SOCO International plc
("SOCO" or the "Company")

INTERIM RESULTS FOR THE HALF YEAR TO 30 JUNE 2016

SOCO, an international oil and gas exploration and production company, today announces its Interim Results for the half year ending 30 June 2016 ("1H2016").

Ed Story, President and Chief Executive Officer, commented:

"SOCO has remained operationally and financially robust throughout the first half of 2016 and has delivered results in line with expectations. Our business model continues to prove it can deliver value for shareholders throughout the oil price cycle and turbulent times in the wider geopolitical spectrum. Ongoing balance sheet strength with no debt, steady cash flows, low operating costs and attractive Vietnam production economics, combined with an overall objective of targeting sustainable cash returns to shareholders (all of which are significant differentiators for the Company within our sector) give rise to a continued confident and positive outlook for 2H2016."

OPERATIONAL HIGHLIGHTS

Vietnam

- Stable rates of production during 1H2016, averaging 37,180 barrels of oil equivalent per day ("BOEPD") gross (1H2015: 40,644 BOEPD); and 10,862 BOEPD net to the Group's working interest (1H2015: 11,856 BOEPD)
    - Te Giac Trang ("TGT") production averaged 9,252 BOEPD net (1H2015: 10,091)
    - Ca Ngu Vang ("CNV") production averaged 1,610 BOEPD net (1H2015: 1,765)
    - 2016 production guidance range is maintained at 10-11,500 BOEPD
- Updated Reserve Assessment Report ("RAR") approved by Vietnam Government
- Full Field Development Plan for TGT, first full draft issued after RAR approval; partner review now underway
- TGT 2016 contingent development drilling – partner discussions underway

Republic of Congo (Brazzaville)

- 12 month extension granted on the Marine XI licence; allowing seismic data interpretation completion by March 2017
- Lidongo discovery area commercialisation discussions ongoing

FINANCIAL HIGHLIGHTS

- $9.4m returned to shareholders via a final dividend of 2 pence per share for 2015
- Ongoing balance sheet strength; half year-end cash and liquid investments balance of $80.6m and no debt
- Low cash operating costs of approx. $10 per barrel

- Capital expenditure of $27.2m (1H2015: $61.9m)
- Revenues of $72.7m (1H2015: $116.6m)
- Net loss of $12.2m (1H2015: profit $5.9m)
- Average realised crude oil price $40.89/bbl (1H2015: $59.58/bbl)

OUTLOOK

- Preparation for future growth and rationalisation of the portfolio
- Positive advancements towards formalisation of a Production Sharing Agreement over Blocks 125/126, offshore central Vietnam
- 2H2016 TGT contingent development drilling discussions underway
- Cash inflow of $52.7m expected in 2H from Daqing Oilfield Limited Company, a subsidiary of PetroChina Co. Ltd., for the subsequent payment amount on our former Mongolian asset
- Additional distribution to shareholders to be considered later in 2H2016
- Ongoing focus on sustainable cash flow generation and commitment to strategy of cash returns

ENQUIRIES:

SOCO International plc
Roger Cagle, Deputy Chief Executive and Chief Financial Officer
Antony Maris, Chief Operating Officer
Tel: 020 7747 2000

Bell Pottinger
Nick Lambert
Elizabeth Snow
Tel: 020 3772 2500

NOTES TO EDITORS

SOCO is an international oil and gas exploration and production company, headquartered in London and traded on the London Stock Exchange. The Company has field development and production interests in Vietnam and exploration and appraisal interests in the Republic of Congo (Brazzaville) and Angola.

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

SOCO began the year in excellent shape and at current oil prices, continues to generate solid cash flow. With a strong balance sheet, carrying no debt and with over $80m cash and liquid investments at the half year, SOCO can fully fund its operations and capital expenditure programme. Low operating costs and attractive Vietnam production economics continue to underpin the SOCO business model. The Company is positioned for further growth, maximising the upside potential of its existing assets and capturing new ventures.

SOCO remains committed to its strategy of delivering sustainable cash returns to shareholders. This is underpinned by a disciplined approach to capital expenditure, prudent cost reduction initiatives, and careful analysis and minimisation of exposure to the industry risks and uncertainties. SOCO's track record of effective management of its asset and capital base has enabled it to return over $440m to shareholders over the last ten years though dividends, capital returns and share buybacks. This continued in 1H2016, during which SOCO returned $9.4m to shareholders via a final dividend for 2015.

