

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 2011.

HIGHLIGHTS

FINANCIALS

- Gross profit for period of £353,000 (1H2010 £227,000)
- Pre-tax group loss for period of £808,000 (1H2010 loss of £650,000) mainly attributable to charges of £940,000 for group administration expenses and £142,000 relating to amortisation charges

OPERATIONS

- Focus on consolidating production operations in Spain and new business development activities in Trinidad
- An extensive well intervention campaign was conducted at the Ayoluengo Field in Spain resulting in over 100% increase in production.
- Production in Spain during the reporting period averaged 116 bopd, equivalent to 188 bopd when adjusted for downtime associated with the well intervention programme
- After a brief interruption the Eugene Island Field in the Gulf of Mexico was returned to full production following the sale by Leed Production plc of the assets to Marlin Energy LLC and the transfer of operatorship
- Production from Icacos in Trinidad has been maintained at 2010 levels through a series of minor work-overs
- A high level of safety was maintained on all operated activity

COMMERCIAL

- A farm-in agreement was signed with Advance Oil in Trinidad under which LGO will be assigned operatorship and will drill three exploration and up to six appraisal/development wells
- LGO has acquired the petroleum rights to additional leases on the Cedros Peninsula in Trinidad surrounding the Company owned Icacos Field
- Steve Horton and Garry Stoker have joined the Company as non-executive director and Chief Operating Officer respectively, significantly increasing the experience and capability of the Board and Senior Management
- Arrangements have been put in place with Saint Gobain to lift all LGO's Spanish fuel oil production until sales through the BP Espana contract can be initiated
- An extension to the Malta Area 4 PSC has been agreed which extends the deadline for drilling of the first exploration well until 2013

TARGETS TO END 2011

- Further well stimulations on Ayoluengo wells are planned to continue to raise daily production levels
- A major new business development effort is underway in Trinidad with a target of significantly increasing LGO's footprint by end year
- The Company plans to conclude discussions with various interested parties as potential partners in the Enhanced Oil Recovery project at Ayoluengo

NOTES

All figures are net LGO unless otherwise stated

David Lenigas, Executive Chairman, commented: I am pleased to report that all the Company's operations have generated revenue in the period and we have been able to make a significant investment in production enhancement at the Ayoluengo Field. The senior management has been greatly strengthened and we are now focussed on capitalising on our early mover advantages onshore in Trinidad where we have established a strong technical and commercial presence over the last three years. We anticipate closing the year with a significantly enhanced portfolio in Trinidad and a secure growth profile for our production assets in Spain.

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OPERATIONS REVIEW

During the reporting period, the Company has focussed its operational and management resources on consolidating its production operations in Spain and new business development activities in Trinidad.

Spain

During the first quarter planning and contract tendering were concluded for a well intervention programme on the Ayoluengo and Hontomin Fields in Northern Spain. Wireline and drilling services were mobilised to the field in late April and over a period of three months eight Ayoluengo wells were worked-over (Ayo-4, 5, 22, 32, 36, 37, 46 and 50) and further work was also conducted at the satellite well; Hontomin-2.

Following the main phase of interventions, which involved wireline logging, fluid sampling, perforating and re-perforating, all wells except Ayo-22 and 50 were returned to production by late August. Well Ayo-22 is a contingent fuel gas production well and will be completed when needed. The casing in well Ayo-50 was found to lack sufficient integrity for immediate recompletion and the well was re-suspended. Production increased to over 300 bopd in July. Hontomin-2 was brought back on production in late July and has been producing an average of 180 bfpd with a high water cut (average 90%) and further studies are being undertaken to enhance oil production performance.

Production in Spain during the reporting period averaged 116 bopd, including two months when many of the wells were off-line for work-over. When allowance is made for the downtime the equivalent daily rate for the six months is 188 bopd. Oil production is being sold under a contract with a local industrial user as fuel oil pending activation of the oil sales contract with BP Espana in due course.

