

ORACLE POWER PLC
("Oracle" or the "Company" or the "Group")

UNAUDITED INTERIM RESULTS FOR THE 6 MONTHS TO 30 JUNE 2018

Oracle Power PLC (AIM:ORCP), the UK energy developer of a combined lignite coal mine and mine mouth power plant located in the Thar desert in the south-eastern Sindh Province of Pakistan, today announces its unaudited interim results for the six months ended 30 June 2018.

Highlights

- "Letter of Intent" conditionally issued by Private Power Infrastructure Board;
- Successful equity raises;
- Continued work with our Chinese partners under the MOU;
- Orderly transition of power in Pakistan, following their general election;
- Board changes.

CHAIRMAN'S STATEMENT FOR THE 6 MONTHS TO 30 JUNE 2018

Chairman's Statement

I am pleased to present the Company's results for the six months ended 30 June 2018.

Board Changes

May I first pay tribute to my predecessor as Chairman Mr Anthony Scutt, who stood down as Chairman in February, and from whom I then took over as Chairman. Regretfully he was not reelected as a Director at the Annual General Meeting in June. He has served the Company since 2006. My Board colleagues and I are profoundly appreciative of his invaluable contribution to the development of Oracle over this time. I am pleased to advise that he has agreed to continue to serve us in the role of a consultant. We are now actively looking to appoint additional non-executive directors.

Operational Update

On 12 February 2018, the Company announced that the Private Power Infrastructure Board ("PPIB") approved the issue of Notice to Proceed ("NTP") and Letter of Intent ("LOI") to the Company's subsidiary Thar Electricity (Private) Limited, subject to an increase in size of the power plant (from 660 MW to 700 MW) being approved within the China Pakistan Economic Corridor ("CPEC").

Once the PPIB have formally issued the NTP and LOI, we will put in place a Performance Bond for US\$700,000. We then have formal approval to build, own and operate the 700MW power plant. We expect to then:

- Require a full EPC and O&M (for 30 years operation) proposal from our Chinese partners for this;
- Submit an Electricity Tariff Petition to the National Electricity Pricing Regulatory Authority ("NEPRA") under the Upfront Tariff Regulations July 2017;
- Complete the Environmental and Social Impact Assessment approval process for the power plant, so that the Sindh Environmental Protection Agency can issue a No Objection Certificate, a requirement of the tariff approval process.

We will then apply for a Generation Licence from NEPRA and also apply to the Energy Department Government of Sindh to enter into a Water Use Agreement for a water supply into Block VI.

A Coal Price Petition will also need to be submitted to the Thar Coal and Energy Board for an EPC stage Coal Tariff.

As foreseen in the Memorandum of Understanding (“MOU”) signed in November 2017 with Chinese state-owned enterprises, Sichuan Provincial Investment Group Company Limited and PowerChina International Group Limited, the parties to the MOU are actively proceeding with financial, legal and commercial due diligence. On successful conclusion of this work, the parties will move forward to the second phase of the project, in particular the drawing up the definitive agreements and work towards Financial Close. Our Chinese partners are expected to arrange the finance with Sinosure and Chinese banks once all the approvals, permits and tariffs are in place.

Other activity will include a Land Ownership Survey in Block VI so that the formal acquisition of land can be completed soon after Financial Close. Also we will agree with our Chinese partners on any further technical work to be carried out before Financial Close, e.g. additional hydrology and geological drilling, power plant ground investigation works, and a water disposal study.

Equity Placings

The Company has successfully raised funds to meet working capital costs, £550,000 gross in April and £450,000 gross in August. The Company has also acquired the minority interest in its Pakistani subsidiary Sindh Carbon Energy Limited through a share exchange, issuing 95,652,174 shares of Oracle Power PLC. Currently shares in issue stand at 1,141,821,582.

Pakistan

An orderly transition of power followed the general election in Pakistan in July. It will take some weeks yet for new ministers and officials to take up their roles. The new Prime Minister, Imran Khan, has reaffirmed support for CPEC to maintain its momentum. We are keeping in close touch with all levels of Government to ensure continued support for the development of Thar.

Summary of Results

As expected for a mining company at our stage of development, our financial results for the six months to the 30 June 2018 show an operational loss for Oracle Power PLC Group of Companies after taxation of £458,871 (2017: loss of £460,667). At the period end, the Group had cash and cash equivalents of £53,274 (2017: £57,782) and total assets less current liabilities of £5,269,062 (2017 : £5,103,038). The basic loss per share was 0.04p (2017 : loss 0.05p).