Amidst prolonged sector uncertainties, SOCO benefits from a proven management team who are accustomed to the cyclical nature of both industry and global markets. Focus remains on further shaping of the business to capture current potential and deliver sustainable growth.

OPERATIONS REVIEW

Operations throughout 1H2016 were centred on maintaining high levels of production efficiency on Te Giac Trang ("TGT") and Ca Ngu Vang ("CNV") fields in our core business area, offshore Vietnam. Good progress has been made on TGT's Full Field Development Plan ("FFDP"). Negotiations are well advanced on securing a Production Sharing Agreement over Blocks 125/126, also offshore Vietnam. We continue to actively review acquisition opportunities elsewhere and options to maximise value from our Africa portfolio.

VIETNAM

Production

Both TGT and CNV fields achieved stable rates during 1H2016. Gross production averaged 37,180 BOEPD and 10,862 BOEPD net to SOCO's working interest (1H2015: 40,644 BOEPD and 11,856 BOEPD, respectively).

TGT field production averaged 30,739 BOEPD gross and 9,252 BOEPD net to SOCO's working interest in 1H2016 (1H2015: 33,584 BOEPD and 10,091 BOEPD, respectively). CNV field production averaged 6,441 BOEPD gross and 1,610 BOEPD net to SOCO's working interest in 1H2016 (1H2015: 7,060 BOEPD and 1,765 BOEPD, respectively). The average realised crude oil price for 1H2016 was $40.89/bbl, a premium of $1.08/bbl to Brent (1H2015: $59.58/bbl and $1.50/bbl, respectively).

Production by field	1H2016 (gross)	1H2015 (gross)	1H2016 (net)	1H2015 (net)	FY2015 (net)
TGT Production	**30,739**	**33,584**	**9,252**	**10,091**	**10,227**
Oil	28,530	30,715	8,588	9,229	9,397
Gas[1]	2,209	2,869	664	862	830
CNV Production	**6,441**	**7,060**	**1,610**	**1,765**	**1,749**
Oil	4,446	4,820	1,111	1,205	1,204
Gas[1]	1,995	2,240	499	560	545
Total Production	**37,180**	**40,644**	**10,862**	**11,856**	**11,976**
Oil	32,976	35,535	9,699	10,434	10,601
Gas[1]	4,204	5,109	1,163	1,422	1,375

Figures in BOEPD
1 Assumes oil equivalent conversion factor of 6,000 standard cubic feet per barrel of oil equivalent.

SOCO's production guidance range for 2016 is maintained at 10-11,500 BOEPD.

Block 16-1 – TGT Field

(30.5% working interest; operated by Hoang Long Joint Operating Company ("HLJOC"))

TGT is currently producing from three platforms, which have a total of 26 producing wells and one injector well, and is located in the north eastern part of Block 16-1 offshore Vietnam.

Field Development

Further TGT field development will be defined by the FFDP once approved.

During 1H2016, HLJOC's updated TGT Reserve Assessment Report ("RAR"), which included a subsurface review by the HLJOC partners, was formally presented to the Vietnam authorities. Final approval was received on 1 April 2016.

With RAR approval and the reworking carried out in 2015 on the TGT Geological Model and the Dynamic Simulation Model, HLJOC commenced running prediction cases for inclusion in the FFDP. The FFDP is a dynamic plan, the scope of which incorporates development beyond 2016 and includes reserve assessment and simulation, assessment of field development options and additional wells and facilities options to increase water-handling capacity. The first full draft is currently undergoing review by all the HLJOC partners, prior to formal submission to the Vietnam authorities. SOCO is utilising this review period to ensure that the FFDP development scenarios match the Company's performance objectives.

2016 capital expenditure and contingent development drilling

The firm capital expenditure budget for Vietnam remains at approx. $17m, including long lead items for up to four wells for the ongoing TGT field development and new venture costs associated with Block 125/126.

The contingent capital budget covers the drilling costs for the wells, in addition to costs associated with water handling facilities upgrade following FFDP approval and costs to complete drilling activities on the TGT-14X appraisal well. The partnership group is planning to take advantage of the low drilling cost environment and implementing the 2016 contingent development drilling programme as soon as practicable in the 2H2016. The 2016 exploration and development programme remains fully funded from existing cash resources.

Production and optimisation

In parallel with the FFDP advancements, the HLJOC partners are evaluating how production from TGT could be increased from the existing wells by perforating additional horizons, optimising reservoir management by shutting off higher water-cut wells, as well as the consideration of infill well locations.

