

Doriemus PLC
(“Doriemus” or the “Company”)

Interim Results for the six months to 30 June 2020

Doriemus PLC (ASX: DOR), an oil and gas production and exploration Company, today announces its interim results for the 6 month period ended 30 June 2020.

REVIEW OF OPERATIONS:

OIL PRODUCTION AND EXPLORATION ASSETS

1. Horse Hill (“HH”) Petroleum Exploration and Development License:

Doriemus currently owns 4% of Horse Hill Developments Limited (“HHDL”), which owns 65% of two Petroleum Exploration and Development Licences (“PEDL”) PEDL137 and PEDL246 in the northern Weald Basin between Gatwick Airport and London. The PEDL137 licence covers 99.29 km² to the north of Gatwick Airport in Surrey and contains the Horse Hill-1 (“HH-1”) discovery well. PEDL246 covers an area of 43.58 km² and lies immediately adjacent and to the east of PEDL137 which hosts the HH-1 oil discovery well located in PEDL137 in the UK’s onshore Weald Basin. This equates to a 2.6% attributable interest in the licences. HHDL is the nominated operator (“Operator”) of the Horse Hill License.

Horse Hill-Field

Following planning approval for Horse Hill production in September 2019, the most recent key event was the Oil and Gas Authority's (OGA) consent to the Field Development Plan (FDP) in March 2020 and the permission to produce. This milestone allows long-term production from this asset.

The Operator of the Horse Hill-1 well (HH-1) advised it has continued producing almost continuously during early 2020. Recently a higher capacity and energy efficient linear rod pump was installed on HH-1, in an attempt to increase production from the Portland interval. As of 29 June 2020, 113,143 barrels in total have been produced from Horse Hill. Also, operating costs have been reviewed and substantially reduced, including the purchase of the surface facilities to remove the substantial equipment rental costs. Further significant savings were also achieved in oil transportation costs and other services.

The Horse Hill-2z (HH-2z) well was drilled and completed between September and November 2019. During well clean-up, formation water was produced to surface. A water-shut-off intervention was then completed. HH-2z well testing resumed via a combination of flow periods, with downhole pumping via a bespoke electric submersible pump, and pressure build-ups (PBUs) to assess oil volumes connected to the well.

Following initial high oil rates, HH-2z oil rates declined with continuing formation water production. The well is currently shut-in for a long-term PBU test. A number of options are being reviewed for the future use of HH-2z, including stimulation to return it into long-term production, side tracking the well to a different subsurface location and possibly converting it into a future water re-injection well to implement pressure support and further reduce future operating costs (as foreseen in the Horse Hill FDP). The Operator has also sought an extension to the current test permission in order to ensure that sufficient data is available to enable the correct decisions to be made.

The Operator has plans to undertake a significant intervention in HH-1 specifically designed to further improve flow into the wellbore. Together with a full reperforation of the entire Portland section using a different type of perforating gun than prior operations, a new, simpler production tubing completion will be installed. The new completion will permit the downhole pump to be installed below the Portland interval to significantly improve pump efficiency.

2. Brockham Production Licence:

The Brockham Licence is 8.9km² in size and is located in the north portion of the onshore UK Weald Basin in Surrey south of London’s Gatwick International Airport. Doriemus owns a 10% direct interest in the Brockham Oil Field which is held under UK Production Licence PL235 and operated by Angus Energy Plc (the “Operator”).

Angus Energy Plc (“the Operator”) has previously announced their intention as the Operator to possibly dispose of its own interest in Brockham. In the meantime, the Operator has recently prepared a hydrogeological risk assessment to address a water injection proposal for the field. This is currently under review with the Environmental Agency.

Doriemus is still reviewing all of its options in connection with its interest in the Brockham asset and future work programmes. The Company will provide a further update upon any material developments occurring.

3. Isle of Wight PEDL331 (Arreton Oil Discovery):

Doriemus has a 5% participating interest in a 200km² onshore Isle of Wight Petroleum Exploration and Development License (“PEDL 331”). The Isle of Wight PEDL331 Arreton license contains a discovery well, Arreton, plus several geologically similar prospects, Arreton South and North prospects.

The Arreton planning application was submitted in March 2020 and public consultation is now ongoing. The EA permit application for Arreton will be submitted shortly. The Operator (UKOG) intends to drill, sidetrack and test an Arreton 3/3z well which will appraise the Arreton-2 oil discovery made by British gas in the 1970’s. The primary target will be the Portland oil discovery, but the well will also test the underlying Kimmeridge section.

4. Greenland Gas & Oil Plc:

The Company has a small shareholding in the English registered company Greenland Gas and Oil Plc (“GGO”), which is an early stage oil and gas exploration company focused on acquiring oil and gas exploration assets in Greenland. There were no material updates over the quarter.