Results from the logging and sample taking during the well interventions are being incorporated into the Company's plans and well stimulations to remove and control both wax and scale are being planned.

Discussions have continued with Praxair Inc as previously announced in 2010 to act as a partner in the proposed EOR pilot and eventual production scheme. Discussions have also been initiated with other potential partners with a view to defining a joint approach to the longer-term EOR potential.

Trinidad

Production from the Company's 50% owned Icacos Field has been maintained at an average rate of 34 bopd during the reporting period and discussions have been held with Touchstone Exploration Inc who has acquired the balance of interests in the field through their corporate purchase of Primera.

In late May LGO acquired additional land leases in the vicinity of Icacos and the Company plans to apply for a private petroleum licence to explore these additional prospective areas for both the existing producing Upper Cruse reservoirs and also deeper, so far unexplored, but regionally significant Lower Cruse and Herrera formation reservoirs.

LGO have also signed the Heads of Terms for farm-in with Advance Oil to explore in their North Moruga leases with the drilling of three new exploration wells and up to six appraisal or development wells. The definitive farm-in agreements and approval of the Ministry are currently being finalised. The location first well is yet to be finally agreed, however, subject to Ministry approval drilling is expected to commence in early 2012.

Gulf of Mexico

During the first 6 months of 2011 the Eugene Island-184 platform and field were shut in for 2 months while Lead Petroleum plc executed the sale all their Gulf of Mexico assets to Marlin Energy LLC. Production was restarted in June and has been maintained at levels similar to and slightly above those prior to the shutdown.

Malta

The initial exploration period of the Area 4 PSC, in which LGO holds a 10% interest, was extended by the Maltese Resource Authority in June to allow the PSC partners to acquire a further 1000 sq km 3D seismic survey prior to committing to the drilling of a well by January 2013. A seismic vessel will be contracted in Autumn 2011 in order to perform the work in an area already identified to be prospective adjacent to the Libyan border.

Neil Ritson

Chief Executive Officer

15 September 2011

Competent Person's statement:

The information contained in this document has been reviewed and approved by Neil Ritson, Executive Director for Leni Gas & Oil Plc. Mr Ritson is a member of the SPE and Fellow of the Geological Society, an Active Member of the American Association of Petroleum Geologists and has 35 years relevant experience in the oil industry.

GLOSSARY & NOTES

3D = three-dimensional

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

bfpd = barrel of fluid per day

EOR = enhanced oil recovery

GoM = US Gulf of Mexico

HSE = Health Safety and Environment

m = thousand

mm = million

mmscf = million standard cubic feet of gas per day

mmscfd = mmscf per day

PSC = Production Sharing Contract

sq km = square kilometres

FINANCIAL STATEMENTS

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 30 JUNE 2011

	Notes	Six months to 30 June 2011 (Unaudited) £ 000's	Six months to 30 June 2010 (Unaudited) £ 000's	Year ended 31 December 2010 (Audited) £ 000's
Revenue		1,509	1,251	2,264
Cost of Sales		(1,156)	(1,024)	(1,741)
Gross profit		353	227	523
Administrative expenses		(940)	(575)	(1,473)
Amortisation and depreciation		(142)	(22)	(1,843)
Share based payments		(82)	(280)	(610)
Loss from operations		(811)	(650)	(3,403)
Impairment charge		-	-	(6,904)
Finance revenue		3	13	15
Loss before taxation		(808)	(637)	(10,292)
Income tax expense		-	-	5
Loss for the period		(808)	(637)	(10,287)
Other comprehensive income				
Exchange differences on translation of foreign operations		145	(361)	(113)
Other comprehensive income for the period net of taxation		145	(361)	(113)
Total comprehensive income for the period attributable to equity holders of the parent		(663)	(998)	(10,400)
Loss per share (pence)				
Basic	3	(0.09)	(0.10)	(1.51)
Diluted	3	(0.09)	(0.10)	(1.51)

**GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Notes	As at 30 June 2011 (Unaudited) £ 000's	As at 30 June 2010 (Unaudited) £ 000's	As at 31 December 2010 (Audited) £ 000's
Assets				
Non-current assets				
Property, plant and equipment	6	291	317	303
Intangible assets	5	17,768	22,227	15,125
Total non-current assets		18,059	22,544	15,428
Current assets				
Inventories		102	34	96
Trade and other receivables		933	583	446
Cash and cash equivalents		1,033	176	3,852
Total current assets		2,068	793	4,394
Total Assets		20,127	23,337	19,822
Liabilities				
Current liabilities				
Trade and other payables		(1,401)	(2,725)	(555)
Total current liabilities		(1,401)	(2,725)	(555)
Non-current liabilities				
Provisions	2	(857)	(772)	(817)
Total non-current liabilities		(857)	(772)	(817)
Total Liabilities		(2,258)	(3,497)	(1,372)
NET ASSETS		17,869	19,840	18,450
Shareholders' equity				
Called-up share capital	4	460	304	460
Share premium		30,192	22,663	30,192
Share based payments reserve		912	503	830
Retained earnings		(14,070)	(3,612)	(13,262)
Foreign exchange reserve		375	(18)	230
Total equity attributable to equity holders of the parent		17,869	19,840	18,450
Minority interest		-	-	-
TOTAL EQUITY		17,869	19,840	18,450

**GROUP STATEMENT OF CASH FLOW
FOR THE INTERIM PERIOD ENDED 30 JUNE 2011**

	Six months to 30 June 2011 (Unaudited) £ 000's	Six months to 30 June 2010 (Unaudited) £ 000's	Year ended 31 December 2010 (Audited) £ 000's
Cash outflow from operating activities			
Operating (loss)	(811)	(650)	(3,403)
(Increase)/decrease in trade and other receivables	(487)	339	476
Increase/(decrease) in trade and other payables	846	1,367	(803)
(Increase)/ decrease in inventories	(6)	134	72
Depreciation	34	13	66
Amortisation	108	9	1,777
Share based payments	82	40	610
Income tax received	-	-	6
Net cash (outflow)/inflow from operating activities	(234)	1,252	(1,499)
Cash flows from investing activities			
Interest received	3	13	15
Payments to acquire intangible assets	(2,714)	(667)	(1,978)
Payments to acquire tangible assets	(9)	-	-
Net cash (outflow)/inflow from investing activities	(2,720)	(654)	(1,963)
Cash flows from financing activities			
Issue of ordinary share capital	-	-	7,801
Share issue costs	-	-	(359)
(Repayment) of borrowings	-	(453)	(453)
Net cash (outflow)/inflow from financing activities	-	(453)	6,989
Net (decrease)/increase in cash and cash equivalents	(2,954)	(145)	3,527
Foreign exchange differences on translation	135	91	95
Cash and cash equivalents at beginning of period	3,852	230	230
Cash and cash equivalents at end of period	1,033	176	3,852

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD ENDED 30 JUNE 2011**

	Called up share capital	Share premium reserve	Share based payments reserve	Retained earnings	Foreign exchange reserve	Total Equity
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Group						
As at 31 December 2009	304	22,663	463	(2,975)	343	20,798
Loss for the year	-	-	-	(10,287)	-	(10,287)
Currency translation differences	-	-	-	-	(113)	(113)
Total comprehensive income	-	-	-	(10,287)	(113)	(10,400)
Share capital issued	156	7,888	-	-	-	8,044
Cost of share issue	-	(359)	-	-	-	(359)
Share based payments	-	-	367	-	-	367
As at 31 December 2010	460	30,192	830	(13,262)	230	18,450
Loss for the period	-	-	-	(808)	-	(808)
Currency translation differences	-	-	-	-	145	145
Total comprehensive income	-	-	-	(808)	145	(663)
Share based payments	-	-	82	-	-	82
As at 30 June 2011	460	30,192	912	(14,070)	375	17,869

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 2011 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 2010. The figures for the period ended 31 December 2010 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 15 September 2011.