Accordingly, during 1H2016, well intervention work was carried out which included perforations to six wells and a water shut off liner on one well. The results of the interventions exceeded expectation by adding approx. 2,200 BOEPD to gross production.

Block 9-2 – CNV Field

(25% working interest; operated by Hoan Vu Joint Operating Company ("HVJOC"))

The CNV field is located in the western part of Block 9-2 offshore Vietnam. Discussions with the Bach Ho owners are ongoing to establish the most effective means of enhancing performance through modifications at the reception terminal.

Vietnam New Ventures

Following the 2015 signing of a Memorandum of Understanding, SOCO received approval from the Vietnam government in May 2016 to enter into formal negotiations with PetroVietnam and SOVICO Holdings over a

Production Sharing Agreement for Blocks 125/126, offshore central Vietnam. These discussions are ongoing targeting completion before year-end 2016.

Blocks 125/126 are in moderate to deep water in the Phu Khanh Basin, to the north of the Cuu Long Basin, and have multiple structural and stratigraphic plays observed on the available seismic data. Interpretation of the available data indicates there is good potential for source, expulsion and migration of oil with numerous reservoir and seal intervals likely.

REPUBLIC OF CONGO (BRAZZAVILLE)

Marine XI Block

(Operated, 40.39% working interest)

Marine XI activity during 1H2016 concentrated on two priorities: commercialisation discussions for the Lidongo discovery area and the interpretation of the reprocessed 3D seismic data.

Discussions regarding the commercialisation options for the Lidongo discovery area, along with potentially other prior discoveries on the Block, continue to progress. SOCO's Production Licence Application to the Congo (Brazzaville) authorities, submitted during the period is undergoing review according to the formal process.

During Q12016, the Congo (Brazzaville) authorities granted a 12 month extension to the previous March 2016 licence expiry. The extension allows for the completion of the interpretation of the 2015 reprocessed 3D seismic data for Marine XI, including Lideka East prospect. Once complete this will influence decisions regarding any further activity on Marine XI, outside the Lidongo discovery area.

Mer Profonde Sud ("MPS") Block

(Operated, 60% working interest)

Under a 2013 farm-in agreement, SOCO acquired operatorship of the MPS Block and agreed to drill one commitment exploration well in the remaining licence period, which was extended by agreement with the relevant authorities to 31 May 2016. The Baobab Marine-1 well spudded on the RR Prospect on 5 February 2016. The well reached total measured depth of 3,275 metres on 25 February and intersected the stacked early Miocene channel complexes that were targeted. Although good quality sands were present, no hydrocarbons were encountered, suggesting lack of communication with the known oil source. The well was subsequently plugged and abandoned. The drilling programme was executed under budget and with no lost time injuries. The technical data has been delivered to the Ministry of Hydrocarbons according to the contract. All parties agreed to relinquish the MPS Block at the expiration date of 31 May 2016.

ANGOLA

Cabinda North Block

(Non-operated, 17% working interest)

SOCO's 85% owned subsidiary, SOCO Cabinda Limited, holds a 17% participation interest in the Production Sharing Agreement for the Cabinda North Block, onshore the Angolan Cabinda enclave. Discussions are ongoing among the partners and with the authorities to agree the new partnership, operator and activities during the licence extension period to April 2018.

GROUP RESERVES AND CONTINGENT RESOURCES

As previously disclosed in SOCO's 2015 Annual Report, an independent audit of management estimates of Reserves and Contingent Resources for TGT and CNV, as of 31 December 2015, was completed by Gaffney, Cline and Associates in March 2016.

FINANCIAL RESULTS

The Group retains its strong financial position despite the continuing low oil price environment. The Group has a robust balance sheet with no debt and low operating cash costs which underpin the SOCO business model.

First half 2016 results were in line with the Company's expectations.

Cost savings continue to be achieved throughout the Group with further savings expected in the second half of 2016 following downsizing of the Africa office.

The financial asset related to the subsequent payment amount of $52.7m from the disposal of the Company's Mongolia interest in 2005 is still expected to be paid in full during 2016 and is classified as a current financial asset (see note 7).

