

29 October 2020

Oracle Power PLC
("Oracle", the "Company" or the "Group")

Unaudited Interim Results for the six months to 30 June 2020

Oracle Power PLC (AIM:ORCP), the UK energy developer of a combined lignite mineral resource and mine mouth power plant located in the Thar desert in the south-east of Sindh Province, Pakistan (the "Project"), today announces its unaudited interim results for the six months ended 30 June 2020.

Chairman's Statement for the six months to 30 June 2020

I present the Company's results for the six months ended 30 June 2020, which are set out below.

However, in summary, as is to be expected for a project development company with a single project being delivered, our financial results for the six months to the 30 June 2020 show a loss for the period after taxation for the Group of £364,300 (2019: £482,545). At the period end, the Group had cash and cash equivalents of £688,067 (2019: £37,066), net current assets of £611,144 (2019: net current liabilities £307,616) and total assets less current liabilities of £6,042,789 (2019: £5,165,924). The basic loss per share was 0.02p (2019: loss 0.04p).

Operational Update

Ms Memon, Oracle's Chief Executive Officer, covers recent operations in her statement, which you will find below.

Board and Management Changes

We were delighted to make additions to the board of Oracle and to its management. Firstly, we welcomed Glen Lewis to the Board in March 2020 as a Non-Executive Director. With a career in the coal industry spanning over 40 years, he has built up an extensive network of relationships and track record. Oracle made this appointment looking forward to the ultimate development of Thar Block VI in Pakistan, where we believe his experience will prove a significant asset to the Company and provide genuine technical asset-level understanding, complementing the expertise already within the Company and amongst its project partners.

In addition, post period end, we were pleased to appoint Mr Nigel Pickett as a senior advisor to the Company. Nigel is an expert in mining processes and technology and headed the team at SRK Consulting (UK) Ltd which produced the feasibility study for Thar Block VI. Nigel has also advised the Thar Coal Energy Board, Sindh Government, which created the Thar Coal Pricing Rules and Framework for approving Coal Pricing Tariffs for Thar lignite coal. He led the mining team, which undertook the first review of an asset (Thar Block II), under these rules, leading to the approval of the first Coal Price Tariff Award, on Thar Block II. Nigel also advised The Asia Power Group on Thar Block III and a Hong Kong based entity on Thar Block I. We consider Nigel to be a key advisor in progressing the technical side of the development of Thar Block VI.

Going Concern

The Company raised £670,811 gross in the first half of 2020 pursuant to the exercise of warrants. Post period end the Company announced a Subscription and Financing Agreement for an initial £1.5m advance and a further conditional £45m placing facility. The Board has reduced the overhead running costs by 23.3% (£110,457) compared to the equivalent period in the prior year and, together with the loan facility referred to above, feels comfortable that the Company can meet its creditors as they fall due.

Conclusion

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 the Company's shareholders.

Mark W. Steed
Chairman of the Board - Oracle Power PLC
28 October 2020

Chief Executive Officer's statement for the six months ended 30 June 2020

In the first half of 2020 we significantly enhanced our managerial and development capacity, enabling us to increase the scope of our project in Pakistan and explore other opportunities in the natural resources sector.

Pakistan

Following the formation of our consortium with China National Coal Development Company Ltd. and The Private Office of His Highness Sheikh Ahmed Bin Dalmook Al Maktoum, we, on behalf of the Consortium, submitted our application for a Letter of Intent (LOI) for 1,320 MW power plant at the mine site. However, there has been a delay in the process due to the travel restrictions and various lock-down orders resulting from the COVID-19 pandemic and many administrative changes in the Power Ministry. We remain confident of its award and continue to progress the project status through stronger linkages on the ground, including in September formally presenting to the Private Power and Infrastructure Board the Thar Block VI project implementation plan as part of the LOI application process.

Since the admission of our project into the oil and gas group in China Pakistan Economic Corridor in November 2019, our project development plan has been enlarged to include a coal to gas for urea plant, and coal to liquid facilities, to be set up in a large Industrial Park on site, estimated to cost approximately US\$8 billion. This makes our Thar development one of the largest private projects in Pakistan and thus involves permissions and coordination between a large number of government agencies.

The project in Pakistan has become even more relevant, as it is now aligned with a more important national developmental strategy of making Pakistan self-sufficient in thermal fuel and gas for fertilizer. We continue to work in close collaboration with the government of Pakistan in reviewing frontier technologies using Thar Coal.

Company Growth and Other Opportunities

In July 2020, we signed a further Memorandum of Understanding with The Private Office of His Highness Sheikh Ahmed Dalmook Al Maktoum, to collaborate and explore potential mining opportunities in Africa. We are currently assessing an iron ore asset in the Republic of Guinea. Since then, we have also begun work on exploring potential investments in other natural resources opportunities.