5. WA onshore block L15 Farm Out:

Doriemus announced on 6 February 2020 that it had filed a Notice of Withdrawal from the farm-out agreement for L15. The relevant farmout agreement is now deemed terminated and Doriemus has not earned any interest in the L15 asset.

NEW PROJECTS:

Proposed Acquisition of Coera Limited:

Doriemus announced on 30 January 2020 that it had executed a binding conditional Heads of Agreement with ASX Listed Oilex Limited for the proposed acquisition by Doriemus of Coera Limited which holds a portfolio of oil and gas assets within the proven onshore South Australian Cooper-Eromanga Basin (“Proposed Acquisition”).

Doriemus subsequently announced that, given the events of COVID-19 and unprecedented market and global conditions, the Board had taken the view that it is in the best interests of the Company, its shareholders and other stakeholders to not proceed with the capital raising element of the Proposed Acquisition.

The Company announced on 29 April 2020 that it had concluded the ongoing negotiations with Oilex in respect of a revised deal structure for the acquisition of Coera Limited and that the parties mutually agreed to terminate the term sheet dated 29 January 2020 and announced on 30 January 2020.

RESULTS FOR PERIOD:

Loss for the period to 30 June 2020 amounted to AUD\$575,000 (30 June 2019: AUD\$1,085,000 loss) which included AUD\$393,000 (30 June 2019: AUD\$343,000) of administration costs.

OUTLOOK:

Doriemus continues to monitor the Covid-19 situation closely, with a primary focus on the health, wellbeing and safety of all its employees. To date there has been no impact to the Group and Company, or any of its projects, if this changes Doriemus will of course provide an update accordingly.

The Board, as always, remain open to consideration of other opportunities that may arise to create shareholder value.

In the meantime, Doriemus is still in strong position with its existing portfolio of assets in the United Kingdom and cash reserves. To reflect the future plans of the Company, the board has previously been rationalised and there has been a significant reduction in all costs, in line with the current structure.

The directors would like to take this opportunity to thank our shareholders, staff and consultants for their continued support.



Keith Coughlan
Chairman

10 August 2020

CONTACTS:

For further information on this update or the Company generally, please visit our website at www.doriemus.co.uk or contact:

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Condensed Consolidated Statement of Comprehensive Income
Unaudited for the six months ended 30 June 2020

	Six months ended 30 June 2020 (unaudited) AUD\$'000	Six months ended 30 June 2019 (unaudited) AUD\$'000	Year ended 31 December 2019 (audited) AUD\$'000
Revenue	-	18	18
Cost of Sales	(11)	(84)	(193)
Gross (Loss)	(11)	(66)	(175)
Administrative expenses	(393)	(343)	(1,177)
Exploration costs written off	-	(869)	(1,447)
Depletion & impairment charge	-	(9)	(338)
(Loss) from operations	(404)	(1,287)	(3,137)
Loan interest	-	33	88
Realised gain on AFS investments	-	363	222
Unrealised (loss)/gain on AFS investments and loan	(125)	(194)	(59)
Foreign exchange gain/loss	(46)	-	-
(Loss) before income tax	(575)	(1,085)	(2,886)
Income tax expense	-	-	-
(Loss) attributable to the owners of the parent and total comprehensive income for the period	(575)	(1,085)	(2,886)
Other comprehensive income			
Foreign currency translation	7	(34)	145
Other comprehensive income for the period net of taxation	7	(34)	145
Total comprehensive income for the period attributable to equity holders of the parent	(568)	(1,119)	(2,741)
(Loss) per share (Note 2)			
Basic (loss) per share (AUD cents)	(0.99)c	(1.87)c	(4.98)c
Diluted (loss) per share (AUD cents)	(0.79)c	(1.50)c	(3.98)c

Condensed Consolidated Statement of Financial Position
Unaudited as at 30 June 2020

	Note	As at 30 June 2020 (unaudited) AUD\$'000	As at 30 June 2019 (unaudited) AUD\$'000	As at 31 December 2019 (audited) AUD\$'000
ASSETS				
Non-current assets				
Intangible assets	4	422	1,071	422
Oil and gas properties	5	94	697	94
Available for sale investment		750	1,176	797
Total non-current assets		1,266	2,944	1,313
Current assets				
Trade and other receivables		1,269	961	1,701
Cash and cash equivalents		1,603	1,814	1,712
Total current assets		2,872	2,775	3,413
TOTAL ASSETS		4,138	5,719	4,726
LIABILITIES				
Current liabilities				
Trade and other payables		(1,140)	(529)	(1,160)
Total current liabilities		(1,140)	(529)	(1,160)
TOTAL LIABILITIES		(1,140)	(529)	(1,160)
NET ASSETS		2,998	5,190	3,566
Equity attributable to equity holders of the parent				
Share capital		411	411	411
Share premium reserve		14,162	14,162	14,162
Share based payment reserve		2,984	2,984	2,984
Foreign Exchange Reserve		317	131	310
Retained earnings		(14,876)	(12,498)	(14,301)
TOTAL EQUITY		2,998	5,190	3,566