Key financial metrics

	1H2016	1H2015
Oil and gas revenue ($m)	72.7	116.6
Oil price realised ($/bbl)	40.89	59.58
Gross profit ($m)	4.1	35.3
Operating (loss)/profit ($m)	(1.6)	28.7
(Loss)/profit for the period ($m)	(12.2)	5.9
Net cash from operating activities ($m)	16.2	45.3
Capital expenditure ($m)	27.2	61.9
Cash, cash equivalents and liquid investments ($m)	80.6	96.6

INCOME STATEMENT

Revenue

Oil and gas revenues in the first half of 2016 were $72.7m (2015: $116.6m), this was down $43.9m in the equivalent period last year, being primarily due to lower oil prices and to a lesser extent lower production. In the continued low oil price environment SOCO realised an average oil price of $40.89/bbl (2015: $59.58/bbl). The Group's production during the period was 10,862 BOEPD down from 11,856 BOEPD in the first half of 2015 (see Operations Review section).

Cost of Sales

Cost of sales was $68.6m for the six month period to 30 June 2016, down from $81.3m in the first half of 2015 reflecting impacts from the lower production volumes and oil price achieved.

Analysis of Cost of Sales

$ millions	1H2016	1H2015	2015
Operating costs	**20.9**	22.9	47.4
Inventory movements	**(2.4)**	1.6	3.0
Royalty	**5.7**	8.6	16.2
Export duty	**0.8**	0.5	0.8
DD&A	**43.6**	47.7	99.0
Total cost of sales	**68.6**	81.3	166.4
Per barrel costs, $	**1H2016**	**1H2015**	**2015**
Operating costs per barrel, $	**10.06**	9.88	10.06
DD&A costs per barrel, $	**22.04**	22.23	22.64

The reduction in cost of sales is in part due to lower royalty payments reflecting the reduced oil price and lower production volumes. DD&A has also decreased as a result of the lower production volumes. Oil Inventory movements are recorded at market value decreasing cost of sales, period on period, by $4.0m.

A 9% reduction period on period has been achieved on the operating costs, which are primarily fixed, mainly as a result of the continued efforts to reduce the underlying cost base.

Total Vietnam operating costs on a per barrel basis (excluding DD&A, inventory movements and sales related duties and royalties) were consistent with 2015 year averages at $10.06/bbl, being slightly up on the same period last year from $9.88/bbl. The cause of the increase is related to the lower production volumes offset by the positive impact of the overall operating cost savings.

Royalties on oil sales from TGT and CNV were consistent with lower revenue in the first half of 2016. Export duty arising on TGT oil sales was $0.8m in the current period, up from $0.5m in the first half of 2015. All CNV oil was sold into the domestic market for both the current period and equivalent period last year.

Administrative Expenses

Administrative expenses were down slightly at $5.7m in the period compared with $5.8m in the equivalent period last year.

Exploration Expenses

During the period to 30 June 2016 there was no exploration expense (2015: $0.8m).

Operating (Loss)/profit

Operating loss for the period was $1.6m which primarily reflects the reduced revenues, a factor of the lower realised oil prices (2015: $28.7m profit).

Other Gains and Losses

There were no other gains and losses in the period (2015: $4.6m gain mainly due to the change in fair value associated with the subsequent payment amount tied to future production from the Group's divested Mongolia interest).

Tax

The tax expense decreased from $26.8m in the six month period ending 30 June 2015 to $9.7m in the current reporting period consistent with lower profit. The Group's effective tax rate approximates to the statutory tax rate in Vietnam of 50% during 1H2016 after excluding non-deductible expenditure.

BALANCE SHEET

Property, plant and equipment decreased by $42.4m since 2015 year-end representing a small capital programme offset by the six months DD&A charge.

Other receivables of $31.8m (31 December 2015: $29.5m) comprise abandonment security funds for TGT and CNV which have been established to ensure that sufficient funds exist to meet future abandonment obligations. The funds are operated by PetroVietnam and partners retain the legal rights to the funds pending commencement of abandonment operations.

Oil inventory was $5.5m at 30 June 2016, increasing from $3.1m at 2015 year-end. Trade and other receivables at 30 June 2016 were $30.4m, up from $19.5m at year-end 2015. The movements in oil inventory and trade receivables arise mainly due to the timing of oil sale liftings and the oil price realised.

The financial asset associated with the Mongolia subsequent payment amount of $52.7m (see Note 7 and above) is classified as a current asset and is expected to be recovered within the second half of 2016.

SOCO's cash, cash equivalents and liquid investments totalled $80.6m as at 30 June 2016 (2015: $96.6m) and $103.6m as at 31 December 2015. The decrease since year-end of $23.0m is mainly a result of cash outflows for the capital programme including the cash impact of the MPS well accrued in 2015, the payment of the June 2016 dividend being offset by production inflows from Vietnam.