The Board extends its appreciation to the Thar Coal and Energy Board and the Energy Department, Government of Sindh, as well as the Ministry of Energy (Power Division) Government of Pakistan for their continued support. The Board also continues to be very grateful for the patience and support of our shareholders.

Mark W. Steed

Chairman of the Board - Oracle Power PLC

Date: 19 September 2018

CHAIRMAN'S STATEMENT FOR THE 6 MONTHS TO 30 JUNE 2018**CONSOLIDATED INCOME STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2018**

	(Unaudited) 6 months to 30 June 2018 £	(Unaudited) 6 months to 30 June 2017 £	(Audited) Year ended 31 Dec 2017 £
CONTINUING OPERATIONS			
Revenue	-	-	-
Other operating income	-	-	-
Administrative expenses	<u>(459,986)</u>	<u>(462,717)</u>	<u>(1,027,951)</u>
OPERATING LOSS	(459,986)	(462,717)	(1,027,951)
Finance costs	(470)	-	(21,544)
Finance income	<u>1,585</u>	<u>2,050</u>	<u>2,141</u>
LOSS BEFORE TAX	(458,871)	(460,667)	(1,047,354)
Tax	<u>-</u>	<u>-</u>	<u>-</u>
LOSS FOR THE PERIOD	<u>(458,871)</u>	<u>(460,667)</u>	<u>(1,047,354)</u>
Loss attributable to:			
Owners of the parent	(458,868)	(460,623)	(1,047,269)
Non-controlling interests	<u>(3)</u>	<u>(44)</u>	<u>(85)</u>
	<u>(458,871)</u>	<u>(460,667)</u>	<u>(1,047,354)</u>
Loss per share attributable to the ordinary equity holders of the parent:			
Basic and diluted (pence)	(0.04)	(0.05)	(0.11)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 30 JUNE 2018**

	(Unaudited) 6 months to 30 June 2018 £	(Unaudited) 6 months to 30 June 2017 £	(Audited) Year ended 31 Dec 2017 £
LOSS FOR THE PERIOD	(458,871)	(460,667)	(1,047,354)
OTHER COMPREHENSIVE INCOME Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations	96,503	(101,991)	(239,356)
Income tax relating to components of other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	96,503	(101,991)	(239,356)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(362,368)</u>	<u>(562,658)</u>	<u>(1,286,710)</u>
Total comprehensive income attributable to:			
Owners of the parent	(362,365)	(560,709)	(1,281,884)
Non-controlling interests	<u>(3)</u>	<u>(1,949)</u>	<u>(4,826)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

		(Unaudited) As at 30 June 2018 £	(Unaudited) As at 30 June 2017 £	(Audited) As at 31 Dec 2017 £
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		5,025,595	4,869,548	4,839,316
Property, plant and equipment		11,346	21,196	18,076
Loans and other financial instruments	3	<u>378,601</u>	<u>384,775</u>	<u>370,291</u>
		<u>5,415,542</u>	<u>5,275,519</u>	<u>5,227,683</u>
CURRENT ASSETS				
Trade and other receivables		120,083	111,814	72,546
Cash and cash equivalents		<u>53,274</u>	<u>57,782</u>	<u>126,178</u>
		<u>173,357</u>	<u>169,596</u>	<u>198,724</u>
TOTAL ASSETS		<u>5,588,899</u>	<u>5,445,115</u>	<u>5,426,407</u>
EQUITY				
SHAREHOLDERS' EQUITY				
Share capital	4	1,096,822	911,783	961,884
Share premium		14,169,681	10,900,723	11,622,166
Translation reserve		473	43,240	(96,030)
Share scheme reserve		-	86,712	-
Accumulated losses		<u>(9,997,914)</u>	<u>(6,855,138)</u>	<u>(7,355,072)</u>
		5,269,062	5,087,320	5,132,948
Non-controlling interest		<u>-</u>	<u>15,718</u>	<u>12,841</u>
TOTAL EQUITY		<u>5,269,062</u>	<u>5,103,038</u>	<u>5,145,789</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	5	<u>319,837</u>	<u>342,077</u>	<u>280,618</u>
TOTAL LIABILITIES		<u>319,837</u>	<u>342,077</u>	<u>280,618</u>
TOTAL EQUITY AND LIABILITIES		<u>5,588,899</u>	<u>5,445,115</u>	<u>5,426,407</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2018**

