

30 September 2019

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

Unaudited Interim Results for the six months to 30 June 2019
and
New Loan Agreement

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 2019 and a new working capital loan facility for £200,000.

Chairman's Statement for the six months to 30 June 2019

I present the Company's results for the six months ended 30 June 2019.

Board and Management Changes

May I first pay tribute to Shahrukh Khan who stepped down as a Director in July 2019. Mr Khan served as a Director and Chief Executive Officer from the time of the Company's incorporation in 2006 until January 2019 and thereafter as an Executive Director. The Board places on record its thanks for his service and substantial contribution to the development of the Company.

We were delighted to welcome Ms Naheed Memon to the Board in January 2019, initially as a Non-Executive Director before taking up the position of Chief Executive Officer later that month. Her tireless efforts on the ground in Pakistan and knowledge and understanding of our flagship Thar Block VI asset are invaluable to the Company.

In addition, post period end, Oracle's Mining Manager, Brian Rostron, left the Company. In the future Oracle will outsource any work required in relation to the lignite mine part of the Project.

Operational Update

Since the Company's announcement of 20 December 2018 of a Memorandum of Understanding ("MOU") between Oracle, Beijing Jingneng Power Company Limited ("Beijing Jingneng") and PowerChina International Group Limited ("PowerChina") (together the "Parties"), the Parties have been in regular discussion on how the Project might be further optimised. Based on work completed to date, the Parties have now decided to develop the mine in a single phase of 8 million tonnes a year, instead of the original and ultimately more capital intensive two-phased approach, being 4 million tonnes a year initially followed by a second phase of a further 4 million tonnes a year. Consequently, the power plant is now also intended to be developed as a single 2x660 MW unit and an application has been submitted to the Private Power Infrastructure Board on this basis. The required feasibility work relating to this refinement is being assessed with a view to determining not only the optimal revised mining plan, but also the most suitable configuration of the mine and power plant to minimise the costs of the development. As part of these enhancements to the Project, Oracle is also in the process of updating the requisite Environmental and Social Impact Assessments, with the Parties also

now making a direct financial contribution on the expected pro-rata terms of ownership post eventual financial close.

Pakistan

The Pakistan authorities continue to work with the Chinese Government through the China-Pakistan Economic Corridor ("CPEC"). We keep closely in touch with the Government of Pakistan at all federal and provincial levels to ensure the continued support for our Thar project.

Summary of Results

As to be expected for a mining company at our stage of development, our financial results for the six months to the 30 June 2019 show a loss for the period after taxation for Oracle Power PLC Group of Companies of £482,545 (2018: £458,871). At the period end, the Group had cash and cash equivalents of £37,066 (2018: £53,274), net current liabilities of £307,616 (2018: £146,480) and total assets less current liabilities of £5,165,924 (2018: £5,269,062). The basic loss per share was 0.04p (2018: loss 0.04p). The Company raised a further £500,000 post period end to boost its financial resources.

Loan Facility

The Company announces that it has entered into a loan agreement with Brandon Hill Capital Limited ("Brandon Hill") (the "Loan Agreement"), a substantial shareholder of Oracle, to provide the Company with a working capital loan facility of up to £200,000 (the "Loan") should it be required.

Pursuant to the terms of the Loan Agreement, £50,000 is available for draw down by Oracle in any calendar month and providing a minimum of 30 days has passed since the previous drawdown, up to a combined total of £200,000. A coupon of 12% per annum (accruing daily) will be applied only to those funds drawn by the Company. There are no options, warrants or convertible aspects to the Loan and no fee is owed to Brandon Hill for providing the funds. The Loan is unsecured, with the principal and outstanding interest being repayable 12 months from the date of the Loan Agreement, or earlier, at Oracle's option, without penalty.

Any draw down must be approved in advance by Brandon Hill with regard to the proposed use of proceeds for each such draw down. The proceeds from all draw downs will be applied to operational and general working capital purposes.

Related Party Transaction

The Board of the Company notes that Brandon Hill, in aggregate with its parent company, Optima Worldwide Group plc, and certain of the group's directors, is interested in 23.29 per cent of the total voting rights of the Company and is therefore a substantial shareholder of the Company. Accordingly, entering into the Loan Agreement constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. The Directors of the Company consider, having consulted with the Company's nominated adviser, Strand Hanson Limited, that the terms of the Loan Agreement are fair and reasonable insofar as its shareholders are concerned.

Going Concern

The Company raised £500,000 gross in March 2019 and a further £500,000 in August 2019 pursuant to placings of new ordinary shares. The placing in August 2019 replaced a £250,000 loan facility with Brandon Hill Capital Limited, which was terminated at that time and pursuant to which £100,000 had been drawn down.

The proceeds of the August placing provided the Company with short term working capital, funds required to effect certain cost cutting measures and the repayment of the of the monies drawn down under the Brandon Hill Loan Facility. In order to secure additional short term working capital, to enable the Company to meet its creditors as they fall due, the Company has entered into the Loan, as referred to above.