Trade and other payables were $21.6m at the current period end, down from $37.2m at 31 December 2015 mainly due to the status of the reduced work programme. Tax payable of $6.8m is down $1.0m as at the end of the reporting period.

Deferred tax liabilities have decreased to $173.7m at 30 June 2016 from $183.7m at 31 December 2015.

Long term provisions comprise the Group's decommissioning obligations in Vietnam which have increased to $61.0m as at 30 June 2016 from $59.9m at 2015 year-end.

CASH FLOW

Net cash flows from operating activities for the first six months of 2016 comprise the Group's continuing Vietnam operations and amounted to $16.2m (2015: $45.3m). This decrease is mainly the result of over a 30% reduction in realised oil prices and an 8% reduction in production volumes from the TGT and CNV fields including the associated impact on working capital movements.

Capital expenditure for the period ending 30 June 2016 was $27.2m (2015: $61.9m). This reduction period on period reflects the strategy on capital spend that we will only commit to those projects that add positive near term value or are a commitment on the Group.

The Group made a dividend payment to shareholders of $9.4m (2015: $51.0m) in the period.

RELATED PARTY TRANSACTIONS

There have been no new material related party transactions in the period and there have been no material changes to the related party transactions described in Note 32 to the Consolidated Financial Statements contained in the 2015 Annual Report and Accounts.

RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of 2016 and could cause actual results to differ materially from expected and historical results. Risks and uncertainties, along with the mitigation measures in place to reduce risks to acceptable levels, that remain unchanged from those published in the 2015 Annual Report and Accounts are summarised below:

- Health, safety, environment and social risks – arising due to the nature and location of the Group's activities
- Operational risk – in conducting exploration, drilling, construction and production operations in the upstream oil and gas industry
- Empowerment risk – the conduct of international operations requires the delegation of a degree of decision making to partners, contractors and locally based personnel
- Reserves risk – inherent uncertainties in the application of standard recognised evaluation techniques to estimate proven and probable reserves
- Stakeholder and Reputational risk – associated with the conduct of oil and gas activity in locations where social and environmental matters may be highly sensitive both on the ground and as perceived globally
- Commodity price risk – associated with the Group's sales of oil and gas
- Liquidity and credit risk – associated with meeting the Group's cash requirements
- Foreign currency risk – associated with cash balances held in non-US dollar denominations.
- Business conduct and bribery risk – the industry sector and certain countries where SOCO operates may be perceived as falling short of the standards expected by the UK Bribery Act

- Political and regional risk – due to the location of the Group's projects, often in developing countries or countries with emerging free market systems

Further information on the above principal risks and uncertainties facing the Group is included in the Risk Management section of the 2015 Annual Report and Accounts and in Note 4 to the Consolidated Financial Statements in that report in relation to reserves estimation risk and its impact on the Consolidated Financial Statements.

GOING CONCERN

It should be recognised that any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. Nevertheless, at the time of preparation of these accounts and after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason, and taking into consideration any additional factors, they continue to adopt the going concern basis in preparing the accounts.

CORPORATE

Non-Executive Directors

Corporate governance remains a priority and in accordance with SOCO's programme of Board refreshment, two of SOCO's long serving Non-Executive Directors, John Norton and Robert Cathery, retired from the Board at the June Annual General Meeting ("AGM"), having not sought reappointment by shareholders. Whilst we believe that the continuing Directors comprise an appropriately balanced Board, with the experience and attributes critical to the success of the Company, we will continue to review the balance and effectiveness of the Board with a view to adding independent non-executives commensurate with our size and need.

Dividend

Following approval at the AGM, in June, the Company paid a final dividend of 2 pence per share ($9.4m). The Board will decide on the level of future cash returns in light of the oil price, cash flow generation from Vietnam and expected capital expenditure at the time.

OUTLOOK

2016 has been and will continue to be a year of prudent cost management, whilst taking proactive measures to ramp the TGT development programme back up when conditions are more conducive and positioning ourselves for future growth. Optimisation of TGT production and development scenarios accordingly remains a priority. Our Group guidance range for 2016 production meanwhile is held at 10-11,500 BOEPD. Steady cash flows from our fully funded operations in Vietnam give the Company the flexibility and opportunity to commit to a TGT FFDP that is fully suited to the Company's performance expectations.

