# GOLD OIL PLC

Interim Report

for the period 1 May 2008 to 31 October 2008

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**Copies of the Interim Report are available for collection at the offices of the Company at: Finsgate, 5-7 Cranwood Street, London EC1V 9EE during normal office hours and on the Company's website at www.goldoilplc.com.**

## Chairman's Statement to Shareholders

I am delighted to report the establishment of the Company as the Operator for, and majority partner in, the Nancy, Burdine and Maxine oil fields in the Putumayo Basin in Colombia. From our initial 40% participation in 2006, we managed to buy one of the other partners, Inversiones Petroleras de Colombia S.A. ('Invepetrol') for a total consideration of $4 million. Invepetrol owns an 18.05% participating interest in the Union Temporal II & B that is the Operator and Licence holder of the Nancy, Burdine and Maxine oil fields. This purchase will take the Company's total interest in Union Temporal to 58.05% (27.29% of net production), operatorship and control of the fields. The transaction was completed by a final payment of $2.8 million in early November.

A draft independent reserves report shows that considerable reserves have yet to be extracted from the fields and a detailed development plan is under way. We have at last received the environmental approval to re-enter the Burdine wells on the 26 December 2008. All the equipment has been ordered and we are currently seeking a wire-line unit to open up the wells for production with a view to a later work-over to open up those zones bypassed and or not perforated. Later this year the plan is to shoot a small 2 D seismic survey over both Nancy and Burdine to identify new development well locations.

The Rosa Blanca-1 exploration well reached a total depth (TD) of 2,960 feet in late December 2008 with good logging results justifying the running of the 9⅝" casing and a 7 inch slotted liner. The well was suspended over the Christmas period pending the delivery of test and fracturing equipment. The group has agreed to enter in phase 2 of the exploration programme.

In the Azar Block the Palmero-1 well that was re-entered in mid year produced 45 bopd of 15o API gravity crude under natural flow. The plan was to install production facilities and produce the well for two months to gain reservoir and production data before installing a down-hole pump and begin long term production. With the fall in the oil price, and the costs involved in running a pipeline from an adjacent light oil field before exporting the crude, it was decided to suspend the development until the oil price picks up or the cost of services falls or there is additional infrastructure in the area to justify the capital involved.

The group entered into phase three of the exploration licence with a plan to shoot some additional 2D and 3D seismic before drilling the first exploration well before Q3 2009.

In Perú the Company completed, in mid 2008, the second exploration well, SA-2X, on Block XXI. The location of the well was based on a DNME survey that would have been of enormous benefit to the company to appraise Block XXI because of the size of the block and the low cost of the survey. However, the survey was unsuccessful resulting in the well also being unsuccessful. As seismic is unable to assist with identifying Palaeozoic plays the plan for the block now is to shoot some 2D seismic to target Verdun gas plays. When these Verdun structures are drilled they will also be deepened to explore the Palaeozoic.

In addition, the Company successfully reacquired the 50% of the Offshore Z34 that it had previously farmed out to Plectrum Resources Plc and also received a $1.5 million settlement for giving up its carry arrangement. The plan is to proceed with the 2000 km 2D seismic survey this year and seek to farm-out a percentage of the block.

With the relationship between Cuba and the European Community improving the Company continues to seek to engage the Cuban authorities in discussions on potential exploration blocks identified in Cuban waters.

The fall in oil prices has not been reflected in the cost of services, particularly in Colombia, so we expect projects in Colombia to be delayed or minimised until the cost of services reaches reasonable levels again.

Michael Burchell
*Chairman*

24 January 2009

## Consolidated Income Statement
## for the six months ended 31 October 2008

| | Note | 6 months to 31 October 2008 Unaudited £'000 | *6 months to 31 October 2007 Audited £'000* | *Year to 30 April 2008 Audited £'000* |
|---|---|---|---|---|
| **Revenue** | | 629 | – | 398 |
| Cost of sales | | (219) | – | (148) |
| **Gross profit** | | 410 | – | 250 |
| Development expenditure written off | | (1,253) | (288) | (1,083) |
| Administrative expenses | | (564) | (315) | (757) |
| **Operating loss** | | (1,407) | (603) | (1,590) |
| Finance income | | 71 | 94 | 208 |
| Goodwill impairment | | – | – | (129) |
| **Exceptional items** | | | | |
| Gain on sale of assets | | – | 2,052 | 2,652 |
| **Profit/(loss) on ordinary activities before taxation** | | (1,336) | 1,543 | 1,141 |
| Income tax expense | | (146) | (76) | (304) |
| **Profit/(loss) on ordinary activities after taxation** | | (1,482) | 1,467 | 837 |
| Dividends | | – | – | – |
| **Profit/(loss) attributable to equity holders** | | (1,482) | 1,467 | 837 |
| Profit/(loss) per share: basic | *2* | (0.31)p | 0.31p | 0.18p |
| diluted | *2* | (0.31)p | 0.30p | 0.18p |

The company's revenue and operating loss arise from continuing operations.

