

**LENI GAS AND OIL PLC
("LGO" or the "Company")**

Unaudited Interim Results

Leni Gas and Oil plc, the oil and gas production company with assets in Spain, US Gulf Coast, Trinidad and Malta, announces its unaudited results for the six month period ending 30 June 2010.

HIGHLIGHTS

FINANCIALS

- Gross profit of £227,000
- Pre-tax group loss of £637,000 mainly attributable to charges of £597,000 for group administration expenses and £280,000 relating to share based payments.

OPERATIONS

- Total production during the reporting period of 19,299 boe in Spain, production of 13,174 boe in GoM and beneficial production of 3,107 boe in Trinidad.
- Major infrastructure expansion and modernisation of processing capacity in Spain to ensure compliance with new safety and environmental legislation, for high production reliability for new oil sales contracts and support accelerated development of the expanded reserves
- Increase in Spain resources to 174 mmmboe mean STOIP of the existing eleven prospects
- Identification of two new substantial oil and gas prospects in Spain with potential for a possible total Company in-country resource base of 1 billion boe
- Second development asset onstream in the GoM with processing capacity expanded to boost production
- Increase in reserves and resources in the GoM to 1.33mmboe proved, 0.28mmboe probable, 1.96 mmboe possible, and 0.04mmboe prospective resources, with optional incremental reserves and resources of 0.33 mmboe proved, 0.65 mmboe probable, 1.65 mmboe possible and 3 mmboe of prospective resources
- Substantial progress of the pre-drilling work programs in Malta

COMMERCIAL

- Converted the Company's shareholding in Byron Energy to a direct working interest in the Eugene Island field (three blocks) and direct exercise options in thirteen other blocks
- Exercised options in the GoM for two new production assets, Ship Shoal and South Marsh Island, in addition to the Eugene Island production asset
- Incorporated and gained operator approval for a new Trinidad subsidiary to hold all Trinidad interests
- Agreed new production licence with the Trinidad Government to expand production and exploration activities
- Completed various framework support agreements with technical providers to provide geosciences, production engineering, operations engineering and safety environmental services to the countries of operation.

TARGETS TO END 2010

- Expand production base in Spain with two producing assets
- Increase processing capacity in Spain for delivering sales oil to multiple customers
- Commence oil sales to BP and other new customers
- Deliver on the initial stages of the revised Spain exploitation strategy for both production and exploration assets
- Increase reserves and resources in Spain with full appraisal of the new prospects
- Complete new agreement for enhanced oil recovery projects in Spain
- Complete new agreement for appraisal of deeper resources
- Expand production base in GoM with three producing assets
- Increase production capacity of the Eugene Island field
- Initiate production of Ship Shoal and South Marsh Island developments
- Exercise options in GoM for direct working interests in additional development assets
- Commence new production licence in Trinidad
- Expand production capacity of the Icacos field
- Commence subsurface surveys of Trinidad prospects for future exploitation
- Finalise pre-drilling plans for first Malta exploration and appraisal well

NOTES

- All figures are net LGO unless otherwise stated

David Lenigas, Executive Chairman, commented:

“The last six months have seen progress across all areas of operations, most notably including the identification of two potentially company transforming new prospects in Spain. We have also seen a pleasing increase in reserves and resources on our Gulf of Mexico acreage and good pre drill activity in Malta. Over the next reporting period, the Company is planning to accelerate development plans in all countries, especially Spain, to have multiple producing assets in both Spain and the Gulf of Mexico, to progress appraisal of the deeper prospectivity and exploration prospects in Spain, to commence production expansion operations in Trinidad, and to have sufficiently progressed the pre-drilling plans in Malta to commence well planning.”

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CHAIRMAN'S STATEMENT

During the reporting period, the Company has made significant progress to strengthen its reserves and resources, infrastructure and organisation across all countries of operation in Spain, US Gulf Coast, Trinidad and Malta.

The Company's strategy to acquire and enhance existing production assets with additional exploitation potential remains unchanged and is continuing to identify opportunities to increase both the equity position of existing assets and identify additional assets in the countries of operation for greater economies of scale.

Since the last full reporting period the Company has substantially increased the performance of the Spain investment with significant achievements in all aspects of its operation including increased resources, improved infrastructure, expanded organisation and new joint ventures. These collective achievements are an essential foundation to ensure the Company's oil resources in Spain can be fully developed.

During 2010 the first major infrastructure investment in 20 years was undertaken by the Company on the processing and storage facilities centred at Ayoluengo. This investment is a prerequisite for any production expansion in Spain and to meet BP sales contract requirements.

The Company also undertook a major geotechnical review of the total Spain acreage position of almost 600km, based on the re-interpretation of the original 3D Ayoluengo seismic which was reprocessed using current processing techniques and a regional review of all geology and third party well performance.

The review produced numerous significant results including a greater understanding of the Ayoluengo asset geology and fault positioning which shall refine the exploitation strategy for the asset, an increase in overall resources, and significantly the identification of new prospects in the acreage, notably two substantial deeper prospects below Ayoluengo, a conventional oil reservoir and a shale gas prospect at depths between 2000m and 2700m.

The Company's revised strategy to exploit the maximum reserves from its Spain acreage shall be supported with new infrastructure agreements, with BP for oil sales delivery, with SGS for full compliance and processing assurance of the facilities and with new joint ventures with other international companies to maximise both the enhanced oil recovery potential and exploitation of the deeper reserves.