Whilst due process is underway to commence collection of the payable due on the former-Mongolia asset, the Company has sufficient cash resources to fully meet its commitments and capital programme.

An additional distribution to shareholders will be considered later in 2H2016, within the parameters of the Board's previously stated approach to capital - which includes retaining a strong balance sheet under all reasonable oil price scenarios and flexibility to invest organically and inorganically in attractive risk/return profile projects.

Our business continues to be focused in South East Asia, a region that we understand well, especially Vietnam, having enjoyed considerable prior success which we aim to reproduce in the future. At the same time, our approach is opportunity driven and we remain committed to evaluating options to optimise our exposure to upside without jeopardising our focus on sustainable cash flow generation. We are confident that we are well placed to take advantage of real opportunities emerging from this prolonged difficult economic climate and we continue our focus on creating value for our shareholders.

Rui de Sousa
Chairman

Ed Story
President and Chief Executive Officer

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting;
- The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transaction and changes therein).

By order of the Board
Roger Cagle
Deputy Chief Executive Officer and Chief Financial Officer
2 August 2016

DISCLAIMER

This Interim Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The Half Year Report should not be relied on by any other party or for any other purpose.

The Half Year Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

INDEPENDENT REVIEW REPORT TO SOCO INTERNATIONAL PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 9. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
2 August 2016

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	**(unaudited) six months ended 30 Jun 16 $ million**	(unaudited) six months ended 30 Jun 15 $ million	year ended 31 Dec 15 $ million
Revenue	3	**72.7**	116.6	214.8
Cost of sales	4	**(68.6)**	(81.3)	(166.4)
Gross profit		**4.1**	35.3	48.4
Administrative expenses		**(5.7)**	(5.8)	(10.0)
Exploration expenses		**-**	-	(35.6)
Pre-licence exploration costs		**-**	(0.8)	(0.8)
Operating (loss)/profit		**(1.6)**	28.7	2.0
Investment revenue		**0.2**	0.2	0.4
Other gains and losses		**-**	4.6	7.4
Finance costs		**(1.1)**	(0.8)	(1.6)
(Loss)/profit before tax	3	**(2.5)**	32.7	8.2
Tax	5	**(9.7)**	(26.8)	(42.0)
(Loss)/profit for the period		**(12.2)**	5.9	(33.8)
(Loss)/earnings per share (cents)	6			
Basic		**(3.7)**	1.8	(10.3)
Diluted		**(3.7)**	1.8	(10.3)

The results are from continuing activities only.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(unaudited) six months ended 30 Jun 16 $ million	(unaudited) six months ended 30 Jun 15 $ million	year ended 31 Dec 15 $ million
(Loss)/profit for the period	**(12.2)**	5.9	(33.8)
Items that may be subsequently reclassified to profit or loss:			
Unrealised currency translation differences	**0.4**	1.5	1.8
Total comprehensive (loss)/income for the period	**(11.8)**	7.4	(32.0)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**(unaudited) 30 Jun 16 $ million**	(unaudited) 30 Jun 15 $ million	31 Dec 15 $ million
Non-current assets				
Intangible assets		**214.8**	214.6	211.5
Property, plant and equipment		**718.1**	793.6	760.5
Other receivables		**31.8**	27.2	29.5
		964.7	1,035.4	1,001.5
Current assets				
Inventories		**5.5**	4.5	3.1
Trade and other receivables		**30.4**	31.2	19.5
Tax receivables		**0.6**	1.1	0.7
Financial asset	7	**52.7**	50.0	52.7
Liquid investments		**10.3**	-	-
Cash and cash equivalents		**70.3**	96.6	103.6
		169.8	183.4	179.6
Total assets		**1,134.5**	1,218.8	1,181.1
Current liabilities				
Trade and other payables		**(21.6)**	(26.5)	(37.2)
Tax payables		**(6.8)**	(10.3)	(7.8)
		(28.4)	(36.8)	(45.0)
Non-current liabilities				
Deferred tax liabilities		**(173.7)**	(195.0)	(183.7)
Long term provisions		**(61.0)**	(54.6)	(59.9)
		(234.7)	(249.6)	(243.6)
Total liabilities		**(263.1)**	(286.4)	(288.6)
Net assets		**871.4**	932.4	892.5
Equity				
Share capital		**27.6**	27.6	27.6
Share premium account		**-**	-	-
Other reserves		**242.4**	242.8	242.3
Retained earnings		**601.4**	662.0	622.6
Total equity		**871.4**	932.4	892.5