	Share capital £	Accumulated losses £	Share premium £	Share scheme reserve £
Balance at 31 December 2016	<u>911,783</u>	<u>(6,417,391)</u>	<u>10,900,723</u>	<u>109,588</u>
Changes in equity				
Share options expired	-	22,876	-	(22,876)
Loss for the period	-	(460,623)	-	-
Other comprehensive income	-	-	-	-
Balance at 30 June 2017	<u>911,783</u>	<u>(6,855,138)</u>	<u>10,900,723</u>	<u>86,712</u>
Changes in equity				
Share issue	50,101	-	721,443	-
Share options expired	-	86,712	-	(86,712)
Loss for the period	-	(586,646)	-	-
Other comprehensive income	-	-	-	-
Balance at 31 December 2017	<u>961,884</u>	<u>(7,355,072)</u>	<u>11,622,166</u>	<u>-</u>
Changes in equity				
Share issue	134,938	-	2,547,515	-
Share options expired	-	-	-	-
Loss for the period	-	(458,868)	-	-
Arising on acquisition of non-controlling interest	-	(2,183,971)	-	-
Balance at 30 June 2018	<u>1,096,822</u>	<u>(9,997,911)</u>	<u>14,169,681</u>	<u>-</u>
	Translation reserve £	Total £	Non-controlling interest £	Total equity £
Balance at 31 December 2016	<u>143,326</u>	<u>5,648,029</u>	<u>17,667</u>	<u>5,665,696</u>
Changes in equity				
Loss for the period	-	(460,623)	(44)	(460,667)
Other comprehensive income	<u>(100,086)</u>	<u>(100,086)</u>	<u>(1,905)</u>	<u>(101,991)</u>
Balance at 30 June 2017	<u>43,240</u>	<u>5,087,320</u>	<u>15,718</u>	<u>5,103,038</u>
Changes in equity				
Share issue	-	771,544	-	771,544
Loss for the period	-	(586,646)	(39)	(586,685)
Other comprehensive income	<u>(139,270)</u>	<u>(139,270)</u>	<u>(2,838)</u>	<u>(142,108)</u>
Balance at 31 December 2017	<u>(96,030)</u>	<u>5,132,948</u>	<u>12,841</u>	<u>5,145,789</u>
Changes in equity				
Share issue	-	2,682,453	-	2,682,453
Loss for the period	-	(458,868)	(3)	(458,871)
Other comprehensive income	96,503	96,503	-	96,503
Arising on acquisition of non-controlling interest	-	(2,183,974)	(12,838)	(2,196,812)
Balance at 30 June 2018	<u>473</u>	<u>5,269,062</u>	<u>-</u>	<u>5,269,062</u>

**CONSOLIDATED CASHFLOW STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2018**

	Notes	(Unaudited) 6 months to 30 June 2018 £	(Unaudited) 6 months to 30 June 2017 £	(Audited) Year ended 31 Dec 2017 £
Cash flows from operating activities				
Cash generated from operations	1	(469,884)	(263,896)	(830,845)
Interest Paid		<u>(470)</u>	<u>-</u>	<u>(21,544)</u>
Net cash from operating activities		<u>(470,354)</u>	<u>(263,896)</u>	<u>(852,389)</u>
Cash flows from investing activities				
Purchase of intangible fixed assets		(89,776)	(182,693)	(294,548)
Purchase of tangible fixed assets		-	(1,385)	(2,840)
Interest received		<u>1,585</u>	<u>2,050</u>	<u>2,141</u>
Net cash from investing activities		<u>(88,191)</u>	<u>(182,028)</u>	<u>(295,247)</u>
Cash flows from financing activities				
Share issue		550,000	-	771,544
Cost of share issue		<u>(67,547)</u>	<u>-</u>	<u>-</u>
Net cash from financing activities		<u>482,453</u>	<u>-</u>	<u>771,544</u>
(Decrease)/Increase in cash and cash equivalents				
Cash and cash equivalents at beginning of period	2	126,178	505,904	505,904
Effect of foreign exchange rate changes		<u>3,188</u>	<u>(2,198)</u>	<u>(3,634)</u>
Cash and cash equivalents at end of period		<u><u>53,274</u></u>	<u><u>57,782</u></u>	<u><u>126,178</u></u>