The Company is aiming to complete the infrastructure and venture agreements during 2010 and increase on many fronts the operations activity in Spain during 2011 to reach the required production targets.

In the Gulf of Mexico and Gulf Coast the Company has similarly realised major achievements as per Spain with increased reserves and new joint venture commercial arrangements to increase our influence on our investment.

The major achievement of 2010 in the GoM was the completion in January of the equity investment conversion in Byron for the Company to become a joint venture partner in all GoM assets thereby directly influencing the investment and operations of each asset.

The Company now has direct or option interests in sixteen blocks in the shallow GoM shelf with exercised interests currently in the Eugene Island 172 / 183/ 184 asset, Ship Shoal 197 / 201 / 202 asset, South Marsh Island 8 / Eugene Island 133 asset, Ship Shoal 180 asset and South Marsh Island 6 asset.

Currently the Company produces from two assets, Eugene Island and Ship Shoal 201. During 2010 major operational improvements to the Eugene Island asset were undertaken and behind pipe reserves were brought onstream to maximise reserves depletion. The Ship Shoal 201 asset came onstream in May 2010.

Further production development activities are currently in planning to expand Eugene Island and Ship Shoal 201, as well as conduct development drilling on South Marsh Island 8 and Grand Isle.

In Trinidad the Company has made considerable legal and commercial progress during 2010 to strengthen the foundation of the Trinidad investment and ensure a simplified operating structure is in place to execute the new production licence commitments.

Notable is the agreement with the Trinidad Ministry of Energy for a new 20 year production licence for the existing production asset, which remains to be completed by the joint venture partner, and the setup of a new subsidiary to hold all Trinidad investments to execute on the licence commitments with various supporting service company agreements in place.

The Company is also in the final stages of negotiations to expand its asset base in Trinidad and commence production expansion at end 2010.

Malta is the Company's only non-producing asset though has company-maker potential with a billion barrel resources base. During the reporting period, the Company and the joint venture operator continued to progress the pre-drilling work program to improve the understanding of all drilling prospects. This work program continues to maximise the chance of success of the first Malta drilling target.

During the period the Company de-risked the portfolio by relinquishing its interests in Hungary. After conducting a comprehensive economic review of the Hungary investment with the Company's technical providers under all potential pricing scenarios, it was concluded neither venture would provide a material return on the Company's investment. Although various third parties expressed an interest in acquisition, none were successful, so the Company relinquished its interests and reallocated the capital savings to corporate capital funding.

Over the next reporting period, the Company is planning to accelerate development plans in all countries, especially Spain, to have multiple producing assets in both Spain and the Gulf of Mexico, to progress appraisal of the deeper prospectivity and exploration prospects in Spain, to commence production expansion operations in Trinidad, and to have sufficiently progressed the pre-drilling plans in Malta to commence well planning.

At the end of the current reporting period, the Company reported production of 19,299 boe in Spain, production of 13,174 boe in GoM and beneficial production of 3,107 boe in Trinidad. This figure was below the Company's 2010 target though this was as consequence of infrastructure investment in all countries.

Significant reserves targets were achieved during the reporting period with a substantial increase in reserves and resources in Spain and US Gulf Coast, an expanded and lower risk exploitation strategy for Spain and a transformed commercial structure in Trinidad to accelerate development.

The Directors are delighted with the performance during the reporting period as it strengthens our position in all countries, reinforces the value and potential of our investments, bolsters our commercial foundation in all countries and reduces the risk on our future exploitation plans.

We would like to take this opportunity to thank all of our staff and contractors for their tremendous effort during 2009 and our shareholders for their ongoing support.

David Lenigas

Executive Chairman

30 September 2010

OPERATIONS REVIEW

Leni Gas and Oil plc has a strategy to identify and acquire projects and businesses within the oil and gas sector that contain a development premium which can be unlocked through a combination of financial, commercial, and technical expertise.

The Company operates a low risk portfolio of production expansion assets in the US Gulf Coast, Spain, Trinidad and Malta with significant play upside using similar operating approaches to leverage technologies and proven production enhancement techniques. LGO specifically targets near term production with upside exploitation potential and manages its portfolio to ensure all assets have accelerated incremental reserves and production enhancement programs.

A summary of period activity in all countries of operation during the reporting period follows:

SPAIN:

LGO retains 100% ownership through its wholly owned subsidiary, Compañía Petrolifera de Sedano, in one production concession, La Lora (which contains the Ayoluengo producing oilfield), and three exploration permits, Basconillos H, Huermececes and Valderredible, in north Spain. These interests were acquired in November 2007, with interests in the exploration permits increased from 85% to 100% in December 2009.

The permits are centrally located in the proven Basque-Cantabrian petroleum basin and span an area of over 550 sqkm, with a processing facility designed to handle 10,000 bbls per day and store 21,000 bbls centred on the producing Ayoluengo oilfield which itself spans an area of 14 sqkm.

The approved Ayoluengo 2010 work program was based upon completing a comprehensive geotechnical review for the asset. Reprocessing of the original Ayoluengo 3D seismic data resulted in a clearer structural image of the field, a more accurate determination of the fault positions and revised deterministic and probabilistic estimates of STOIP for the producing Lower Cretaceous and Upper Jurassic reservoirs. The overall STOIP increased to 105.72 mmbo Mean, 117.56 mmbo P10, 105.41 mmbo P50 and 94.19 mmbo P90. Historical cumulative production is 17.16 mmbo and 16.14 bcf (19.85 boe) equivalent to an 18.8% recovery factor.