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

Date: 30 September 2019

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS TO 30 JUNE 2019

	(Unaudited)	(Unaudited)	(Audited)
	6 Months to	6 Months to	Year ended
	30 June 2019	30 June 2018	31 Dec 2018
	£	£	£
CONTINUING OPERATIONS			
Revenue	-	-	-
Administrative expenses	(475,048)	(459,986)	(881,041)
OPERATING LOSS	(475,048)	(459,986)	(881,041)
Finance costs	(9,185)	(470)	(602)
Finance income	1,688	1,585	1,647
LOSS BEFORE INCOME TAX	(482,545)	(458,871)	(879,996)
Income tax	-	-	-
LOSS FOR THE PERIOD	(482,545)	(458,871)	(879,996)
Loss attributable to:			

Owners of the parent	(482,545)	(458,868)	(879,996)
Non-controlling interests	-	(3)	-
	<u>(482,545)</u>	<u>(458,871)</u>	<u>(879,996)</u>
Earnings per share expressed in pence per share:			
Basic	(0.04)	(0.04)	(0.08)
Diluted	(0.04)	(0.04)	(0.08)

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS TO 30 JUNE 2019

	(Unaudited) 6 Months to 30 June 2019	(Unaudited) 6 Months to 30 June 2018	(Audited) Year ended 31 Dec 2018
	£	£	£
LOSS FOR THE YEAR	(482,545)	(458,871)	(879,996)
OTHER COMPREHENSIVE INCOME			
Exchange difference on consolidation	(94,733)	96,503	(251,214)
Income tax relating to components of other comprehensive income	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	<u>(577,278)</u>	<u>96,503</u>	<u>(251,214)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(577,278)</u>	<u>(362,368)</u>	<u>(1,131,210)</u>
Total comprehensive income attributable to:			
Owners of the parent	(577,278)	(362,365)	(1,131,210)
Non-controlling interests	-	(3)	-
	<u>(577,278)</u>	<u>(362,368)</u>	<u>(1,131,210)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS TO 30 JUNE 2019

	(Unaudited) 6 Months to 30 June 2019	(Unaudited) 6 Months to 30 June 2018	(Audited) Year ended 31 Dec 2018
	£	£	£
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5,068,947	5,025,595	4,742,818
Property, plant and equipment	10,871	11,346	12,278
Loans and other financial assets	393,723	378,601	391,843
	<u>5,473,541</u>	<u>5,415,542</u>	<u>5,146,939</u>

CURRENT ASSETS

Trade and other receivables	58,635	120,083	70,689
Cash and cash equivalents	37,066	53,274	48,899
	<u>95,701</u>	<u>173,357</u>	<u>119,588</u>

TOTAL ASSETS

<u>5,569,241</u>	<u>5,588,899</u>	<u>5,266,527</u>
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EQUITY**SHAREHOLDERS' EQUITY**

Called up share capital	1,259,469	1,096,822	1,141,822
Share premium	14,815,207	14,169,681	14,538,219
Translation reserve	(94,733)	473	(347,244)
Share scheme reserve	90,753	-	22,839
Retained earnings	<u>(10,904,772)</u>	<u>(9,997,911)</u>	<u>(10,422,227)</u>
	5,165,924	5,269,065	4,933,409

Non-controlling interests

-	-	-
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TOTAL EQUITY

<u>5,165,924</u>	<u>5,269,065</u>	<u>4,933,409</u>
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LIABILITIES**CURRENT LIABILITIES**

Trade and other payables	<u>403,317</u>	<u>319,834</u>	<u>333,118</u>
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TOTAL LIABILITIES

<u>403,317</u>	<u>319,834</u>	<u>333,118</u>
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TOTAL EQUITY AND LIABILITIES

<u>5,569,241</u>	<u>5,588,899</u>	<u>5,266,527</u>
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

	Called up share capital	Retained earnings	Share premium	Translation Reserve	Share Scheme Reserve	Total	Non- controlling interests	Total Equity
	£	£	£	£	£	£	£	£
Balance at 31 December 2017	961,884	(7,355,072)	11,622,166	(96,030)	-	5,132,948	12,841	5,145,789
Loss for the period	-	(458,868)	-	-	-	(458,868)	(3)	(458,871)
Other comprehensive income	-	-	-	96,503	-	96,503	-	96,503
Issue of Share Capital	134,938	-	2,547,515	-	-	2,682,453	-	2,682,453
Arising on acquisition of non- controlling interest	-	(2,183,971)	-	-	-	(2,183,971)	(12,838)	(2,196,809)
Balance at 30 June 2018	1,096,822	(9,997,911)	14,169,681	473	-	5,269,065	-	5,269,065
Loss for the period	-	(424,316)	-	-	-	(424,316)	-	(424,316)
Other comprehensive income	-	-	-	(347,717)	-	(347,717)	-	(347,717)
Share options granted	-	-	-	-	22,839	22,839	-	22,839
Issue of Share Capital	45,000	-	368,538	-	-	413,538	-	413,538
Balance at 31 December 2018	1,141,822	(10,422,227)	14,538,219	(347,244)	22,839	4,933,409	-	4,933,409
Loss for the period	-	(482,545)	-	-	-	(482,545)	-	(482,545)
Other comprehensive income	-	-	-	252,511	-	252,511	-	252,511
Share options granted	-	-	-	-	67,914	67,914	-	67,914
Issue of Share Capital	117,647	-	276,988	-	-	394,635	-	394,635
Balance at 30 June 2019	1,259,469	(10,904,772)	14,815,207	(94,733)	90,753	5,165,924	-	5,165,924