STATEMENT OF CHANGES IN EQUITY

	Called up share capital $ million	Other reserves $ million	Retained earnings $ million	Total $ million
As at 1 January 2015	27.6	239.5	708.0	975.1
Distributions	-	-	(51.0)	(51.0)
Share-based payments	-	0.8	-	0.8
Transfer relating to share-based payments	-	2.4	(2.4)	-
Unrealised currency translation differences	-	0.1	1.5	1.6
Retained profit for the period	-	-	5.9	5.9
As at 30 June 2015 (unaudited)	27.6	242.8	662.0	932.4
Distributions	-	-	(0.1)	(0.1)
Transfer relating to share based payments	-	(0.1)	0.1	-
Share-based payments	-	(0.3)	-	(0.3)
Unrealised currency translation differences	-	(0.1)	0.3	0.2
Retained loss for the period	-	-	(39.7)	(39.7)
As at 1 January 2016	**27.6**	**242.3**	**622.6**	**892.5**
Distributions	**-**	**-**	**(9.4)**	**(9.4)**
Share-based payments	**-**	**0.4**	**-**	**0.4**
Unrealised currency translation differences	**-**	**(0.4)**	**0.5**	**0.1**
Transfer relating to share-based payments	**-**	**0.1**	**(0.1)**	**-**
Retained loss for the period	**-**	**-**	**(12.2)**	**(12.2)**
As at 30 June 2016 (unaudited)	**27.6**	**242.4**	**601.4**	**871.4**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	**(unaudited) six months ended 30 Jun 16 $ million**	(unaudited) six months ended 30 Jun 15 $ million	year ended 31 Dec 15 $ million
Net cash from operating activities	8	**16.2**	45.3	80.3
Investing activities				
Purchase of intangible assets		**(24.3)**	(9.4)	(17.5)
Purchase of property, plant and equipment		**(2.9)**	(52.5)	(70.0)
(Increase)/decrease in liquid investments [1]		**(10.3)**	40.2	40.2
Payment to abandonment fund		**(2.3)**	(2.6)	(4.9)
Net cash used in investing activities		**(39.8)**	(24.3)	(52.2)
Financing activities				
Share-based payments		**(0.2)**	(0.9)	(1.0)
Distributions		**(9.4)**	(51.0)	(51.1)
Net cash used in financing activities		**(9.6)**	(51.9)	(52.1)
Net decrease in cash and cash equivalents		**(33.2)**	(30.9)	(24.0)
Cash and cash equivalents at beginning of period		**103.6**	126.2	126.2
Effect of foreign exchange rate changes		**(0.1)**	1.3	1.4
Cash and cash equivalents at end of period [1]		**70.3**	96.6	103.6

[1] Liquid investments comprise short term liquid investments of between three to six months maturity while cash and cash equivalents (which are presented as a single class of asset on the balance sheet) comprise cash at bank and other short term highly liquid investments of less than three months maturity that are readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value. The combined cash and cash equivalents and liquid investments balance at 30 June 2016 was $80.6m (2015: $96.6m).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The information for the year ended 31 December 2015 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The half year financial report is presented in US dollars because that is the currency of the primary economic environment in which the Group operates.

A final dividend of 2 pence per share was approved at the Annual General Meeting and subsequently paid to Shareholders on 17 June 2016. See Note 9 below.

The half year financial report for the six months ended 30 June 2016 was approved by the Directors on 2 August 2016.

2. Significant accounting policies

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The condensed set of financial statements included in this half year financial report has been prepared on a going concern basis of accounting for the reasons set out in the Financial Results section of this report and in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union, and the requirements of the UK Disclosure and Transparency Rules of the Financial Services Authority in the United Kingdom as applicable to interim financial reporting.

There have not been any new or amended standards and interpretations that would have a material impact on the financial information for the six months ended 30 June 2016.