Oil in place for the Lower Cretaceous and Upper Jurassic reservoirs was redistributed between the main east and west flanks of the reservoirs (east reduced to 79.5 mmbo from 83.6 mmbo, and west increased to 27.3 mmbo from 20.6 mmbo), with historical recovery factors of 21% east and 5% west.

The new interpretation, remapping of primary and secondary faults and identification of increased resources in the west flank, has revised and de-risked the Company's future production expansion plans for Ayoluengo. The previous development strategy of maximising the productivity of the existing aging wells and conducting selected infill drilling has been determined to be sub-optimal and therefore will not maximise production.

The Company has redefined the Ayoluengo development strategy based on the improved understanding of the reservoir to ensure the majority of the fifty three wells can contribute to maximising production. A two-tiered strategy on the existing producers and also the current shut-in wells will be adopted.

The existing producers will undergo a near term plan to perforate the undepleted zones, shutoff water and gas to maximise oil production and install subsurface pumping systems to improve reliability. The shut-in wells will be selectively re-opened and artificial stimulation methods using nitrogen, carbon dioxide and polymer barriers shall be used to mobilise the oil. In parallel selective wells will undergo a batch horizontal sidetrack program using radial jetting, which is less expensive than drilling, to access discontinuous undepleted zones and increase the depletion radius of all wells.

The revised geotechnical assessment reported in May 2010 also identified two new prospective hydrocarbon carbonate intervals in the Lower Jurassic underneath the Ayoluengo Lower Cretaceous and Upper Jurassic producing zones. A conventional hydrocarbon reservoir was identified between 2000m and 2300m subsurface and an unconventional gas prospect at depths down to 2700m subsurface.

The conventional reservoir was estimated to have a nominal gross reservoir sequence of 80m with a large gross rock volume of 780 million m³ (equivalent to a 10 sqkm footprint) to the reservoir structure boundary. A high probability of reservoir quality formations has been identified due to a locally high structure centred on Ayoluengo, hydrocarbon flows to surface from the Hontomin 2 and Ayo 1 wells, traces of oil stain within the cores and a good porosity range of 10-17% from the core evaluation.

The unconventional reservoir was assessed as immature for oil production, but is likely to be locally mature for shale gas production based on the regional geological review and Ayoluengo re-interpretation. The size of the shale gas generation window below Ayoluengo is considerable and similar structures in North America can have substantial GIIP density. Should the Ayoluengo Lower Jurassic shale prospect be comparable to North American structures, the prospect would equate to a deterministic GIIP of 3.8 tcf (630 mmboe).

Due to the age of the available data (1960s) and absence of quantitative data at depth, modelling of both reservoirs has been difficult due to distribution of reservoir parameters, and thus a conservative prognosis has been assumed at present. Work is therefore ongoing to improve the accuracy of the reservoir potential through a comprehensive local and regional appraisal program.

During the reporting period, the 2010 work program focused on continuing the modernisation and compliance assurance of the surface processing and storage facilities to manage a higher production volume, designing the additional activities to appraise the deeper structures and planning with major international service companies the reservoir isolation program and new perforation program to be conducted during the

second half of 2010. The 2010 work program also focussed on designing an enhanced oil recovery program to access undepleted reserves in the Ayoluengo structure and on identifying engineering alternates for increasing the depletion radius of all existing wells.

In the exploration acreage, the Company's focus during the reporting period was extending the permit period for the Basconcillos H acreage by another 3 years, and conducting preparations for the extended well test and joint seismic program with CIUDEN on the Hontomin oil structure on the Huermececes licence acreage.

The permit extension for the Basconcillos H licence was successfully submitted at end of the reporting period. A 10sqkm 3D seismic program was executed by CIUDEN on the Hontomin structure during the reporting period and all preparations for the Hontomin extended well test was completed in preparation for drilling activity to commence in August 2010.

The objective of the extended well test is to appraise the long term production potential of the well and determine the optimum exploitation plan for the Hontomin field which has a mean STOIP of 2.40 mmbo. The Hontomin 2 well initially tested at an initial rate of 700 bopd and was shut-in at a rate of 50bopd.

The well test will assess the commerciality of the well and the reservoir properties of the Lower Jurassic interval to assist with development of the larger conventional oil prospect underneath Ayoluengo. During the well test CIUDEN will conduct a 3D seismic survey and monitoring activities to assess the CO2 sequestration potential. The results of the well test and CIUDEN activities shall define the overall exploitation strategy for Hontomin which has the potential to exceed reserves recovery above 50% from the Hontomin structure.

All production from Hontomin will be transported 38km to the production facilities at the Ayoluengo oilfield for processing and oil sales. The site preparation works for the extended well test are complete and the extended well test will commence upon completion of upgrades to the processing facilities and drilling facilities at Ayoluengo.

In order to provide the foundation for the production expansion of both Ayoluengo and the surrounding prospects, the Company engaged SGS at the end of 2009 who is the world's leading inspection, verification, testing and certification company and is recognised as the global benchmark for quality and integrity. The Ayoluengo processing facility required a major survey and compliance program at the end of 2010 to meet new European safety and environmental legislation, and modernisation of the facilities was also required to support higher volumes, artificial stimulation and multiple sales customers. These works shall continue throughout 2010.

