UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014

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Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

		Three Months ended September 30		Nine Months ended September 30	
$000s	**Note**	**2014**	**2013**	**2014**	**2013**
Revenue		10,430	-	11,808	-
Royalties		(4,271)	-	(4,835)	-
Net revenue		**6,159**	**-**	**6,973**	**-**
Operating expense		(3,602)	-	(4,762)	-
Depreciation, depletion and amortization expense		(1,881)	(195)	(2,858)	(529)
Impairment of oil and gas assets	**5**	-	(45,216)	(1,181)	(65,693)
Pre-license costs		(966)	(1,824)	(3,769)	(4,953)
General and administrative expense		(4,693)	(8,711)	(12,632)	(34,169)
Other income / (expense)	**19**	3,076	(9,819)	1,516	(49,079)
Loss from operations		**(1,907)**	**(65,765)**	**(16,713)**	**(154,423)**
Finance income		112	765	275	1,791
Finance expense		(240)	-	(611)	-
Foreign exchange gains		627	105	376	2,832
Loss before income tax		**(1,408)**	**(64,895)**	**(16,673)**	**(149,800)**
Income tax expense	**4**	(148)	(252)	(475)	(813)
Net loss for the period		**(1,556)**	**(65,147)**	**(17,148)**	**(150,613)**
Other comprehensive loss (net of income tax)					
Items which will not be subsequently reclassified to profit and loss					
Actuarial loss on defined benefit obligation		(365)	-	(1,113)	-
Total comprehensive loss for the period		**(1,921)**	**(65,147)**	**(18,261)**	**(150,613)**
Net loss for the period attributable to:					
Owners of the Company		(1,556)	(65,109)	(17,120)	(150,381)
Non-controlling interest		-	(38)	(28)	(232)
		(1,556)	**(65,147)**	**(17,148)**	**(150,613)**
Total comprehensive loss for the period attributable to:					
Owners of the Company		(1,921)	(65,109)	(18,233)	(150,381)
Non-controlling interest		-	(38)	(28)	(232)
		(1,921)	**(65,147)**	**(18,261)**	**(150,613)**
Loss per share (basic and diluted)	**14**	**(0.01)**	**(0.65)**	**(0.16)**	**(1.72)**

Condensed Consolidated Interim Statement of Financial Position

$000s	Note	September 30 2014	December 31 2013
Non-current assets			
Intangible assets	5	299,021	200,720
Property, plant and equipment	6	623,423	443,824
Deferred tax assets		1,922	911
		924,366	**645,455**
Current assets			
Inventories	7	15,920	12,465
Trade and other receivables	8	7,748	1,106
Other current assets	9	14,278	11,152
Cash and cash equivalents	10	189,995	306,034
		227,941	**330,757**
Total assets		**1,152,307**	**976,212**
Current liabilities			
Trade and other payables	11	104,508	138,608
Deferred revenue		2,449	-
Current income tax liabilities		1,307	463
		108,264	**139,071**
Non-current liabilities			
Trade and other payables	11	65,202	66,271
Retirement benefit obligation		8,398	3,492
Decommissioning obligation	12	7,237	1,346
		80,837	**71,109**
Total liabilities		**189,101**	**210,180**
Equity			
Share capital	13	1,226,136	1,009,684
Other reserves	15	4,135	5,186
Remeasurement of defined benefit obligation		(5,079)	(3,966)
Accumulated deficit		(278,678)	(261,585)
Equity attributable to owners of the company		**946,514**	**749,319**
Non-controlling interests		16,692	16,713
Total equity		**963,206**	**766,032**
Total equity and liabilities		**1,152,307**	**976,212**

The condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on November 4, 2014. They were signed on behalf of the Board of Directors by