Condensed Consolidated Statement of Changes in Equity
Unaudited for the six months ended 30 June 2020

	Share capital AUD\$'000	Share premium AUD\$'000	Share based payment reserve AUD\$'000	Foreign Exchange Reserve AUD\$'000	Retained earnings / accumulated losses AUD\$'000	Total AUD\$'000
At 31 December 2018	411	14,162	2,984	165	(11,415)	6,307
Share options lapsed	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
(Loss) for the year	-	-	-	-	(2,886)	(2,886)
Other comprehensive income	-	-	-	145	-	145
Total comprehensive loss for the year	-	-	-	145	(2,886)	(2,741)
At 31 December 2019	411	14,162	2,984	310	(14,301)	3,566
At 31 December 2018	411	14,162	2,984	165	(11,413)	6,309
(Loss) for the period	-	-	-	-	(1,085)	(1,085)
Other comprehensive income	-	-	-	(34)	-	(34)
Total comprehensive loss for the period	-	-	-	-	(1,085)	(1,119)
At 30 June 2019	411	14,162	2,984	131	(12,498)	5,190
At 31 December 2019	411	14,162	2,984	310	(14,301)	3,566
Gain/(Loss) for the period	-	-	-	7	-	7
Other comprehensive income	-	-	-	-	(575)	(575)
Total comprehensive loss for the period	-	-	-	7	(575)	(568)
At 30 June 2020	411	14,162	2,984	317	(14,876)	2,998

Condensed Consolidated Statement of Cash Flows
Unaudited for the six months ended 30 June 2020

	Six months ended 30 June 2020 (unaudited) AUD\$'000	Six months ended 30 June 2019 (unaudited) AUD\$'000	Year ended 31 December 2019 (audited) AUD\$'000
Cash flows from operating activities			
Operating (loss)	(575)	(1,287)	(3,137)
<i>Adjustments for:</i>			
Depletion & impairment charge	-	9	338
Exploration costs written-off	-	869	1447
Share based payment charge	-	-	-
Unrealised (loss)/gain on AFS investments and loans	125	-	-
Decrease in trade and other receivables	432	64	(277)
(Decrease) / increase in trade and other payable	(20)	(553)	39
Unrealised foreign exchange loss	103	-	-
Net cash generated from operating activities	65	(898)	(1,590)
Cash flows from investing activities			
Payments for intangible assets / OGP's	(98)	(638)	(79)
Loans (granted) to related parties	-	-	(284)
Proceeds from disposal of available for sale assets	-	2,959	3,315
Net cash used in investing activities	(98)	2,321	2,952
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	-	-	-
Share issue costs	-	-	-
Net cash used in financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	(33)	1,423	1,362
Cash and cash equivalents at beginning of period	1,712	376	376
Effects of exchange rate changes on cash and cash equivalents	(76)	15	(26)
Cash and cash equivalents at end of period	1,603	1,814	1,712
Cash and cash equivalents comprise:			
Cash available on demand	1,603	1,814	1,712

Notes to the unaudited financial statements for the 6 months to 30 June 2020

1. Basis of preparation

The half-yearly results have not been audited but were the subject of an independent review carried out by the Company's auditors, Chapman Davis LLP. Their review confirmed that the figures were prepared using applicable accounting policies and practices consistent with those adopted in the 2019 annual report and to be adopted in the 2020 annual report, other than the change in functional and presentational currency as detailed in Note 6. The financial information contained in this half-yearly report does not constitute statutory accounts as defined by Section 435 of the Companies Act 2006.

The half-yearly report has been prepared under the historical cost convention.

The Directors acknowledge their responsibility for the half-yearly report and confirm that, to the best of their knowledge, the interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with International Financial Reporting Standards, including IAS 34 "Interim Financial Statements", and complies with the listing requirements for companies trading securities on the ASX. This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2019.

The Directors are of the opinion that on-going evaluations of the Company's interests indicate that preparation of the accounts on a going concern basis is appropriate.

The Interim Financial Information was approved by the Board of Directors on 10 August 2020.