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
FOR THE INTERIM PERIOD ENDED 30 JUNE 2011

2. Segmental analysis

Six months 1 January 2011 to 30 June 2011	Corporate UK	Holding Cyprus	Operating Spain	Operating Trinidad	Operating US	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Operating loss by geographical area						
Revenue	-	-	1,204	178	127	1,509
Operating (loss)	(527)	(11)	(193)	7	(87)	(811)
Impairment charge	-	-	-	-	-	-
Finance revenue	3	-	-	-	-	3
Profit/(loss) before taxation	(524)	(11)	(193)	7	(87)	(808)
Other information						
Depreciation and amortisation	-	-	80	-	62	142
Capital additions	9	-	2,714	-	-	2,723
Segment assets						
Financial assets	42	1,498	11,140	56	6,358	19,094
Cash	754	-	31	154	94	1,033
Consolidated total assets	796	1,498	11,171	210	6,452	20,127
Segment liabilities						
Trade and other payables	(118)	-	(1,247)	(36)	-	(1,401)
Provisions	-	-	(857)	-	-	(857)
Consolidated total liabilities	(118)	-	(2,104)	(36)	-	(2,258)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2011**

Six months 1 January 2010 to 30 June 2010	Corporate UK	Holding Cyprus	Operating Spain	Operating Trinidad	Operating US	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Operating loss by geographical area						
Revenue	-	-	825	-	426	1,251
Operating profit/(loss)	(538)	-	(314)	-	202	(650)
Impairment charge	-	-	-	-	-	-
Finance revenue	13	-	-	-	-	13
Profit/(loss) before taxation	(525)	-	(314)	-	202	(637)
Other information						
Depreciation and amortisation	-	-	22	-	-	22
Capital additions	-	-	302	-	365	667
Segment assets	-	1,436	6,670	-	14,438	22,544
Financial assets	43	149	317	-	108	617
Cash	3	-	39	-	134	176
Consolidated total assets	46	1,585	7,026	-	14,680	23,337
Segment liabilities						
Trade and other payables	(1,275)	-	(1,360)	-	(90)	(2,725)
Provisions	-	-	(772)	-	-	(772)
Consolidated total liabilities	(1,275)	-	(2,132)	-	(90)	(3,497)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2011

2. Segmental analysis (continued)

Year ended 31 December 2010	Corporate UK £'000	Holding Cyprus £'000	Operating Spain £'000	Operating Trinidad £'000	Operating US £'000	Total £'000
Operating loss by geographical area						
Revenue	-	-	1,396	-	868	2,264
Operating (loss)	(1,315)	(18)	(626)	(20)	(1,424)	(3,403)
Impairment charge	-	-	-	-	(6,904)	(6,904)
Finance revenue	15	-	-	-	-	15
Profit/(loss) before taxation	(1,300)	(18)	(626)	(20)	(8,328)	(10,292)
Other information						
Depreciation and amortisation	-	-	162	-	1,681	1,843
Capital additions	-	62	1,793	-	15,253	17,108
Segment assets	-	1,498	7,450	-	6,177	15,125
Financial assets	22	76	644	-	103	845
Cash	3,744	-	22	53	33	3,852
Consolidated total assets	3,766	1,574	8,116	53	6,313	19,822
Segment liabilities	-	-	-	-	-	-
Trade and other payables	(297)	-	(233)	(1)	(24)	(555)
Provisions	-	-	(817)	-	-	(817)
Consolidated total liabilities	(297)	-	(1,050)	(1)	(24)	(1,372)