(signed)
Jean Claude Gandur
Director

(signed)
Peter Newman
Director

Condensed Consolidated Interim Statement of Changes in Equity

		Attributable to equity holders of the Company							
$000s	Note	Share capital[2]	Share premium	Other reserves	Accumulated deficit	Remeasurement of defined benefit obligation / Actuarial loss	Total	Non-controlling interests	Total equity
Balance at January 1, 2013		**499,311**	**771**	**5,846**	**(84,371)**	**(2,542)**	**419,015**	**25,322**	**444,337**
Total comprehensive loss for the period		-	-	-	(150,381)	-	(150,381)	(232)	(150,613)
Shares issued prior to initial public offering	**13**	260,606	4,531	-	-	-	265,137	-	265,137
Shares issued through initial public offering	**13**	247,344	-	-	-	-	247,344	-	247,344
Issuance costs	**13**	(11,536)	(5,302)	-	-	-	(16,838)	-	(16,838)
Warrants exercised	**13**	10,515	-	-	-	-	10,515	-	10,515
Share based payment expense	**15**	-	-	22,809	-	-	22,809	-	22,809
Shares issued for long-term incentive plan (“LTIP”)	**13 15**	3,034	-	(25,427)	-	-	(22,393)	-	(22,393)
Shares issued for Directors’ compensation		174		(174)	-	-	-	-	-
Balance at September 30, 2013		**1,009,448**	**-**	**3,054**	**(234,752)**	**(2,542)**	**775,208**	**25,090**	**800,298**
Net loss for the period		-	-	-	(35,183)	-	(35,183)	(27)	(35,210)
Share based payment expense	**15**	-	-	2,238	-	-	2,238	-	2,238
Shares issued for LTIP	**15**	236	-	(106)	-	-	130	-	130
Increase in participating interest in subsidiary[1]		-	-	-	8,350	-	8,350	(8,350)	-
Remeasurement of defined benefit obligation		-	-	-	-	(1,424)	(1,424)	-	(1,424)
Balance December 31, 2013		**1,009,684**	**-**	**5,186**	**(261,585)**	**(3,966)**	**749,319**	**16,713**	**766,032**
Net loss for the period		-	-	-	(17,120)	-	(17,120)	(28)	(17,148)
Shares issued through offering	**13**	209,725	-	-	-	-	209,725	-	209,725
Issuance costs	**13**	(3,063)	-	-	-	-	(3,063)	-	(3,063)
Share based payment expense	**15**	-	-	8,515	-	-	8,515	-	8,515
Shares issued for LTIP	**15**	9,491	-	(9,491)	-	-	-	-	-
Shares issued for Directors’ compensation	**13**	299	-	(75)	-	-	224	-	224
Actuarial loss on defined benefit obligation		-	-	-	-	(1,113)	(1,113)	-	(1,113)
Disposal of subsidiaries[3]		-	-	-	27	-	27	7	34
Balance at September 30, 2014		**1,226,136**	**-**	**4,135**	**(278,678)**	**(5,079)**	**946,514**	**16,692**	**963,206**

(1) During the fourth quarter of 2013, Oryx Petroleum Middle East Ltd increased its participating interest in KPA Western Desert Energy Ltd to 66.67% from 50%.

(2) All outstanding shares of Oryx Petroleum Holdings PLC (“OPHP”) were acquired by Oryx Petroleum Corporation Limited (“OPCL”) immediately prior to the closing date of the initial public offering in exchange for new shares in OPCL. All share capital balances prior to May 15, 2013 relate to shares held by OPHP. Refer to Note 13.

(3) During the second quarter of 2014, the Group disposed of its shares in the following subsidiaries: AmiraKPO Middle East Limited, Sandhill Petroleum Operations Limited, Desert Hill Petroleum Operations Limited, Damsel Petroleum Operations Limited, Black Hills Petroleum Operations Limited, and Raval Petroleum Operations Limited. The Group disposed of its investment in AmiraKPO Middle East Limited for Nil proceeds and recorded allowances for doubtful accounts related to the transaction for a total of $15,000 in charges to the Statement of Loss which are included in Other expenses.