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

		(Unaudited)	(Unaudited)	(Audited)
		6 Months to	6 Months to	Year ended
		30 June 2019	30 June 2018	31 Dec 2018
		£	£	£
Cash flows from operating activities				
Cash generated from operations	1	(393,397)	(469,884)	(834,162)
Interest paid		(9,185)	(470)	(602)
Net cash from operating activities		<u>(402,582)</u>	<u>(470,354)</u>	<u>(834,764)</u>
Cash flows from investing activities				
Purchase of intangible fixed assets		(19,059)	(89,776)	(154,115)
Purchase of tangible fixed assets		(1,524)	-	-
Interest received		1,688	1,585	1,647
Net cash from investing activities		<u>(18,895)</u>	<u>(88,191)</u>	<u>(152,468)</u>
Cash flows from financing activities				
Proceeds of share issue		409,644	482,453	909,953
Net cash from financing activities		<u>409,644</u>	<u>482,453</u>	<u>909,953</u>
Increase/(Decrease) in cash and cash equivalents				
Cash and cash equivalents at beginning of year	2	48,899	126,178	126,178
Effect of exchange rate changes		-	3,188	-
Cash and cash equivalents at end of year	2	<u>37,066</u>	<u>53,274</u>	<u>48,899</u>

NOTES TO THE CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2019

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

	(Unaudited)	(Unaudited)	(Audited)
	6 Months to	6 Months to	Year ended
	30 June 2019	30 June 2018	31 Dec 2018
	£	£	£
Loss before tax	(482,545)	(458,871)	(879,996)
Depreciation	498	346	692
Finance costs	9,185	470	602
Finance Income	(1,688)	(1,585)	(1,647)
Non-cash share based payments	-	-	8,876

Decrease/(increase) in trade and other receivables	12,054	(47,537)	4,207
Increase/(Decrease) in trade and other payables	70,199	39,219	58,155
Loss/(Gain) on foreign exchange movements	(1,100)	(1,926)	(25,051)
Cash generated from operations	<u>(393,397)</u>	<u>(469,884)</u>	<u>(834,162)</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 2019

	(Unaudited) 6 Months to 30 June 2019	(Unaudited) 6 Months to 30 June 2018	(Audited) Year ended 31 Dec 2018
	£	£	£
Cash and cash equivalents	37,066	53,274	48,899

NOTES TO THE FINANCIAL STATEMENTS UNAUDITED RESULTS

FOR THE 6 MONTHS ENDED 30 JUNE 2019

1. Basis of preparation

These interim financial statements for the six month period ended 30 June 2019 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 2019, and which are also consistent with the accounting policies applied for the year ended 31 December 2018 except for the adoption of any new standards and interpretations.

These interim results for the six months ended 30 June 2019 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 2018 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 1,222,079,434: (30 June 2018: 1,033,100,915) and 31 December 2018: 1,101,312,862 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 2019	(Unaudited) 6 Months to 30 June 2018	(Audited) Year ended 31 Dec 2018
Allotted, called up and fully paid			
Ordinary shares of 1p each	1,259,468,634	1,096,821,582	1,141,821,582

The number of shares in issue was as follows:

	Number of shares
Balance at 31 December 2017	961,883,698
Issued during the period	<u>134,937,884</u>
Balance at 30 June 2018	1,096,821,582
Issued during the period	<u>45,000,000</u>
Balance at 31 December 2018	1,141,821,582
Issued during the period	<u>117,647,052</u>
Balance at 30 June 2019	<u>1,259,468,634</u>

5. Trade and Other Payables

	(Unaudited) 6 Months to 30 June 2019 £	(Unaudited) 6 Months to 30 June 2018 £	(Audited) Year ended 31 Dec 2018 £
Trade Payables	403,317	319,837	333,118

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 1,459,468,634.

On 30 September 2019, the Company entered into a loan agreement with Brandon Hill Capital Limited for a working capital loan facility of up to £200,000.

There are no other post balance sheet events to report.

For further information please contact:

Oracle Power PLC

+44 (0) 203 580 4314

Naheed Memon

Strand Hanson Limited (Nominated Adviser)

+44 (0) 20 7409 3494

Rory Murphy, James Harris, Jack Botros

Brandon Hill Capital Limited (Joint Broker)

+44 (0) 203 463 5000

Oliver Stansfield

Shard Capital (Joint Broker)

+44 (0) 20 7186 9952

Damon Heath