The revised development strategy for the acreage has required a step change in how the various programs are executed and the Company has evolved its supply chain as announced in May 2010 from local vendors to large international oilfield service providers. Contract negotiations are currently being finalised with these providers to ensure the diversity of programs required to maximise field recovery at Ayoluengo and the other prospects can be successfully executed.

The Company reported in May 2010 the total STOIP of the currently assessed prospects across the acreage which can be developed is 173.8 mmbo Mean, 265.2 mmbo P10, 151.4 mmbo P50, and 108.3 mmbo P90. This STOIP excludes the deeper prospects sub 2000m below Ayoluengo and the additional potential prospects identified within the Basconcillos H and Valderredible exploration permits.

Total net production during the reporting period (from the Ayoluengo oilfield within the production concession) was 14,935 bbls of oil and 6.894 mmscf of gas, equivalent to 16,084 boe. The majority of production was offline during the reporting period due to the major capital programs on the processing and storage facilities.

Since end of the reporting period, the Company has commenced drilling activity on Hontomin, continued with progress on the processing facilities modernisation and progress negotiations with BP and two other major companies for executing the Spain exploitation program.

The Hontomin extended well test drilling activity commenced at end August and successfully encountered oil at end September. The full results of the drilling and completion activity will be reported in Q3 2010. The focus of the Ayoluengo operations has continued on modernisation and compliance assurance of the processing facilities to support sales deliveries to BP at end 2010. Design engineering for the major reservoir isolation and perforation program on the Ayoluengo Upper Jurassic reservoirs is near completion and contract negotiations with major oil and gas service companies are being finalised to commence this program in Q4 2010.

In ensuring Spain production targets are achieved and sales deliveries to BP are steadily increased, the Company is in the final stages of negotiation with two international companies to support the execution of enhanced oil recovery projects across the Spain acreage, and also to appraise the deep oil and gas potential in the Ayoluengo Lower Jurassic. These ventures shall be announced in Q4 2010.

US GULF COAST:

LGO retains rights within sixteen blocks in the Gulf Coast from its investment in Byron Energy LLC ("Byron") in 2008. As announced in April 2009 and completed in January 2010 an agreement was executed to convert the Byron investment into direct working interests and exercise options in the GoM acreage. These working interests and exercise options apply for the Byron venture with Leed Petroleum Plc ("Leed") and also for all properties owned by Byron only. The sixteen blocks in the GoM encompass interests in leases West Cameron, South Marsh Island, Eugene Island, Ship Shoal, Grand Isle and Main Pass. The Company currently retains direct working interests in Eugene Island, Ship Shoal and South Marsh Island leases with exercise options in the remainder.

Under terms of the agreement LGO converted its 28.94% interest in Byron Energy to a 7.25% direct working interest in Eugene Island Blocks 183 and 184 south and a 3.625% direct working interest in Blocks 172 and 184 north (collectively referred to as "Eugene Island Field").

The agreement also included the option to acquire 29% of Byron Energy's interest in all option properties in the GoM under the existing Leed Petroleum Plc / Byron Scouting Agreement. In addition LGO will also have the option to acquire up to a 20% direct working interest in properties acquired independently by Byron Energy with effect from December 2008 by paying 30% of all costs.

The Eugene Island asset is the first of the interests to be developed and during the reporting period the first stage of three development wells was successfully completed. At commencement of full production, the Eugene Island production platform was delivering 6,000 boepd gross, at 2,500 bbls of oil and 21 mmscfd of gas. During 2009 production from Eugene Island declined from this initial figure due to natural depletion and the onset of water production from some of the wells.

As of the conversion completion the Company now holds interests and options in sixteen properties within the GoM acreage. LGO retains a 7.25% direct working interest in Eugene Island blocks 183 and 184 south, a 3.625% direct working interest in block 184 north and a 3.00649% direct working interest in block 172. Net revenue interests range from 2.50540% to 6.04167%.

The 2010 work program for Eugene Island included the commissioning of new low pressure compression facilities on the platform to boost production from the historical wells. Various intervention works were conducted on wells A6, A7 and A8 to bring onstream behind pipe reserve, shutoff watered zones and install sand control. Also during 2010, various upgrades were performed to the platform facilities in accordance with new safety legislation.

The Ship Shoal development encompasses blocks 197, 201 and 202 and is located 125 miles offshore Louisiana in approximately 100 feet of water. The Company exercised in February 2010 its rights on the Ship Shoal development, with completed interests in block 197 (direct working interest 7.25%, net revenue interest 5.7819%) and block 202 (direct working interest 7.25%, net revenue interest 6.0417%) with an overriding royalty in block 201 (0.4714%).

In March 2010 the first Ship Shoal development well was successful drilled and evaluated at a restricted rate of 2,153 boepd (20% oil, 80% gas) after encountering 65 feet of true vertical thickness pay. Commencement of production is expected to occur during Q2 2010.

The Company also exercised its rights in February 2010 on the South Marsh Island development (block Eugene Island 133). The remaining block on the development, South Marsh Island block 8, remains to be exercised and is scheduled for September 2010 after further geological interpretation.

The South Marsh Island development encompasses South Marsh Island block 8 and Eugene Island block 133. The development is located 90 miles offshore Louisiana in approximately 60 feet of water, was initially developed by Chevron and produced from numerous sands from 10,000 to 15,000 feet.