Condensed Consolidated Interim Statement of Cash Flows

		Three Months ended September 30		Nine Months ended September 30	
$000s	**Note**	**2014**	**2013**	**2014**	**2013**
Net loss		(1,556)	(65,147)	(17,148)	(150,613)
Items not involving cash	**16**	3,389	59,674	12,821	138,545
		1,833	(5,473)	(4,327)	(12,068)
Change in retirement benefit obligation		658	-	1,717	-
Changes in non-cash working capital	**16**	7,474	8,036	(7,989)	5,218
Net cash flow from / (used in) operating activities		**9,965**	**2,563**	**(10,599)**	**(6,850)**
Cash flows used in investing activities					
Acquisition of property, plant and equipment		(55,761)	(10,844)	(176,293)	(12,381)
Acquisition of intangible assets		(24,451)	(58,398)	(99,879)	(160,236)
Changes in non-cash working capital	**16**	(1,642)	6,703	(35,930)	8,054
Net cash used in investing activities		**(81,854)**	**(62,539)**	**(312,102)**	**(164,563)**
Cash flows from / (used in) financing activities					
Proceeds from issuance of ordinary shares		209,725	-	209,725	492,959
Share issuance costs		(3,063)	(65)	(3,063)	(16,838)
Net cash generated from / (used in) financing activities		**206,662**	**(65)**	**206,662**	**476,121**
Net increase / (decrease) in cash and cash equivalents		**134,773**	**(60,041)**	**(116,039)**	**304,708**
Cash and cash equivalents at beginning of the period		55,222	437,474	306,034	72,725
Cash and cash equivalents at end of the period		**189,995**	**377,433**	**189,995**	**377,433**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Oryx Petroleum Corporation Limited ("the Company") is a public company incorporated in Canada under the Canada Business Corporation Act on December 31, 2012, and is the holding company for the Oryx Petroleum group of companies (together the "Group" or "Oryx Petroleum"). The address of the registered office of Oryx Petroleum Corporation Limited is 3400 First Canadian Centre 350, 7th Avenue Southwest, Calgary, Alberta, Canada T2J 2M2. The Group's indirect majority shareholder is The Addax and Oryx Group Ltd ("AOG") (incorporated in Malta). The majority of AOG's outstanding shares are owned by Samsufi Trust, an irrevocable discretionary charitable trust created at the suggestion of Jean Claude Gandur. Mr. Gandur is not one of the beneficiaries of the Samsufi Trust. The Group's principal activities are to acquire and develop exploration and production assets in order to produce hydrocarbons and to increase oil and gas reserves.

On May 5, 2013, Oryx Petroleum Corporation Limited announced the filing of a supplemented PREP prospectus with the securities regulatory authorities in each of the provinces of Canada, other than Quebec, in connection with its initial public offering of 16,700,000 common shares, at a price of CAD$15.00 per common share (the "IPO") for total gross proceeds of CAD$250.5 million ($249.4 million). The IPO closed on May 15, 2013.

Immediately prior to closing the IPO, a corporate restructuring occurred whereby Oryx Petroleum Corporation Limited became the parent company of Oryx Petroleum Holdings PLC (OPHP) (formerly Oryx Petroleum Company PLC and Oryx Petroleum Company Limited). Although the comparative consolidated interim financial information, prior to the IPO, has been released in the name of the parent, Oryx Petroleum Corporation Limited, it represents an in-substance continuation of the pre-existing Group, headed by OPHP and the following accounting treatment has been applied to account for the restructuring:

- the consolidated assets and liabilities of the subsidiary OPHP were recognized and measured at the pre-restructuring carrying amounts, without restatement to fair value;
- the retained earnings and other equity balances recognized in the consolidated interim statement of financial position reflect the consolidated retained earnings and other equity balances of OPHP, as at May 9, immediately prior to the restructuring, and the results of the period from January 1, 2013 to May 9, 2013, the date of the restructuring, are those of OPHP as the Company was not active prior to the restructuring. Subsequent to the restructuring, the equity structure reflects the applicable movements in equity of Oryx Petroleum Corporation Limited.

The unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 4, 2014.

2. Summary of significant accounting policies

a. Basis of preparation

The unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2014 have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim financial reporting". The interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS). Accounting policies included in the annual financial statements for the year ended December 31, 2013 are applicable to these interim statements. During the first and second quarters of 2014, the Company adopted new accounting policies described below.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

2. Summary of significant accounting policies (continued)

The preparation of financial statements in conformity with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the annual financial statements for the year ended December 31, 2013.

The condensed consolidated interim financial statements are presented in the US Dollar currency (USD), which is both the presentational and functional currency of the Company.

b. Revenue

Oryx Petroleum incurs operating and capital costs for the exploration and development of various license areas. Agreements governing the exploration and development activities establish terms for Oryx Petroleum to recover these costs from the value of the sales of oil and natural gas products (Cost Recovery Oil) and to share in the value of the remaining oil and natural gas products (Profit Oil). The Group's revenue includes the value of gross sales representing the sum of Cost Recovery Oil and Profit Oil.

All remittances to governments who are party to the applicable Production Sharing Contract ("PSC") that are directly attributable to the sale of oil and natural gas products during the reporting period including the government share of Profit Oil described above, except for income taxes, are reported as royalties.