3. Segment information

The Group has one principal business activity being oil and gas exploration and production. The Group's operations are located in South East Asia and Africa and form the basis on which the Group reports its segment information. There are no inter-segment sales. Segment results are presented below:

	SE Asia $ million	Africa $ million	Unallocated $ million	Group $ million
Six months ended 30 June 2016 (unaudited)				
Oil and gas sales	**72.7**	**-**	**-**	**72.7**
Profit/(loss) before tax	**3.1**	**-**	**(5.6)**	**(2.5)**
Six months ended 30 June 2015 (unaudited)				
Oil and gas sales	116.6	-	-	116.6
Profit/(loss) before tax	34.2	(0.5)	(1.0)	32.7
Year ended 31 December 2015				
Oil and gas sales	214.8	-	-	214.8
Profit/(loss) before tax	46.3	(35.8)	(2.3)	8.2

4. Cost of sales

	(unaudited) **six months ended** **30 Jun 16** **$ million**	(unaudited) six months ended 30 Jun 15 $ million	year ended 31 Dec 15 $ million
Operating costs	**20.9**	22.9	47.4
Inventory movements	**(2.4)**	1.6	3.0
Royalty	**5.7**	8.6	16.2
Export duty	**0.8**	0.5	0.8
DD&A	**43.6**	47.7	99.0
Total cost of sales	**68.6**	81.3	166.4

5. Tax

	(unaudited) six months ended 30 Jun 16 $ million	(unaudited) six months ended 30 Jun 15 $ million	year ended 31 Dec 15 $ million
Current tax	**19.6**	32.0	58.5
Deferred tax	**(9.9)**	(5.2)	(16.5)
	9.7	26.8	42.0

The Group's corporation tax is calculated at 50% (2015: 50%) of the estimated assessable profit for each period in Vietnam. During each period both current and deferred taxation have arisen in overseas jurisdictions only.

6. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	(unaudited) six months ended 30 Jun 16 $ million	(unaudited) six months ended 30 Jun 15 $ million	year ended 31 Dec 15 $ million
Earnings for the purpose of basic and diluted earnings per share	**(12.2)**	5.9	(33.8)

	Number of shares (million)		
	(unaudited) six months ended 30 Jun 16	(unaudited) six months ended 30 Jun 15	year ended 31 Dec 15
Weighted average number of ordinary shares for the purpose of basic earnings per share	**329.2**	329.0	329.1
Effect of dilutive potential ordinary shares - Share awards and options	**5.0**	0.5	3.7
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**334.2**	329.5	332.8

7. Financial asset

In 2005, the Group disposed of its Mongolia interest to Daqing Oilfield Limited Company, a subsidiary of PetroChina Company Limited. Under the terms of the transaction the Group is entitled to receive a subsequent payment amount of up to $52.7m, once cumulative production reaches 27.8 million barrels of oil, at the rate of 20% of the average monthly marker price for Daqing crude multiplied by the aggregate production for that month. Daqing notified SOCO that the production threshold of crude oil in excess of 27.8 million barrels was achieved in December 2015.

As at 30 June 2016 $26.6m of the financial asset was due, but to date has not been settled. SOCO has received correspondence from the counter party to confirm that an application procedure to the Chinese Government has commenced in order to make payments against the subsequent payment amount.

The fair value of the subsequent payment amount was determined using a valuation technique as there is no active market against which direct comparisons can be made (Level 3 as defined in IFRS 13). Assumptions were made in calculating the fair value at each reporting date, risked as appropriate, with the resultant cash flows discounted at a commercial risk free interest rate. The fair value of the financial asset at the date of completion of the sale was $31.5m. As at 31 December 2015 and 30 June 2016 the fair value was the full subsequent payment amount of $52.7m, without risk adjustment.

8. Reconciliation of operating profit to operating cash flows

	(unaudited) six months ended	(unaudited) six months ended	year ended
	30 Jun 16	30 Jun 15	31 Dec 15
	$ million	$ million	$ million
Operating (loss)/profit	**(1.6)**	28.7	2.0
Share-based payments	**0.6**	1.7	1.5
Depreciation, depletion and amortisation	**43.7**	47.8	99.2
Exploration expense	**-**	-	35.6
Operating cash flows before movements in working capital	**42.7**	78.2	138.3
(Increase)/decrease in inventories	**(2.4)**	1.6	3.0
(Increase)/decrease in receivables	**(8.4)**	0.5	12.4
Increase/(decrease) in payables	**3.4**	(1.6)	(11.4)
Cash generated by operations	**35.3**	78.7	142.3
Interest received	**0.2**	0.2	0.5
Interest paid	**-**	-	(0.1)
Income taxes paid	**(19.3)**	(33.6)	(62.4)
Net cash from operating activities	**16.2**	45.3	80.3

9. Dividend

On 17 June 2016, following approval at the Annual General Meeting, the Company paid a dividend of 2 pence per share in total $9.4m (2015: $51.0m) to Shareholders.