The Company retains exercise options on South Marsh Island block 8, Grand Isle blocks 95 and 100, Main Pass block 115 and West Cameron block 106. These options shall be notified for exercising once Leed Petroleum issues the development plan and budget in late 2010 and 2011. Under terms of the LDP Byron Scouting Agreement, the Company retains an exercise option to acquire 29% of Byron's interests in these developments, equivalent to a direct 7.25% direct working interest, with net revenue interests between 5.8906% and 6.0417%.

The Company also retains exercise options in South Marsh Island block 6 and Ship Shoal block 180 which were awarded to Byron independently in April 2010 and are covered within the Company's Strategic Scouting Agreement with Byron to acquire up to a 20% direct working interest in these blocks. The Company has notified Byron of its intention to exercise these options and is currently completing the assignment agreements.

Total net production for reporting period (from the Eugene Island production asset) was 5,961 bbls of oil and 43.274 mmscf of gas, equivalent to 13,174 boe. The reduction in production volumes was as consequence of natural depletion and production offline during to intervention and platform upgrades.

During the remainder of 2010, the Company is finalising the development plans with Leed and Byron for further production expansion at Eugene Island to bring onstream further behind pipe reserves. Additional plans for developing drilling on South Marsh Island, Ship Ship Shoal and Grand Isle are being finalised and shall be released in Q4 2010.

LGO has also engaged Collarini Associates to revise the March 2009 reserves and resources report to include all of the Company's interests in the Gulf Coast. This report is due for completion during Q4 2010.

TRINIDAD:

The Company retains 50% rights to the Icacos oilfield, covering 1,900 acres, located on the Cedros Peninsula of Southern Trinidad, within the East Venezuelan Basin.

During the reporting period, a new 20 year production licence was agreed with the Trinidad Ministry of Energy for the Icacos oilfield to accelerate exploitation. This licence includes a three year work program to rehabilitate current production zones, conduct geological surveys and

interpretation to identify new and undepleted zones for step out production drilling, and undertake an appraisal of the deeper prospectivity. Completion of this licence is currently pending signature by the joint venture partner which has been delayed due to the divestment of party by its parent company.

The Company incorporated Leni Trinidad Limited at end 2009 to hold the Icacos asset and all other potential interests in Trinidad. All interests from the acquired Trinidad companies were assigned to Leni Trinidad Limited and the Ministry successfully qualified Leni Trinidad Ltd as an operator in Trinidad and shall assume operator control of Icacos on licence commencement. In supporting Leni Trinidad Ltd, various service contracts were signed with local companies during the reporting period to provide production operations, well intervention and business services to the company.

The Company is currently in discussion with PricewaterhouseCoopers Trinidad regarding the acquisition of the joint venture partner's interests in Icacos and a potential second operating asset. These discussions are expected to be concluded during Q4 2010, and are required before the production licence work program can commence and production operations expanded..

Total net production from the Icacos oilfield during the reporting period was 3,107 bbls of oil.

MALTA:

LGO retains 10% in Area 4 Blocks 4, 5, 6 and 7 of Southern Offshore Malta with Mediterranean Oil & Gas ("MOG") retaining the balance. The Area is governed by a Production Sharing Contract with the Maltese Ministry of Natural Resources with a commitment to drill by July 2011.

Four prospects and five leads on the 5,700 square km PSC Area have been delineated, with the total most likely hydrocarbon potential of the PSC Area estimated at gross 5 billion barrels of oil in place with resultant total most likely case prospective recoverable oil resources of 1.475 mmbbl gross.

During the reporting period, the work program focused on assessing the viability of non-seismic surveys, acquiring additional seismic in Libyan waters to understand the wider geological basin, and on conducting depth migration processing on the existing seismic. These activities are complementary to increase the understanding of the local geology and increase the chance of success from the scheduled drilling activity.

An Advisory Committee Meeting was held between LGO, MOG and the Maltese Ministry in June 2010 to discuss the work program progress for drilling preparations. The PSC partners are continuing on the work program including various geosciences studies and surveys to complete the technical assessment of the area and finalise the best strategy for the drilling.

OTHER:

The Company relinquished its interests in Hungary during the reporting period. A commercial review was conducted with the Company's geotechnical provider, Equipoise Solutions Ltd ("Equipoise"), and Eclipse Petroleum Technology Ltd ("Eclipse"), and concluded both ZalaGasCo and PetroHungaria ventures would not provide a material return on the Company's investment of 2 million Euros for Hungary. Discussions were conducted with third parties to divest the Company's whole interests in Hungary though these were not successful. Consequently in March 2010 Company decided to relinquish its acreage in both ZalaGasCo and PetroHungaria, write off the Hungary investment in the Company accounts and reallocated future Hungary development capital to the other countries of operations.

The Company completed various framework agreements with technical providers during the reporting period to provide geosciences, production engineering, operations engineering and safety environmental services to the countries of operation. These companies included Interactive Exploration Solutions, Inc. (US), Advance Petroleum Services Ltd (Trinidad). The Company retains existing framework agreements with Equipoise Solutions Ltd (UK) and SGS SA (Switzerland).

Competent Person's statement:

The technical information contained in this document has been reviewed and approved by Fraser S Pritchard, Executive Director for Leni Gas & Oil Plc (member of the SPE) who has over 20 years relevant experience in the oil industry.

