June 19<br>£'000 | 30 June 18<br>£'000 | 31 Dec 18<br>£'000 |
|---|---|---|---|
| Trade payables | 47 | 73 | 40 |
| Other accruals | 24 | 8 | 16 |
| | **71** | **81** | **56** |

## 6. OTHER PAYABLES

| | 30 June 19<br>£'000 | 30 June 18<br>£'000 | 31 Dec 18<br>£'000 |
|---|---|---|---|
| Amounts due to directors | 1,116 | 1,026 | 1,071 |
| | **1,116** | **1,026** | **1,071** |

Other payables relate to remuneration due to directors' accrued but not paid at period end.

**7. SHARE CAPITAL**

**Allotted, called-up and fully paid:**

| | Number | Share Capital £'000 | Premium £,000 |
|---|---|---|---|
| At 1 January 2018 | 581,844,829 | 1,455 | 10,773 |
| Issued during the period | - | - | - |
| At 30 June 2018 | 581,844,829 | 1,455 | 10,773 |
| | | | |
| Issued during the period | 135,135,135 | 338 | 162 |
| Share issue expenses | | | (35) |
| At 31 December 2018 | 716,979,964 | 1,793 | 10,900 |
| | | | |
| Issued during the period | - | - | - |
| At 30 June 2019 | 716,979,964 | 1,793 | 10,900 |

***Movements in issued share capital***

On 20 September 2018 a total of 135,135,135 shares were placed at a price of 0.37 pence per share. Proceeds were used to provide additional working capital and fund development costs.

**8. POST BALANCE SHEET EVENTS**

There were no material post balance sheet events affecting the group or company.

**9.** The Interim Report for the six months to 30 June 2019 was approved by the Directors on 19 September 2019.

**10.** The Interim Report will be available on the Company's website at www.clontarfenergy.com.