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 2011 (Unaudited)	Six months to 30 June 2010 (Unaudited)	Year ended 31 December 2010 (Audited)
Net loss after taxation (£000's)	(808)	(637)	(10,287)
Weighted average number of ordinary shares used in calculating basic earnings per share (millions)	919.3	608.3	683.2
Weighted average number of ordinary shares used in calculating diluted earnings per share (millions)	1,087.3	624.3	822.1
Basic loss per share (expressed in pence)	(0.09)	(0.10)	(1.51)
Diluted loss per share (expressed in pence)	(0.09)	(0.10)	(1.51)

4. Called up share capital

The called up and fully paid share capital of the Company at 30 June 2011 is as follows:

Called up, allotted, issued and fully paid share capital	Number of shares	Nominal value (£000's)
As at 1 January 2010	608,254,965	304
20 July 2010 cash at 2p per share	75,000,000	38
27 July 2010 non cash for staff incentives	12,666,667	6
2 September 2010 cash at 2p per share	40,000,000	20
16 November 2010 cash at 3p per share	183,333,333	92
As at 31 December 2010	919,254,965	460
No shares issued in the period	-	-
As at 30 June 2011	919,254,965	460

During the period no shares were issued.

Total share options in issue

During the 6 months ended 30 June 2011, 20 million options were issued.

As at 30 June 2011, 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
3p	18 November 2013	10,000,000
4p	18 November 2013	5,000,000
5p	18 November 2013	5,000,000
6p	18 November 2013	5,000,000
5p	31 January 2014	5,000,000
3p	03 May 2014	5,000,000
4p	03 May 2014	3,500,000
5p	03 May 2014	3,500,000
6p	03 May 2014	3,000,000
		77,300,000

No options lapsed or were cancelled and no options were exercised during the period ended 30 June 2011.

Total warrants in issue

During the 6 months ended 30 June 2011, no warrants were issued.

As at 30 June 2011, 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 30 June 2011.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2011

5. Intangible assets

Group	£ 000's
<u>Cost</u>	
As at 1 January 2011	23,785
Additions	2,714
Disposal	-
Foreign exchange difference on translation	(259)
As at 30 June 2011	26,240
<u>Amortisation</u>	
As at 1 January 2011	(8,660)
Amortisation	(108)
Disposal	-
Impairment charge	-
Foreign exchange difference on translation	296
As at 30 June 2011	(8,472)
<u>Net book value</u>	
As at 30 June 2011	17,768
As at 31 December 2010	15,125
The net book value is analysed as follows:	
Oil and gas properties	15,423
Deferred exploration expenditure	1,498
Decommissioning costs	847
	17,768

6. Tangible assets

Group	Total £ 000's
Cost	
As at 1 January 2011	538
Additions	9
Disposals	-
Foreign exchange difference on translation	25
As at 30 June 2011	572
Depreciation	
As at 1 January 2011	(235)
Depreciation	(34)
Eliminated on disposal	-
Foreign exchange difference on translation	(12)
As at 30 June 2011	(281)
<u>Net book value</u>	
As at 30 June 2011	291
As at 31 December 2010	303

7. Post Balance Sheet events

On 15 July 2011 the Company announced that, with immediate effect, it has appointed Shore Capital Stockbrokers Limited ("Shore Capital") as joint broker to the Company.

On 25 July 2011 the Company announced an agreement to farm-in to the Advance Oil Company (Trinidad) Limited North Moruga area leases. LGO plans to work-over existing producing wells and drill up to nine (9) new wells on the leases.

8. The financial information set out above does not constitute the Group's statutory accounts for the period ended 31 December 2010, 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 Neil Ritson – Chief Executive Officer Donald Strang – Finance Director Steve Horton – Non Executive Director
Company Secretary	Donald Strang
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Solicitors	Kerman & Co LLP, 200 Strand, London, WC2R 1DJ
Nominated Advisor and Joint Broker	Beaumont Cornish Limited, 2nd Floor, Bowman House, 29 Wilson Street, London, EC2M 2SJ
Joint Broker	Panmure Gordon & Co. plc 155 Moorgate London, EC2M 6XB
Joint Broker	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
Registrars	Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham Surrey, GU9 7LL
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