Naheed Memon
Chief Executive Officer - Oracle Power PLC
28 October 2020

ENDS

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**CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS TO 30 JUNE 2020**

	(Unaudited)	(Unaudited)	(Audited)
	6 Months to	6 Months to	Year ended
	30 June 2020	30 June 2019	31 Dec 2019
	£	£	£
CONTINUING OPERATIONS			
Revenue	-	-	-
Administrative expenses	(364,591)	(475,048)	(1,087,623)
OPERATING LOSS	(364,591)	(475,048)	(1,087,623)
Finance costs	-	(9,185)	(4,220)
Finance income	291	1,688	1,697
LOSS BEFORE INCOME TAX	(364,300)	(482,545)	(1,090,146)
Income tax	-	-	-
LOSS FOR THE PERIOD	(364,300)	(482,545)	(1,090,146)

Earnings per share expressed in pence per share:

Basic	(0.02)	(0.04)	(0.08)
Diluted	(0.02)	(0.04)	(0.08)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 JUNE 2020**

	(Unaudited)	(Unaudited)	(Audited)
	6 Months to	6 Months to	Year ended
	30 June 2020	30 June 2019	31 Dec 2019
	£	£	£
LOSS FOR THE YEAR	(364,300)	(482,545)	(1,090,146)
OTHER COMPREHENSIVE INCOME			
Exchange difference on consolidation	(25,203)	(94,733)	(184,991)
Income tax relating to components of other comprehensive income	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	(25,203)	(94,733)	(184,991)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(389,503)	(577,278)	(1,275,137)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS TO 30 JUNE 2020**

	(Unaudited) 6 Months to 30 June 2020 £	(Unaudited) 6 Months to 30 June 2019 £	(Audited) Year ended 31 Dec 2019 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	4,685,402	5,068,947	4,633,022
Property, plant and equipment	9,040	10,871	9,845
Loans and other financial assets	393,723	393,723	393,723
	<u>5,088,165</u>	<u>5,473,541</u>	<u>5,036,590</u>
CURRENT ASSETS			
Trade and other receivables	48,474	58,635	141,208
Cash and cash equivalents	688,067	37,066	413,858
	<u>736,541</u>	<u>95,701</u>	<u>555,066</u>
TOTAL ASSETS	<u>5,824,706</u>	<u>5,569,241</u>	<u>5,591,656</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	1,979,913	1,259,469	1,759,751
Share premium	15,962,674	14,815,207	15,512,025
Translation reserve	(557,258)	(94,733)	(532,235)
Share scheme reserve	122,051	90,753	190,653
Retained earnings	(11,808,071)	(10,904,772)	(11,512,373)
	<u>5,699,309</u>	<u>5,165,924</u>	<u>5,417,821</u>
TOTAL EQUITY	<u>5,699,309</u>	<u>5,165,924</u>	<u>5,417,821</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	125,397	403,317	173,835
TOTAL LIABILITIES	<u>125,397</u>	<u>403,317</u>	<u>173,835</u>
TOTAL EQUITY AND LIABILITIES	<u>5,824,706</u>	<u>5,569,241</u>	<u>5,591,656</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

	Called up share capital	Retained earnings	Share premium	Translation Reserve	Share Scheme Reserve	Total Equity
	£	£	£	£	£	£
Balance at 31 December 2018	1,141,822	(10,422,227)	14,538,219	(347,244)	22,839	4,933,409
Loss for the period	-	(482,545)	-	-	-	(482,545)
Other comprehensive income	-	-	-	252,511	-	252,511
Share warrants granted	-	-	-	-	67,914	67,914
Issue of Share Capital	117,647	-	276,988	-	-	394,635
Balance at 30 June 2019	1,259,469	(10,904,772)	14,815,207	(94,733)	90,753	5,165,924
Loss for the period	-	(607,601)	-	-	-	(607,601)
Other comprehensive income	-	-	-	(437,502)	-	(437,502)
Share warrants granted	-	-	-	-	99,900	99,900
Issue of Share Capital	500,282	-	696,818	-	-	1,197,100
Balance at 31 December 2019	1,759,751	(11,512,373)	15,512,025	(532,235)	190,653	5,417,821
Loss for the period	-	(364,300)	-	-	-	(364,300)
Other comprehensive income	-	-	-	(25,023)	-	(25,023)
Share warrants exercised	-	68,602	-	-	(68,602)	-
Issue of Share Capital	220,162	-	450,649	-	-	670,811
Balance at 30 June 2020	1,979,913	(11,808,071)	15,962,674	(557,258)	122,051	5,699,309