## Consolidated Balance Sheet
## at at 31 October 2008

| | Note | As at 31 October 2008 Unaudited £'000 | *As at 31 October 2007 Audited £'000* | *As at 30 April 2008 Audited £'000* |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Property, plant and equipment | | 229 | 288 | 200 |
| Intangibles | | 4,437 | – | 2,105 |
| Investments | | – | 1,243 | – |
| | | 4,666 | 1,531 | 2,305 |
| **Current assets** | | | | |
| Inventories | | 226 | – | 214 |
| Receivables | | 2,011 | 589 | 3,187 |
| Cash and cash equivalents | | 4,615 | 6,153 | 5,150 |
| | | 6,852 | 6,742 | 8,551 |
| **Total assets** | | 11,518 | 8,273 | 10,856 |
| **Equity and liabilities** | | | | |
| **Capital and reserves** | | | | |
| Called up share capital | *3* | 121 | 119 | 120 |
| Share premium account | | 10,157 | 9,421 | 10,124 |
| Retained earnings | | (2,447) | (1,331) | (1,644) |
| **Total equity** | | 7,831 | 8,209 | 8,600 |
| **Current liabilities** | | | | |
| Trade and other payables | | 3,687 | 64 | 2,256 |
| **Total equity and liabilities** | | 11,518 | 8,273 | 10,856 |

## Consolidated cash flow statement
## for the six months ended 31 October 2008

| | Note | 6 months to 31 October 2008 Unaudited £'000 | *6 months to 31 October 2007 Unaudited £'000* | *Year to 30 April 2008 Audited £'000* |
|---|---|---|---|---|
| **Operating activities** | *4* | 163 | (648) | (2,440) |
| **Investing activities** | | | | |
| Return from investment and servicing of finance | | 71 | 94 | 208 |
| Sale of investment assets | | 1,747 | 2,703 | 3,006 |
| Acquisition of investment assets | | – | – | (303) |
| Net cash acquired from subsidiary | | – | – | 182 |
| Purchase of intangible assets | | (2,332) | – | (209) |
| Purchase of tangible assets | | (218) | (6) | (8) |
| | | (732) | 2,791 | 2,876 |
| **Financing activities** | | | | |
| Proceeds from issue of share capital | | 34 | 119 | 823 |
| **Net cash inflow/(outflow)** | | (535) | 2,262 | 1,259 |
| Cash and cash equivalents at the beginning of the period | | 5,150 | 3,891 | 3,891 |
| **Cash and cash equivalents at the end of the period** | | 4,615 | 6,153 | 5,150 |

## Consolidated statement of changes in equity

| | £'000 | *£'000* | *£'000* |
|---|---|---|---|
| Loss for the period | (1,482) | 1,467 | 837 |
| Shares issued | 34 | 119 | 823 |
| Foreign exchange translation | 629 | (40) | 277 |
| | (819) | 1,546 | 1,937 |
| Opening shareholders' funds | 8,600 | 6,663 | 6,663 |
| **Closing shareholders' funds** | 7,781 | 8,209 | 8,600 |

## Notes to the Interim Report

### 1. Accounting Policies

These interim accounts have been prepared in accordance with International Financial Reporting Standards and on the historical cost basis, using generally recognised accounting principles, and using the accounting policies which are consistent with those set out in the Company Annual Report for the year ended 30 April 2008.

### 2. Loss per Share

| | 6 months to 31 October 2008 Pence | *6 months to 31 October 2007 Pence* | *Year to 30 April 2008 Pence* |
|---|---|---|---|
| Profit/(loss) per share: basic | (0.31) | 0.31 | 0.18 |
| diluted | (0.31) | 0.30 | 0.18 |

The profit/(loss) per ordinary share is based on the Company's result for the period of £1,482,000 (30 April 2008 – profit of £837,000; 31 October 2007 – profit of £1,467,000) and a weighted average number of shares in issue of 483,960,764 (30 April 2008 – 474,408,008; 31 October 2007 – 469,603,909).

The potentially dilutive warrants issued were nil (30 April 2008 – nil; 31 October 2007 – 11,558,676).

### 3. Called up Share Capital

During the period, the company issued 3,450,000 new ordinary shares for a total value of £34,500.

### 4. Reconciliation of operating loss to net cash outflow from operating activities

| | 6 months to 31 October 2008 Unaudited £'000 | *6 months to 31 October 2007 Unaudited £'000* | *Year to 30 April 2008 Audited £'000* |
|---|---|---|---|
| Operating loss for the period | (1,407) | (603) | (1,615) |
| Depreciation and amortisation | 196 | 15 | 128 |
| Tax paid | – | – | (50) |
| Foreign currency translation | 672 | (11) | (56) |
| Inventories | (12) | – | (214) |
| Receivables | (571) | (3) | (2,601) |
| Creditors | 1,285 | (46) | 1,968 |
| | 163 | (648) | (2,440) |

### 5. Financial information

The unaudited results for period ended 31 October 2008 do not constitute statutory financial statements within the meaning of Section 240 of the Companies Act 1985. The comparative figures for the year ended 30 April 2008 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and which contain an unqualified audit report and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.