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**NOTES TO THE CASH FLOW STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2018**

1. RECONCILIATION OF LOSS BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	(Unaudited) 6 months to 30 June 2018 £	(Unaudited) 6 months to 30 June 2017 £	(Audited) Year ended 31 Dec 2017 £
Loss before tax	(458,871)	(460,667)	(1,047,354)
Depreciation	346	555	1,501
Loss/(Gain) on foreign exchange movements	(1,926)	20,836	36,473
Finance costs	470	-	21,544
Finance income	<u>(1,585)</u>	<u>(2,050)</u>	<u>(2,141)</u>
	(461,566)	(441,326)	(989,977)
(Increase)/Decrease in trade and other receivables	(47,537)	(12,963)	(26,305)
Increase/(Decrease) in trade and other payables	<u>39,219</u>	<u>190,393</u>	<u>(132,827)</u>
Cash generated from operations	<u>(469,884)</u>	<u>(263,896)</u>	<u>(830,845)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of the statement of financial position amounts:

Period ended 30 June 2018

	(Unaudited) As at 30 June 2018	(Unaudited) As at 30 June 2017	(Audited) As at 31 Dec 2017
	£	£	£
Cash and cash equivalents	<u>53,274</u>	<u>57,782</u>	<u>126,178</u>

Cash and cash equivalents consist of cash in hand and balances with banks.

**NOTES TO THE FINANCIAL STATEMENTS UNAUDITED RESULTS
FOR THE 6 MONTHS ENDED 30 JUNE 2018**

1. Basis of preparation

These interim financial statements for the six month period ended 30 June 2018 have been prepared using the historical cost convention, on a going concern basis and in accordance with applicable International Financial Reporting Standards as adopted by the European Union ("IFRS") and with those parts of the UK Companies Act 2006 applicable to companies reporting under IFRS as adopted by the European Union. They have also been prepared on a basis consistent with the accounting policies expected to be applied for the year ending 31 December 2018, and which are also consistent with the accounting policies applied for the year ended 31 December 2017 except for the adoption of any new standards and interpretations.

These interim results for the six months ended 30 June 2018 are unaudited and do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial statements for the year ended 31 December 2017 have been delivered to the Registrar of Companies and filed at Companies House and the auditors' report on those financial statements was unqualified and did not contain a statement made under Section 498(2) or Section 498(3) of the Companies Act 2006.

2. Loss per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares of 1,071,814 (30 June 2017 – 911,783,126 and 31 December 2017 – 961,883,698) outstanding during the period. There is no difference between the basic and diluted loss per share.

3. Restricted bank deposits

In February 2015, US\$500,000 was placed on deposit with Habib Bank as security for a performance bond. The deposit is repayable on compliance with the conditions of the bond.

4. Called up share capital

	(Unaudited) 30 June 2018 £	(Unaudited) 30 June 2017 £	(Audited) 31 Dec 2017 £
Allotted, called up and fully paid			
1,096,821,582 Ordinary shares of 1p each	<u>1,096,822</u>	<u>911,783</u>	<u>961,834</u>

The number of shares in issue was as follows:

	Number of shares
Balance as 31 December 2016	911,783,126
Issued during the period	<u>-</u>
Balance at 30 June 2017	911,783,126
Issued during the period	<u>50,100,572</u>
Balance at 31 December 2017	961,883,698
Issued during the period	<u>134,937,884</u>
Balance at 30 June 2018	<u>1,096,821,582</u>

5. Trade and Other Payables

	(Unaudited) As at 30 June 2018 £	(Unaudited) As at 30 June 2017 £	(Audited) As at 31 Dec 2017 £
Trade Payables	319,837	192,077	280,618
Advances	-	150,000	-
	<u>319,837</u>	<u>342,077</u>	<u>280,618</u>

6. Post balance sheet events

On 9 August 2018, the Company placed 45,000,000 Ordinary Shares of 0.1p each at a price of 1.00 pence per share. Following this placing, the Company's shares in issue stood at 1,141,821,582. At the date of this report, a balance of £85,000 in subscription funds remain outstanding. The Company expect this to be resolved in the near term and BHCL, the Company's broker and a major shareholder, has confirmed it will subscribe on the same placing terms in the event there is any subsequent shortfall in the settling of the placing.

There are no other post balance sheet events to report.

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