Under the terms of certain PSCs, the governments' share of Profit Oil includes an amount in respect of income taxes payable by the Group under the laws of the respective jurisdiction. As this amount is classified as income tax in accordance with IAS 12, Oryx Petroleum recognizes the amount as a deduction to royalties with a corresponding income tax expense when the oil and natural gas products are sold.

Revenue associated with the sale of the Group's working interest share of oil and natural gas products are recognized when the following conditions are satisfied:

- the risks and rewards of ownership have been transferred to the buyer;
- the fair value of revenue can be reliably measured.

Oil and natural gas products produced and sold by the Group below or above its working interest share in the related resource properties result in under-liftings or over-liftings respectively. Under-liftings are presented as inventory at cost and over-liftings are recorded as deferred revenue at market value.

c. Oil Inventory

Crude oil inventory is valued at the lower of cost or net realizable value. Cost is determined using average production and depletion costs on a first-in, first-out basis.

d. New and amended standards adopted by the Group

The Group has adopted the following new and amended IFRS standards as issued by the IASB:

Amendments to Standard	Effective for annual periods beginning on or after
IAS 32 – Financial Instruments: Presentation (Offsetting)	January 1, 2014
IAS 36 – Impairment of Assets (Disclosures re non-financial assets)	January 1, 2014
IFRS 10, IFRS 12 and IAS 27 – Consolidated Financial Statements (Investment entities)	January 1, 2014
IFRIC 21 – Levies	January 1, 2014
IAS 19 – Defined benefit plans (Employee contributions)	July 1, 2014
Annual improvement cycles; 2010 – 2012	July 1, 2014
Annual improvement cycles; 2011 – 2013	July 1, 2014

The above standards do not have a material impact for the Group, other than to enhance certain disclosures.

2. Summary of significant accounting policies (continued)

At the date of authorization of these financial statements, the following standards were issued but not yet effective:

New and Amended Standards	Effective for annual periods beginning on or after
IFRS 9, IFRS 7, IAS 39 – Financial Instruments: classification and measurement	January 1, 2018
Additions to IFRS 9 for financial liability accounting	January 1, 2018
IFRS 14 – Regulatory deferral accounts	January 1, 2016
IFRS 15 – Revenue from contracts with customers	January 1, 2017
Amendments to IFRS 11 – Accounting for acquisitions of interests in joint operations	January 1, 2016
Amendments to IAS 16 & IAS 38 – Clarification of acceptable methods of depreciation and amortization	January 1, 2016
Amendments to IAS 27 – Equity method in separate financial statements	January 1, 2016
Amendments to IFRS 10 & IAS 28 – Sale or contributions of assets between an investor and its associate or joint venture	January 1, 2015
Annual improvement cycles; 2012 – 2014	July 1, 2016

Management is evaluating the impact of these new or amended standards to determine if their adoption in future periods will have a material impact on the financial statements of the Group.

During 2013, the Group initially and retroactively applied IAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments. The impact on the equity balance as at January 1, 2013 was $3.6 million, which represents an increase in the accumulated deficit of $1.1 million as at December 31, 2012 and an increase in the remeasurement loss of the defined benefit obligation of $2.5 million for the year ended December 31, 2012.

3. Joint arrangements

The Group has entered into Joint arrangements to facilitate the development and production of oil and gas. The Joint arrangements are governed by PSCs and by joint operating agreements. Management has exercised judgment in concluding that joint arrangements are subject to joint control. Specifically, judgment has been used in determining that decisions concerning the relevant activities of each arrangement require the unanimous consent of at least two specified parties. The Group has classified and accounted for each of its interests in joint arrangements as Joint operations.

Specifically, as at September 30, 2014, the Company was involved in the following joint arrangements:

License Area	Classification	Location	Participating interest(1)
Hawler	Joint operation	Iraq – Kurdistan Region	65%
Wasit	Joint operation	Iraq – Wasit province	75%(2)
AGC Shallow	Joint operation	Senegal and Guinea Bissau	85%
OML 141	Joint operation	Nigeria	38.67%
Haute Mer A	Joint operation	Congo (Brazzaville)	20%
Haute Mer B	Joint operation	Congo (Brazzaville)	30%

(1) Participating interest is the Group's current interest in the applicable license area. Participating interest differs from working interest which reflects the impact of unexercised back-in rights or options.

