

28 September 2023



**Borders & Southern Petroleum plc**  
("Borders & Southern" or "the Company")

**Unaudited Results for the six-month period ended 30 June 2023**

Borders & Southern Petroleum plc (AIM: BOR) announces its unaudited half year financial statements for the six months to 30 June 2023. The accounts contained within this report represent the consolidation of Borders & Southern Petroleum plc and its subsidiary, Borders & Southern Falkland Islands Limited.

**Highlights**

- Operating loss for the period was \$558,000 (2022: \$857,000)
- Cash balance on 30 June 2023 was \$2.4 million (30 June 2022: \$1.2 million)

An updated investor presentation will be uploaded to the Company's website.

For further information, please visit [www.bordersandsouthern.com](http://www.bordersandsouthern.com) or contact:

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**Notes to Editors:**

Borders & Southern Petroleum plc (AIM: BOR) is an oil & gas exploration company listed on the AIM Market of the London Stock Exchange. The Company operates and has a 100% interest in three Production Licences in the South Falkland Basin covering an area of nearly 10,000 square kilometres. The Company has acquired 2,517 square kilometres of 3D seismic and drilled two exploration wells, making a significant gas condensate discovery with its first well.

## **Chief Executive's Statement**

The Company incurred a loss from operations for the six-month period up to 30 June 2023 of \$0.55 million (30 June 2022: \$0.857 million). The Company's cash balance as of 30 June 2023 was \$2.4 million (30 June 2022: \$1.2 million). The cash balance reflects the funds raised through a conditional Placing and Subscription Agreement, initiated in the last quarter of 2022, and approved by shareholders at a General Meeting in January 2023. Most of these funds are held in a sterling treasury account. The Company continues to be debt-free.

Global oil and gas prices have remained resilient throughout the year. Brent crude has been trading within the range \$70-\$90, and there are no obvious signs that it will weaken in the immediate future.

As reported earlier in the year, the Company has been sharing details of its technical and commercial work with potential industry collaborators. This work highlights that, following successful appraisal test results, a phased development of the Darwin gas condensate discovery in the South Falkland Basin would be economically attractive. This activity continues.

The Company's current project work is focused on technical and commercial sensitivities associated with its initial three well, phased development scheme for Darwin. This includes assessing variations in production volumes that could allow us to take advantage of FPSO vessels that are available for redeployment. All our efforts continue to be focused on reducing project risks, shortening cycle time, and advancing Darwin's monetisation.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		<b>6 months ended 30 June 2023 (unaudited) \$000</b>	6 months ended 30 June 2022 (unaudited) \$000	12 months ended 31 Dec 2022 (audited) \$000
Administrative expenses		<b>(603)</b>	(747)	(1,229)
<b>LOSS FROM OPERATIONS</b>		<b>(603)</b>	(747)	(1,229)
Finance income	3	<b>45</b>	-	(172)
Finance costs	3	<b>-</b>	(110)	42
<b>LOSS BEFORE TAX</b>		<b>(558)</b>	(857)	(1,359)
Tax expense		<b>-</b>	-	-
<b>LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT</b>		<b>(558)</b>	(857)	(1,359)
Loss per share – basic and diluted	2	<b>(0.08) cents</b>	(0.15) cents	(0.26) cents

