



## **Interim Results**

For The Six Months  
Ended 30 June, 2010

# Oracle Coalfields PLC

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Mr A C R Scutt  
Mr M R Stead

**SECRETARY:** Mr E Taylor

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## Highlights

- Placing raised £1,041,690 (gross)
- Work programme continues to make progress on the Bankable Feasibility Study (BFS), including the Environmental & Social Impact Assessment (ESIA) on the Block VI licence

## Chairman's Statement

I am pleased to report that the Company continues to make progress towards meeting its objective of delivering a cost-effective coal mine, combined with power generation, on the Block VI coal deposit in the Thar Coalfield of Southern Pakistan.

During the period the Company raised just over £1 million (gross) which will provide additional working capital for the business in respect of the Bankable Feasibility Study (BFS) on our flagship project in Block VI. The Placing was coordinated by Libertas Capital Corporate Finance Limited, a private investment banking partnership with head office in London.

The net proceeds of the funds raised will allow the company to complete the work program on site which includes hydrogeology and geotechnical studies, sub-

crop drilling and appointment of additional consultants of international repute to oversee the completion of the BFS.

The project continues to attract the official support of the Pakistan government with assistance provided by the Coal & Energy Development Department (formerly Mines & Mineral Development Department), Government of Sindh and Thar Coal Energy Board in the Sindh Province. The Sindh government is giving active consideration to a canal link to provide additional water to the Thar Coalfield project area as well as to railway links, upgrading of electricity transmission lines, roads and airport. As in the past, all infrastructure investment is continuing to be undertaken by government funding.

The relationship with Karachi Electric Supply Company (KESC) and Lucky Cement Limited remains sound and both local companies are eager to see the completion of the coal feasibility study to enter joint- development agreement and coal supply agreements respectively. There has been good level of information sharing between Oracle and KESC for the purpose of the BFS.

During the half-year, Oracle has investigated other possible industrial uses for Thar coal, in addition to power generation and in the domestic cement industry. With new technologies being developed outside Pakistan to

## International Coal Market in first half of the year

convert lignite coal into more valuable end products, the Company intends to monitor closely these initiatives for possible future applications in Pakistan.

Since the beginning of 2010, thermal coal prices have traded averaging US\$75/tonne, a price level which compares to 2009 when an average price of US\$60/tonne was more typical. According to various international reports, coal prices are expected to remain on course for further increases due to demand and in some cases have reached US\$100/tonne. Overall, global coal consumption remains high and is an important commodity in the world's energy mix for power generation. Coal's share of world energy consumption rose to 29.4% with China remaining a major consumer of coal.

As stated in our previous commentaries, the Company will not be directly affected by changes in the international spot market price for coal as our production will be confined to local market consumption.

## Financials

The financial results of Oracle for the first six months interim period ending 30th June 2010 show a loss after taxation of £79,549 (2009: £122,235). At the period end, the Group had cash at bank and in hand of £977,913 and total assets less current liabilities of £1,387,206. The basic loss per share was 0.0648p (2009: loss 0.1031p). The loss is attributable to the development of the Company's coal licences in Pakistan and administrative expenses.

## Outlook

The Board is pleased that the Block VI, Thar coal project Bankable Feasibility Study (BFS) is underway with various site studies and drilling already actively in progress. The objective is to de-risk the project guided by international principles and standards. The Company has appointed international consultants with experience in developing coal mine operations of this nature to ensure that the coal feasibility study is of highest quality and to prepare the Company for the larger fund raise to bring the coal mine to production.

The half-year has seen a better environment for fund raising in the resources sector compared to 2009 and signs are that the market appetite is returning. Overall,

the resources sector could see a revival in the development of projects globally. This, however, depends on the demand for commodities driven by the emerging economies, such as China and India, and on general market sentiment driven by the economies of the industrialised nations, particularly USA.

In Pakistan, the political environment has been mixed, creating uncertainty in terms of the country's direction which is hindering economic growth. Added to this, the shortage of electricity is increasingly hampering industrial production and exports. The security situation in the country remains fragile, particularly in the northern part of Pakistan, however, following the army offensive in 2009, parts of the northern areas have become more stable once under army control. In spite of the current flooding tragedy affecting wide areas of the country the Company has been unaffected in maintaining its work programme and has been continuing to steadfastly progress on the BFS.

Finally, the Board is grateful for the patience our shareholders have shown in supporting our management team in the realisation of our objectives during this period. We also extend our thanks to the Coal & Energy Development Department, Government of Sindh, and the Sindh Coal Authority for their continuing valuable assistance.

We will continue to update the market on our progress.

A handwritten signature in black ink, appearing to read 'Shahrukh Khan', with a horizontal line and three dots underneath.

Shahrukh Khan  
Chairman

## **ENQUIRIES:**

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**UNAUDITED RESULTS FOR THE 6 MONTHS TO 30 JUNE 2010**  
**INCOME STATEMENT**

	6 MONTHS TO 30/06/2010 £	6 MONTHS TO 30/06/2009 £
CONTINUING OPERATIONS		
Revenue	-	-
Administrative expenses	(79,846)	(122,759)
	<hr/>	<hr/>
OPERATING LOSS	(122,759)	(122,759)
Finance costs	(11)	-
Finance income	308	524
	<hr/>	<hr/>
LOSS BEFORE TAX	(79,549)	(122,235)
Taxation	-	-
	<hr/>	<hr/>
LOSS FOR THE PERIOD	(79,549)	(122,235)
	<hr/>	<hr/>
Basic loss per share	(0.0648p)	(0.1031p)
Diluted loss per share	(0.0536p)	(0.0844p)

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	AT 30/06/2010	AT 30/06/2009
	£	£
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	506,967	473,442
Property, plant and equipment	2,903	3,455
Loans and other financial instruments	64,292	63,189
	<hr/>	<hr/>
	574,162	540,086
	<hr/>	<hr/>
CURRENT ASSETS		
Trade and other receivables	12,508	29,640
Cash and cash equivalents	977,913	108,337
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	990,421	137,977
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TOTAL ASSETS	1,564,583	678,063
	<hr/>	<hr/>
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	162,916	122,360
Share premium	2,194,232	1,309,043
Translation reserve	13,073	-
Retained earnings	(999,044)	(800,293)
	<hr/>	<hr/>
	1,371,177	631,110
Non-controlling interests	16,029	16,029
	<hr/>	<hr/>
TOTAL EQUITY	1,387,206	647,139
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LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	108,977	30,924
Financial liabilities - borrowings		
Non-interest bearing loans & borrowings	68,400	
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## Notes

1. The financial information for the period ended 30 June 2010 has not been audited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. It has however been subject to a review by the company's auditors.

2. Basic loss per share has been calculated using the weighted average number of shares of 122,807,804 (2009 - 118,593,406). Diluted loss per share has been calculated using the weighted average number of shares of 148,311,396 (2009 - 144,835,460).