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

		(Unaudited) 6 Months to 30 June 2020	(Unaudited) 6 Months to 30 June 2019	(Audited) Year ended 31 Dec 2019
		£	£	£
Cash flows from operating activities				
Cash generated from operations	1	(319,927)	(393,397)	(1,320,826)
Interest paid		-	(9,185)	(4,220)
Net cash from operating activities		<u>(319,927)</u>	<u>(402,582)</u>	<u>(1,325,046)</u>
Cash flows from investing activities				
Purchase of intangible fixed assets		(76,159)	(19,059)	(70,949)
Purchase of tangible fixed assets		-	(1,524)	(1,524)
Proceeds from disposal of fixed assets		-	-	941
Interest received		291	1,688	1,696
Net cash from investing activities		<u>(75,868)</u>	<u>(18,895)</u>	<u>(69,836)</u>
Cash flows from financing activities				
Proceeds of share issue		670,811	409,644	1,759,851
Net cash from financing activities		<u>670,811</u>	<u>409,644</u>	<u>1,759,851</u>
Increase/(Decrease) in cash and cash equivalents		275,016	(11,833)	364,959
Cash and cash equivalents at beginning of year	2	413,858	48,899	48,899
Effect of exchange rate changes		(807)	-	-
Cash and cash equivalents at end of year	2	<u>688,067</u>	<u>37,066</u>	<u>413,858</u>

NOTES TO THE CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2020

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

	(Unaudited) 6 Months to 30 June 2020	(Unaudited) 6 Months to 30 June 2019	(Audited) Year ended 31 Dec 2019
	£	£	£
Loss before tax	(364,300)	(482,545)	(1,090,146)
Depreciation	-	498	498
Gain on Foreign exchange movement	-	(1,100)	(2,184)
Finance costs	-	9,185	4,220
Finance income	(291)	(1,688)	(1,697)
Gain on disposal of fixed asset	-	-	(673)
	<u>(364,591)</u>	<u>(475,650)</u>	<u>(1,089,982)</u>
Decrease/(increase) in trade and other receivables	78,474	12,054	(120,631)
Increase/(decrease) in trade and other payables	(33,810)	70,199	(110,213)
Cash generated from operations	<u>(319,927)</u>	<u>(393,397)</u>	<u>(1,320,826)</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:

	(Unaudited) 6 Months to 30 June 2020	(Unaudited) 6 Months to 30 June 2019	(Audited) Year ended 31 Dec 2019
	£	£	£
Cash and cash equivalents	688,067	37,066	413,858

NOTES TO THE FINANCIAL STATEMENTS - UNAUDITED RESULTS

FOR THE 6 MONTHS ENDED 30 JUNE 2020

1. Basis of preparation

These interim financial statements for the six month period ended 30 June 2020 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 2020, and which are also consistent with the accounting policies applied for the year ended 31 December 2019 except for the adoption of any new standards and interpretations.

These interim results for the six months ended 30 June 2020 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 2019 have been delivered to the Registrar of Companies and filed at Companies House and the auditors' report on those financial statements was unqualified but contained an emphasis of matter in respect of a material uncertainty relating to going concern. The auditors' report 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 1,847,537,146 (30 June 2019: 1,222,079,434 and 31 December 2019: 1,334,995,596) 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) 6 Months to 30 June 2020	(Unaudited) 6 Months to 30 June 2019	(Audited) Year ended 31 Dec 2019
Allotted, called up and fully paid			
Ordinary shares of 1p each	1,979,913,151	1,259,468,634	1,759,750,959

The number of shares in issue was as follows:

	Number of shares
Balance at 31 December 2018	1,096,821,582
Issued during the period	<u>117,647,052</u>
Balance at 30 June 2019	1,259,468,634
Issued during the period	<u>500,282,325</u>
Balance at 31 December 2019	1,759,750,959
Issued during the period	<u>220,162,192</u>
Balance at 30 June 2020	<u>1,979,913,151</u>

5. Trade and Other Payables

	(Unaudited) 6 Months to 30 June 2020 £	(Unaudited) 6 Months to 30 June 2019 £	(Audited) Year ended 31 Dec 2019 £
Trade Payables	125,397	403,317	173,835

6. Post balance sheet events

On 9 July 2020, the Company announced a Subscription and Financing Agreement for an initial £1.5m advance and a further conditional £45m placing facility.

Up to 18 September 2020 a total of £600,000 of the £1.5m advance had been converted into a total of 105,650,245 new fully paid ordinary shares.

There are no other post balance sheet events to report.