2. (Loss) per share

The calculation of the basic and diluted (loss) per share is based upon

	6 months ended 30 June 2020	6 months ended 30 June 2019	Year ended 31 December 2019
Basic (loss) per share (AUD cents)	(0.99)c	(1.87)c	(4.98)c
Diluted (loss) per share (AUD cents)	(0.79)c	(1.50)c	(3.98)c
(Loss) attributable to equity shareholders	(575,000)	(1,085,000)	(2,886,000)
Weighted average number of shares basic	57,983,125	57,983,125	57,983,125
Weighted average number of shares diluted	72,433,125	72,433,125	72,433,125

3. Revenue and segmental reporting

The Group's current revenue is all generated in the United Kingdom from oil & gas production in accordance with its farm-in agreements, within the United Kingdom. However, with this segment in its infancy, and with the only major related transactions being the carrying value of the oil & gas properties assets as described in note 5, no further segmental analysis is deemed useful to disclose currently. The revenue from this segmental was AUD\$nil (30 June 2019: AUD\$18,000; 31 December 2019: AUD\$18,000)

Subject to further acquisitions and developments, the Company expects to further review its segmental information during the forthcoming financial year and update accordingly.

4. Intangible assets

Licences & Exploration costs	30 June 2020 AUD\$'000	30 June 2019 AUD\$'000	31 December 2019 AUD\$'000
Cost			
Opening balance	571	532	532
Additions	-	537	13
Foreign exchange translation	-	2	26
Closing balance	571	1,071	571
Amortisation and impairment			
Opening balance	(149)	-	-
Additions	-	-	(145)
Foreign exchange translation	-	-	(4)
Closing balance	(149)	-	(149)
Net book value	422	1,071	422

Impairment Review

At 30 June 2020, the directors have carried out an impairment review and have considered that no impairment write-down is required (30 June 2019: AUD\$nil, 31 December 2019: AUD\$nil). The directors are of the opinion that the carrying value is stated at fair value.

5. Oil & gas properties

	30 June 2020 AUD\$'000	30 June 2019 AUD\$'000	31 December 2019 AUD\$'000
Cost			
Opening balance	94	2,601	2,601
Additions	-	101	66
Disposals	-	(1,162)	(885)
Exploration costs written-off	-	(869)	(1,472)
Foreign exchange translation	-	26	(216)
Closing balance	94	697	94
Depletion & impairment			
Opening balance	-	311	24
Impairment charge	-	-	9
Additions	-	9	(8)
Disposal	-	(322)	(26)
Foreign exchange translation	-	2	1
Closing balance	-	-	-
Net book value	94	697	94

Impairment review

The Oil & Gas properties comprise the 10% participating interest in the Brockham Oil Field, in the United Kingdom.

At 30 June 2020, the directors have carried out an impairment review and have considered that no impairment write-down is required in respect of the write-off of the previously capitalised exploration costs in respect of the Brockham Oil Field (30 June 2019: AUD\$869,000, 31 December 2019: AUD\$1,447,000). The directors are of the opinion that the carrying value is stated at fair value. The Directors based this assessment on continuing operational work schedules that are ongoing to improve operational efficiencies.

6. Change of Functional and Presentation Currency

The financial statements are presented in Australian Dollars (AUD), which is the functional currency of the company from January 1, 2020. The change was made to reflect that AUD has become the predominant currency in the company, counting for a significant part of the company's cash flow, cash flow management and financing. The change has been implemented with prospective effect. The change of presentation currency is applied retrospectively for comparative figures for 30 June 2019 and 31 December 2019. Currency translation effects for the comparative figures from functional currency to presentation currency AUD in 2019 are booked as translation differences towards equity.

Comparison figures in the statement of comprehensive income, statement of changes in equity and statement of cash flows have been re-presented to reflect the currency rates of transactions in foreign currencies at the date of the transactions. The re-presentation of the statement of cash flow impacts the classification between currency translation adjustments and other components of cash flow.

7. Events after the end of the reporting period

There are no events after the end of the reporting period to report.

8. Availability of the Interim Report

Copies of the report will be available from the Company's registered office and also from the Company's website www.doriemus.co.uk.

INDEPENDENT REVIEW REPORT TO DORIEMUS PLC

Introduction

We have been engaged by the Company to review the interim financial statements for the six months ended 30 June 2020 comprising the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows, and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "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 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 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 International Accounting Standard 34 "Interim Financial Reporting".

As disclosed in Note 1 the annual financial statements of the Company 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 have 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 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 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

A handwritten signature in cursive script that reads "Chapman Davis". The signature is written in black ink and is positioned above a horizontal line that extends to the right.

CHAPMAN DAVIS LLP, Chartered Accountants
2 Chapel Court, London SE1 1HH
10 August 2020