GLOSSARY & NOTES

AIM = AIM, a market operated by the London Stock Exchange

bcf = billion cubic feet

boe = barrels of oil equivalent calculated on the basis of six thousand cubic feet of gas equals one barrel of oil

boepd = boe per day

bbls = barrels of oil

bopd = barrels of oil per day

bwpd = barrels of water per day

Byron Energy = Byron Energy Pty Ltd

Contingent Resources = those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable.

CO₂ = carbon dioxide

GIIP = Gas Initially In Place

GoM = US Gulf of Mexico and Gulf Coast

Leed = Leed Petroleum plc

LGO = Leni Gas & Oil plc

m = thousand

mm = million

mmscf = million standard cubic feet of gas per day

mmscfd = mmscf per day

MOL = MOL Hungarian Oil & Gas

MOG = Mediterranean Oil & Gas plc

Prospective Resources = those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.

Proved Reserves = the estimated volumes of crude oil, condensate, natural gas and natural gas liquids which, based upon geologic and engineering data, are reasonably certain to be commercially recovered from known reservoirs under existing economic and political/regulatory conditions and using conventional or existing equipment and operating methods

STOIP = Stock Tank Oil Initially In Place

All figures are net LGO unless otherwise stated

All reserves and resources definitions used are per the Society of Petroleum Engineers 2005 classification.

FINANCIAL STATEMENTS

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 30 JUNE 2010

	Notes	Six months to 30 June 2010 (Unaudited) £ 000's	Six months to 30 June 2009 (Unaudited) £ 000's	Year ended 31 December 2009 (Audited) £ 000's
Revenue		1,251	877	2,133
Cost of Sales		(1,024)	(512)	(1,081)
Gross profit		227	365	1,052
Administrative expenses		(597)	(475)	(988)
Share based payments		(280)	-	(169)
Operating (loss)/profit		(650)	(110)	(105)
Impairment charge		-	-	(1,670)
Share of associate's results		-	(64)	(344)
Finance revenue		13	24	66
(Loss)/profit on ordinary activities before taxation		(637)	(150)	(2,053)
Income tax expense		-	-	(6)
(Loss)/profit on ordinary activities after taxation		(637)	(150)	(2,059)
Other comprehensive income				
Exchange differences on translation of foreign operations		(361)	-	(151)
Other comprehensive income for the year net of taxation		(361)	-	(151)
Total comprehensive income for the year attributable to equity holders of the parent		(998)	(150)	(2,210)
Basic loss per share(pence)	3	(0.10)	(0.02)	(0.34)
Diluted loss per share(pence)	3	(0.10)	(0.02)	(0.34)

**GROUP BALANCE SHEET
AS AT 30 JUNE 2010**

	Notes	As at 30 June 2010 (Unaudited) £ 000's	As at 30 June 2009 (Unaudited) £ 000's	As at 31 December 2009 (Audited) £ 000's
Assets				
Non-current assets				
Property, plant and equipment	6	317	398	386
Intangible assets	5	22,227	8,073	7,689
Interest in associate	5	-	14,352	14,072
Total non-current assets		22,544	22,823	22,147
Current assets				
Inventories		34	115	168
Trade and other receivables		583	1,045	922
Cash and cash equivalents		176	186	230
Total current assets		793	1,346	1,320
Total Assets		23,337	24,169	23,467
Liabilities				
Current liabilities				
Trade and other payables		(2,725)	(905)	(1,358)
Borrowings		-	-	(453)
Total current liabilities		(2,725)	(905)	(1,811)
Non-current liabilities				
Provisions		(772)	(808)	(858)
Total non-current liabilities		(772)	(808)	(858)
Total Liabilities		(3,497)	(1,713)	(2,669)
NET ASSETS		19,840	22,456	20,798
Shareholders' equity				
Called-up share capital	4	304	304	304
Share premium		22,663	22,663	22,663
Share based payments reserve		503	294	463
Retained earnings		(3,612)	(1,066)	(2,975)
Foreign exchange reserve		(18)	261	343
Total equity attributable to equity holders of the parent		19,840	22,456	20,798
Minority interest		-	-	-
TOTAL EQUITY		19,840	22,456	20,798

**GROUP CASH FLOW STATEMENT
FOR THE INTERIM PERIOD ENDED 30 JUNE 2010**

	Six months to 30 June 2010 (Unaudited) £ 000's	Six months to 30 June 2009 (Unaudited) £ 000's	Year ended 31 December 2009 (Audited) £ 000's
Cash outflow from operating activities			
Operating (loss)	(650)	(110)	(105)
Decrease in trade and other receivables	339	84	207
Increase/(decrease) in trade and other payables	1,367	(139)	864
Decrease/(increase) in inventory	134	14	(39)
Depreciation	13	32	60
Amortisation	9	5	31
Share options expensed	40	-	169
Income tax paid	-	-	(6)
Net cash inflow/(outflow) from operating activities	1,252	(114)	1,181
Cash flows from investing activities			
Interest received	13	24	66
Payments to acquire intangible assets	(667)	(336)	(1,857)
Payments to acquire tangible assets	-	(12)	(11)
Net cash (outflow)/inflow from investing activities	(654)	(324)	(1,802)
Cash flows from financing activities			
(Repayment)/proceeds of borrowings	(453)	-	453
Net cash (outflow)/inflow from financing activities	(453)	-	453
Net (decrease) in cash and cash equivalents	(145)	(438)	(168)
Foreign exchange differences on translation	91	53	(173)
Cash and cash equivalents at beginning of period	230	571	571
Cash and cash equivalents at end of period	176	186	230