(2) This amount includes an interest attributable to a non-controlling third party. The Group's participating interest net of the non-controlling interest is 50%.

4. Income tax expense

	Three Months ended September 30		Nine Months ended September 30	
$000s	**2014**	**2013**	**2014**	**2013**
Current income tax expense	(586)	(283)	(1,459)	(1,062)
Deferred tax:				
Deferred tax on LTIP	278	(55)	497	(52)
Deferred tax on defined benefit obligation	160	86	487	301
Total net income tax expense	**(148)**	**(252)**	**(475)**	**(813)**

The Group is subject to income taxes in certain jurisdictions where it owns licenses or has taxable operations. The current income tax expense relates to tax on profits from oil sales in the Kurdistan Region of Iraq and on profit from operations of the Group's Swiss and Maltese subsidiaries. For the nine months ending September 30, 2014, income taxes related to oil sales in the Kurdistan Region of Iraq in the amount of $0.2 million (2013 - Nil) were remitted to the government through its allocation of profit oil under the Hawler PSC.

5. Intangible assets

$000s	**Note**	**Exploration & Evaluation costs**	**Computer Software**	**Total**
Cost				
At January 1, 2013		**507,319**	**1,287**	**508,606**
Additions		159,951	285	160,236
Transfers and reclassifications(1)	**6**	(373,182)	-	(373,182)
At September 30, 2013		**294,088**	**1,572**	**295,660**
Additions		51,315	112	51,427
Transfers and reclassifications(2)	**6**	(33,538)	-	(33,538)
At December 31, 2013		**311,865**	**1,684**	**313,549**
Additions		99,592	287	99,879
At September 30, 2014		**411,457**	**1,971**	**413,428**
Accumulated amortization and impairment				
At January 1, 2013		**29,017**	**427**	**29,444**
Amortization		-	325	325
Impairment charge(3)(4)(5)		65,693	-	65,693
At September 30, 2013		**94,710**	**752**	**95,462**
Amortization		**-**	112	112
Impairment charge (6)		17,255	**-**	17,255
At December 31, 2013		**111,965**	**864**	**112,829**
Amortization		**-**	397	397
Impairment charge(6)		1,181	-	1,181
At September 30, 2014		**113,146**	**1,261**	**114,407**

5. Intangible assets (continued)

$000s	Exploration & Evaluation costs	Computer Software	Total
Net book value			
At September 30, 2013	199,378	820	200,198
At December 31, 2013	199,900	820	200,720
At September 30, 2014	298,311	710	299,021

(1) In March 2013, a portion of the Hawler license area E&E costs in Kurdistan was transferred from intangible assets to property, plant and equipment (PP&E) following a reserve report, effective March 31, 2013, from Netherland, Sewell & Associates, Inc. (NSAI) confirming the discovery of reserves at Demir Dagh within the license area. As a result, $371.6 million of costs associated with the license area were transferred from intangible E&E assets to Oil and Gas assets classified as PP&E in the first quarter of 2013, and a further $1.6 million in costs were transferred in the second quarter of 2013.

(2) Following a further reserve report from NSAI, effective December 31, 2013, confirming the discovery of reserves at Zey Gawra within the Hawler license area, $33.5 million of costs associated with Zey Gawra were transferred from intangible E&E assets to Oil and Gas assets classified as PP&E.

(3) Mateen-1 was drilled by the operator of the Sindi Amedi block, with technical support provided by Oryx Petroleum. The understanding of the structure did not support a working petroleum system on Mateen. The impairment charge of $29.0 million recorded in 2012 was reviewed and adjusted downwards by $1.2 million in the second quarter of 2013, based on new information received from the operator. The Mateen-1 well has been written down to Nil value.

(4) Drilling on the Dila prospect, one of several identified prospects in the OML 141 license area offshore Nigeria was completed in the second quarter of 2013. Oil was encountered during the drilling, but the estimated quantities of oil were not sufficient to be considered commercial. The Group considered the well unsuccessful and an impairment charge of $21.7 million was recorded during the second quarter of 2013, resulting in a write down of the well to Nil value.