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	At 30 June 2023 (unaudited) \$000	At 30 June 2022 (unaudited) \$000	At 31 December 2022 (audited) \$000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	9	-
Intangible assets	293,378	293,064	293,244
<b>Total non-current assets</b>	<b>293,385</b>	<b>293,073</b>	<b>293,244</b>
<b>CURRENT ASSETS</b>			
Other receivables	494	383	576
Cash and cash equivalents	2,410	1,207	2,707
<b>TOTAL CURRENT ASSETS</b>	<b>2,904</b>	<b>1,590</b>	<b>3,283</b>
<b>TOTAL ASSETS</b>	<b>296,289</b>	<b>294,663</b>	<b>296,527</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(105)	(287)	(565)
<b>TOTAL LIABILITIES</b>	<b>(105)</b>	<b>(287)</b>	<b>(565)</b>
<b>TOTAL NET ASSETS</b>	<b>296,184</b>	<b>294,376</b>	<b>295,962</b>
<b>EQUITY</b>			
Share capital	11,160	9,833	10,718
Share premium	310,527	308,993	310,195
Other reserve	1,788	1,778	1,778
Retained deficit	(27,271)	(26,212)	(26,713)
Foreign currency reserve	(20)	(16)	(16)
<b>TOTAL EQUITY</b>	<b>296,184</b>	<b>294,376</b>	<b>295,962</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Share capital	Share premium	Other reserve	Retained Deficit	Foreign currency reserve	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Unaudited</b>						
Balance at 1 January 2023	10,718	310,195	1,778	(26,713)	(16)	295,962
Total comprehensive loss for the period	-	-	-	(558)	(4)	(562)
Issue of shares	442	332	10	-	-	784
Balance at 30 June 2023	<u>11,160</u>	<u>310,527</u>	<u>1,788</u>	<u>(27,271)</u>	<u>(20)</u>	<u>296,184</u>
<b>Unaudited</b>						
Balance at 1 January 2022	8,530	308,602	1,778	(25,355)	(16)	294,561
Total comprehensive loss for the period	-	-	-	(857)	-	(446)
Share Placement	1,303	391				1,693
Balance at 30 June 2022	<u>9,832</u>	<u>308,993</u>	<u>1,778</u>	<u>(26,213)</u>	<u>(16)</u>	<u>294,376</u>
<b>Audited</b>						
Balance at 1 January 2022	8,530	308,602	1,778	(25,354)	(16)	293,540
Total comprehensive loss for the year	-	-	-	(1,359)	-	(1,359)
Share Issue	2,188	1,593	-	-	-	3,781
Balance at 31 December 2022	<u>10,718</u>	<u>310,195</u>	<u>1,778</u>	<u>(26,713)</u>	<u>(16)</u>	<u>295,962</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	6 months ended 30 June 2023 (unaudited) \$	6 months ended 30 June 2022 (unaudited) \$	12 months ended 31 December 2022 (audited) \$
<b>Cash flow from operating activities</b>			
<b>Loss before tax</b>	(558)	(857)	(1,359)
Adjustments for:			
Depreciation	-	13	22
Finance costs	-	110	172
<b>Cash flows used in operating activities</b>	<b>(558)</b>	<b>(734)</b>	<b>(1,165)</b>
Decrease/ (increase) in trade and other receivables	82	(200)	(393)
(Decrease)/ increase in trade and other payables	(460)	161	452
<b>Net cash outflow from operating activities</b>	<b>(936)</b>	<b>(773)</b>	<b>(1,106)</b>
<b>Cash flows used in investing activities</b>			
Purchase of tangibles fixed assets	(7)	-	-
Purchase of intangible fixed assets	(134)	(318)	(498)
<b>Net cash used in investing activities</b>	<b>(141)</b>	<b>(318)</b>	<b>(498)</b>
<b>Cash flows from financing activities</b>			
Lease payments	-	(110)	(13)
Share issue	784	1,693	3,781
<b>Net cash generated from financing activities</b>	<b>784</b>	<b>1,583</b>	<b>3,768</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(293)</b>	<b>492</b>	<b>2,164</b>
Cash, cash equivalents and restricted use cash at the beginning of the period	2,707	714	714
Exchange gains on cash and cash equivalents	(4)	1	(172)
Cash, cash equivalents and restricted use cash at the end of the period	<b>2,410</b>	<b>1,207</b>	<b>2,707</b>

## NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared using the recognition and measurement principles of International Accounting Standards, International Reporting Standards and Interpretations as applied in accordance with the provisions of the Companies Act 2006. The Group has not elected to comply with IAS 34 "Interim Financial Reporting" as permitted. The principal accounting policies used in preparing the interim financial statements are unchanged from those disclosed in the Group's Annual Report for the year ended 31 December 2022 and are expected to be consistent with those policies that will be in effect at the year end.

The condensed financial statements for the six months ended 30 June 2023 and 30 June 2022 are unreviewed and unaudited. The comparative financial information does not constitute statutory financial statements as defined by Section 435 of the Companies Act 2006. The comparative financial information for the year ended 31 December 2022 is not the company's full statutory accounts for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did include references to any matters to which the auditors drew attention by way of emphasis relating to going concern without qualifying their report and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

For the six-month reporting period up until 30 June 2023, Borders & Southern had a loss from operations of \$558,000 (a loss for the same period in 2022 was \$857,000). Administrative expenses were \$603,000 (2022: \$747,000). The cash balance at the 30 June 2023 was \$2.41 million compared with a balance of \$1.20 million at 30 June 2022. The Company has no debt.

### 2. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. Diluted loss per share is not stated as the result would be ant-dilutive given the loss in the period.

	<b>Loss after tax for the period \$000</b>	<b>Weighted average number of shares</b>	<b>Loss per share (cents)</b>
<b>Basic and diluted</b>			
<b>Six months ended 30 June 2023 (unaudited)</b>	<b>(558)</b>	<b>730,814,138</b>	<b>(0.08)</b>
Six months ended 30 June 2022 (unaudited)	(857)	587,957,318	(0.15)
Twelve months ended 31 December 2022 (audited)	(1,359)	596,766,841	(0.26)

### 3. FINANCE INCOME AND COSTS

	<b>6 months ended 30 June 2023 \$000</b>	<b>6 months ended 30 June 2022 \$000</b>	<b>12 months ended 31 December 2022 \$000</b>
<b>Finance Income</b>			
Bank interest receivable	9	-	-
Foreign exchange gain	36	-	(172)
<b>Finance costs</b>			
Foreign exchange loss	-	(110)	-
Interest on leased assets	-	-	-
	<b>45</b>	<b>(110)</b>	<b>(172)</b>

### 4. GOING CONCERN

The Company regularly assesses its liquidity and available funds to ensure that it has sufficient funds available to cover costs for at least the following 12 months. This remained the case at 30 June 2023.

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