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD ENDED 30 JUNE 2010**

	Called up share capital	Share premium reserve	Share based payment reserve	Retained earnings	Foreign exchange reserve	Total Equity
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Group						
As at 01 January 2009	304	22,663	294	(916)	494	22,839
Loss for the period	-	-	-	(2,059)	-	(2,059)
Currency translation differences	-	-	-	-	(151)	(151)
Total comprehensive income	-	-	-	(2,059)	(151)	(2,210)
Share capital Issued	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-
Share based payments	-	-	169	-	-	169
As at 31 December 2009	304	22,663	463	(2,975)	343	20,798
Loss for the period	-	-	-	(637)	-	(637)
Currency translation differences	-	-	-	-	(361)	(361)
Total comprehensive income	-	-	-	(637)	(361)	(998)
Share capital Issued	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-
Share based payments	-	-	40	-	-	40
As at 30 June 2010	304	22,663	503	(3,612)	(18)	19,840

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 financial information for the period ended 30 June 2010 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 2009. The figures for the period ended 31 December 2009 have been extracted from these accounts, which have been delivered to the Registrar of Companies, and contained an unqualified audit report

The 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 30 September 2010.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (‘IAS’) 34 – Interim Financial Reporting as adopted by the European Union. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Leni Gas and Oil Plc and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

Foreign currencies

The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The group’s presentational currency is Sterling (£).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE INTERIM PERIOD ENDED 30 JUNE 2010

2. Segmental analysis

Six months 1 January 2010 to 30 June 2010	UK	Cyprus	Spain	Total
	£'000	£'000	£'000	£'000
Operating loss by geographical area				
Revenue	-	426	825	1,251
Operating profit/(loss)	(538)	202	(314)	(650)
Impairment charge	-	-	-	-
Share of associates' result	-	-	-	-
Finance revenue	13	-	-	13
Profit/(loss) before taxation	(525)	202	(314)	(637)
Other information				
Depreciation and amortisation	-	-	22	22
Capital additions	-	365	302	667
Segment assets	-	15,874	6,670	22,544
Financial assets	43	257	317	617
Cash	3	134	39	176
Consolidated total assets	46	16,265	7,026	23,337
Segment liabilities	-	-	-	-
Trade and other payables	(1,275)	(90)	(1,360)	(2,725)
Provisions	-	-	(772)	(772)
Consolidated total liabilities	(1,275)	(90)	(2,132)	(3,497)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE INTERIM PERIOD ENDED 30 JUNE 2010

2. Segmental analysis (continued)

Six months 1 January 2009 to 30 June 2009	UK	Cyprus	Spain	Total
	£'000	£'000	£'000	£'000
Operating loss by geographical area				
Revenue	-	-	877	877
Operating profit/(loss)	(272)	(9)	171	(110)
Impairment charge	-	-	-	-
Share of associates' result	-	(64)	-	(64)
Finance revenue	24	-	-	24
Profit/(loss) before taxation	(248)	(73)	171	(150)
Other information				
Depreciation and amortisation	-	-	37	37
Capital additions	-	2	346	348
Segment assets	-	17,383	5,440	22,823
Financial assets	-	866	294	1,160
Cash	101	-	85	186
Consolidated total assets	101	18,249	5,819	24,169
Segment liabilities	-	-	-	-
Trade and other payables	(31)	-	(874)	(905)
Provisions	-	-	(808)	(808)
Consolidated total liabilities	(31)	-	(1,682)	(1,713)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE INTERIM PERIOD ENDED 30 JUNE 2010

2. Segmental analysis (continued)

Year ended 31 December 2009	UK	Cyprus	Spain	Total
	£'000	£'000	£'000	£'000
Operating loss by geographical area				
Revenue	-	-	2,133	2,133
Operating profit/(loss)	(667)	-	562	(105)
Impairment charge	-	(1,670)	-	(1,670)
Share of associates' result	-	(344)	-	(344)
Finance revenue	66	-	-	66
Profit/(loss) before taxation	(601)	(2,014)	562	(2,053)
Other information				
Depreciation and amortisation	-	-	91	91
Capital additions	-	79	1,789	1,868
Segment assets	-	15,499	6,648	22,147
Financial assets	507	189	394	1,090
Cash	26	-	204	230
Consolidated total assets	533	15,688	7,236	23,467
Segment liabilities	-	-	-	-
Trade and other payables	(845)	(5)	(961)	(1,811)
Provisions	-	-	(858)	(858)
Consolidated total liabilities	(845)	(5)	(1,819)	(2,669)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE INTERIM PERIOD ENDED 30 JUNE 2010

3. Earnings per share

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

	Six months to 30 June 2010 (Unaudited)	Six months to 30 June 2009 (Unaudited)	Year ended 31 December 2009 (Audited)
Net loss after taxation (£000's)	(637)	(150)	(2,059)
Weighted average number of ordinary shares used in calculating basic earnings per share (millions)	608.3	608.3	608.3
Weighted average number of ordinary shares used in calculating diluted earnings per share (millions)	624.3	631.5	627.8
Basic loss per share (expressed in pence)	(0.10)	(0.02)	(0.34)
Diluted loss per share (expressed in pence)	(0.10)	(0.02)	(0.34)

4. Called up share capital

The authorised share capital of the Company and the called up and fully paid amounts at 30 June 2010 were as follows:

Authorised	Number of shares	Nominal value £000's
Ordinary shares of 0.05p each	5,000,000,000	2,500
Called up, allotted, issued and fully paid	Number of shares	Nominal value £000's
Incorporation	2	-
17 August 2006 for cash at 0.05p per share	183,999,998	92
8 February 2007 for cash at 0.05p per share	20,000,000	10
16 March 2007 for cash at 3p per share	125,233,361	63
16 March 2007 for cash at 3p per share	500,000	-
24 August 2007 for cash at 6p per share	55,666,666	28
15 November 2007 - non cash to acquire 88.75% of a Spanish project	8,000,000	4
11 December 2007 - non cash for readmission costs	593,793	-
9 June 2008 - non cash for staff incentives	6,333,333	3
27 June 2008 for cash at 8p per share	156,725,000	78
2 July 2008 for cash at 8p per share	19,252,812	10
29 July 2008 for cash at 8p per share	31,750,000	16
16 October 2008 cash at 8p per warrants	200,000	-
As at 30 June 2010	608,254,965	304

During the six months ended 30 June 2010, no shares were issued.

4. Called up share capital (continued)

Total share options in issue

During the 6 months ended 30 June 2010, no options were issued.

As at 30 June 2010, the options in issue were:

Exercise Price	Expiry Date	Options in Issue 30 June 2010
3p	16 March 2012	16,000,000
5p	9 June 2013	16,300,000
		32,300,000

The above 5p options were granted on 9 June 2008 and vest 50% each at the first and second anniversary of the grant date. No options lapsed or were cancelled and no options were exercised during the period ended 30 June 2010.

Total warrants in issue

During the 6 months ended 30 June 2010, no warrants were issued.

As at 30 June 2010, the warrants in issue were:

Exercise Price	Expiry Date	Warrants in Issue 30 June 2010
8p	26 June 2013	78,362,500
8p	1 July 2013	9,426,406
8p	28 July 2013	15,875,000
		103,663,906

No warrants lapsed or were cancelled; or were exercised during the period ended 30 June 2010.

5. Interest in associate and Intangible assets

In January 2010, Leni Investments Byron Ltd, relinquished its 28.94% holding of shares in Byron Energy Ltd, in return for a direct working interest in 16 blocks in the Gulf of Mexico which are controlled by a Joint Operating Agreement between Leed Petroleum Plc, Bryon Energy LLC and LGO. The 16 blocks in the Gulf of Mexico encompass various interests in leases West Cameron, South Marsh Island, Eugene Island, Ship Shoal, Grand Isle and Main Pass (Collectively referred to as "Gulf of Mexico acreage").

The Eugene Island blocks are the first of the interests to be developed in the Gulf of Mexico acreage. The Company maintains a direct working interest of 7.25% in the Eugene Island Blocks 183 and 184 south and a 3.625% direct working interest in Blocks 172 and 184 north (collectively referred to as "Eugene Island Field").

The direct interest in the Eugene Island Field is now held by Leni Gas and Oil US Inc., at a cost of £14.3m, that being the carrying value of the relinquished holding in Byron Energy Ltd, and now classified as oil rights within intangible assets. There was no gain or loss on this transaction.

Other costs associated with this transaction, have been repayment of a loan to Byron Energy Ltd of approximately £0.3m.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE INTERIM PERIOD ENDED 30 JUNE 2010**

6. Tangible assets

Group	Total £ 000's
Cost	
As at 1 January 2010	564
Additions	-
Disposals	-
Currency translation	(56)
As at 30 June 2010	<u>508</u>
Depreciation	
As at 1 January 2010	178
Depreciation	13
Eliminated on disposal	-
As at 30 June 2010	<u>191</u>
<u>Net book value</u>	
As at 30 June 2010	<u>317</u>
As at 31 December 2009	<u>386</u>

7. Post Balance Sheet events

On 20 July 2010, the Company announced that it had raised £1.5 million in a placing to institutional investors of 75 million new ordinary shares of 0.05p each in the Company at 2p per share.

On 27 July 2010, the Company announced that further to an announcement made on 9 June 2008, it had allotted the remaining 12,666,667 Ordinary shares and 16.3 million options required to be issued under the previous advised share and option plan. In addition the Company advised that in relation to the 16.3 million options, the exercise price has been amended from 5p per share to 2.5p per share.

On 2 September 2010 the Company announced that it had raised £0.8 million in a placing to institutional investors of 40 million new ordinary shares of 0.05p each in the Company at 2p per share.

8. The financial information set out above does not constitute the Group's statutory accounts for the period ended 31 December 2009, but is derived from those accounts.

9. A copy of this interim statement is available on the Company's website : www.lenigasandoil.com

CORPORATE INFORMATION

Registered number	05901339
Directors	David Lenigas – Executive Chairman Fraser Pritchard – Operations Director Donald Strang – Finance Director Jeremy Edelman – Executive Director
Company Secretary	Donald Strang
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Auditors	Chapman Davis LLP, 2 Chapel Court, London, SE1 1HH
Solicitors	Kerman & Co LLP, 200 Strand, London, WC2R 1DJ
Nominated Advisor	Beaumont Cornish Limited, 2nd Floor, Bowman House, 29 Wilson Street, London EC2M 2SJ
Broker	Mirabaud Securities Limited, 33 Grosvenor Place London SW1X 7HY
Registrars	Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham Surrey, GU9 7LL
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