(5) On April 25, 2013, in conjunction with the operator, Oryx Petroleum relinquished 34% of the Sindi Amedi license area to the Kurdistan Regional Government in exchange for the replacement of an exploration well commitment with the acquisition of 180km of seismic data in the retained license area. Following acquisition of this seismic data, during the third quarter of 2013, the Company decided to relinquish its remaining interest in the Sindi Amedi license area upon expiry of the initial exploration period on October 2, 2013. An impairment charge of $45.2 million was recorded during the third quarter of 2013. The Sindi Amedi license area has been written down to Nil value.

(6) In conjunction with the operator, drilling on the Horse prospect (formerly Ma) in the western portion of the Haute Mer A license area offshore Congo (Brazzaville) was completed in the fourth quarter of 2013. Although the H-1 well encountered both Tertiary and Cretaceous reservoirs with good porosity, the reservoirs were water bearing. The Company considers the well unsuccessful. An impairment charge of $17.3 million was recorded during the fourth quarter of 2013. An additional impairment charge of $1.2 million was recorded in the first half of 2014 based on updated information received from the operator. The H-1 well has been written down to Nil value.

The amounts for intangible assets represent costs incurred on active exploration projects. These amounts remain capitalized, provided there are no indications of impairment, until the process to determine whether reserves are established is complete. At that stage the relevant costs are either transferred to PP&E or written-off to the statement of comprehensive loss as an impairment of oil and gas assets. Management has exercised judgment determining that the interruption of appraisal activities in certain areas of the Hawler License Area due to the security developments in the region are expected to be temporary and consequently do not constitute an indicator of impairment.

6. Property, plant and equipment

$000s	Note	Oil & Gas Assets	Facilities under Construction(1)	Fixtures and Equipment	Total
Cost					
At January 1, 2013		**-**	**-**	**671**	**671**
Additions		10,778	-	1,603	12,381
Transfers and reclassifications	**5**	373,182	-	-	373,182
At September 30, 2013		**383,960**	**-**	**2,274**	**386,234**
Additions		23,153	1,116	170	24,439
Transfers and reclassifications	**5**	33,538	-	-	33,538
At December 31, 2013		**440,651**	**1,116**	**2,444**	**444,211**
Additions		161,654	19,145	1,332	182,131
At September 30, 2014		**602,305**	**20,261**	**3,776**	**626,342**
Accumulated depreciation, depletion and impairment					
At January 1, 2013		**-**	**-**	**96**	**96**
Depreciation		-	-	204	204
At September 30, 2013		**-**	**-**	**300**	**300**
Depreciation		-	-	87	87
At December 31, 2013		**-**	**-**	**387**	**387**
Depreciation		-	-	669	669
Depletion		1,863	-	-	1,863
At September 30, 2014		**1,863**	**-**	**1,056**	**2,919**
Net book value					
At September 30, 2013		383,960	-	1,974	385,934
At December 31, 2013		440,651	1,116	2,057	443,824
At September 30, 2014		600,442	20,261	2,720	623,423

(1) During the third quarter of 2013, the Kurdistan Regional Government gave its consent to lease an Early Production Facility for the Demir Dagh area of the Hawler license. The related facilities are under construction. Refer to Note 18 for further information on the commitments related to the Early Production Facility finance lease contract.

No assets have been pledged as security.

7. Inventories

$000s	September 30 2014	December 31 2013
Oil inventory	167	-
Materials	15,753	12,465
	15,920	**12,465**

The cost of oil inventory is expensed through production and depletion expenses in the period during which it is sold. During the third quarter of 2014, $0.2 million (2013 - Nil) was expensed with respect to oil inventory. As at September 30, 2014 the Group’s working interest share of oil inventory was 6,764 bbls (December 31, 2013 - Nil).

No inventories have been pledged as security.

8. Trade and other receivables

$000s	September 30 2014	December 31 2013
Receivables from joint operations partners	6,865	717
Receivables from related parties	-	116
Other receivables	883	273
	7,748	**1,106**

The carrying amounts of trade and other receivables presented above are reasonable approximations of their fair values and are not past due or impaired.

Joint operations receivables arise from timing differences between cash calls and the expenditures incurred on behalf of joint operations partners. Cash calls are normally due within 15 days.

9. Other current assets

$000s	September 30 2014	December 31 2013
Deposits	7,486	5,500
Prepaid charges	6,792	5,652
	14,278	**11,152**

The carrying amounts of other current assets are reasonable approximations of their fair value.

10. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term deposits with an original maturity of three months or less, substantially held in interest-bearing accounts. The carrying amounts are reasonable approximations of the fair value.

11. Trade and other payables

$000s	September 30 2014	December 31 2013
Trade accounts payable	10,219	14,033
Amounts payable to joint operations partners	9,944	12,213
Amounts payables to related parties	10	1,120
Contingent costs	75,531	136,807
Other payables and accrued liabilities	74,006	40,706
	169,710	**204,879**
Less: Non-current portion of contingent costs	(65,202)	(66,271)
Current portion	**104,508**	**138,608**

The carrying amounts of trade accounts payables, amounts payable to joint operations partners, amounts payable to related parties, and other payables and accrued liabilities, as presented above are reasonable approximations of their fair values.

As at September 30, 2014, the Group has recognized a contingent costs liability of $75.5 million related to contingent consideration on the acquisition of OP Hawler Kurdistan Limited. The portion of the liability to be paid beyond September 30, 2015, including accrued interest, is classified as a long-term liability and is presented at fair value estimated by discounting future cash outflows at a rate of 10%. (see note 19).

11. Trade and other payables (continued)

As at December 31, 2013, the Group recognized a contingent cost liability of $86.8 million relating to the contingent consideration described above. In addition, the Group's contingent cost liability as at December 31, 2013 includes a $50 million contingent payment due to the Kurdistan Regional Government in relation to the declaration of a first commercial discovery on the Hawler license area. The portion of the contingent cost liability which was estimated to be paid beyond December 31, 2014, including accrued interest, is classified as a long-term liability and is presented at fair value estimated by discounting future cash outflows at a rate of 10%.

12. Decommissioning obligation

The Group has an obligation to decommission wells upon cessation of operations. The estimated net present value of the decommissioning obligation at September 30, 2014 is $7.2 million (December 31, 2013 - $1.3 million) based on the Group's working interest undiscounted liability of $46.8 million (December 31, 2013 - $22.9 million). The decommissioning obligation has been discounted using an estimated credit-adjusted risk free discount rate. During the first quarter of 2014, management revised its discount rate assumption based on updated information with a resulting $2.0 million increase in the decommissioning liability. During the second quarter of 2014, management updated its inflation rate assumption to reflect current market conditions with a resulting $1.4 million increase in the decommissioning liability.

$000s	September 30 2014	December 31 2013
Decommissioning obligation, beginning of the period	**1,346**	**-**
Property acquisition and development activity	2,412	1,346
Change in discount rate	2,045	-
Change in inflation rate	1,380	-
	7,183	**1,346**
Accretion expense	54	-
Decommissioning obligation, end of the period	**7,237**	**1,346**

13. Share capital and share premium

$000s	Number of shares	Share capital	Share premium
At January 1, 2013	499,311	499,311	771
Issue of shares	260,606	260,606	4,531
At May 15, 2013	**759,917**	**759,917**	**5,302**
OPCL share capital upon incorporation	1	-	-
Issue of shares through IPO	99,593,726	246,323	(5,302)
Issue of shares for LTIP and share grant	238,166	3,034	-
Issue of shares for directors' compensation	12,881	174	-
At September 30, 2013	**99,844,774**	**1,009,448**	**-**
Issue of shares for LTIP	10,144	236	-
At December 31, 2013	**99,854,918**	**1,009,684**	**-**
Issue of shares through offering	19,910,000	206,662	-
Issue of shares for LTIP	964,109	9,491	
Issue of shares for directors' compensation	24,657	299	-
At September 30, 2014	**120,753,684**	**1,226,136**	**-**

The Company has unlimited authorized share capital outstanding as at September 30, 2014.

13. Share capital and share premium (continued)

2014 share capital transactions

On July 18, 2014, pursuant to a prospectus supplement to the short form base shelf prospectus dated January 27, 2014 the Company issued 19,910,000 Common Shares of the Company at a price of CAD$11.25 per Common Share for aggregate gross proceeds of CAD$224.0 million ($209.7 million). Costs associated with the issuance of these shares amounted to $3.1 million.

During the nine months ended September 30, 2014, the Group issued 964,109 shares to employees and executive officers under the Group's LTIP. An additional 24,657 shares were granted to Directors of the Company as remuneration.

2013 share capital transactions

Prior to the Company's IPO, OPHP had authorized two classes of ordinary shares which carried no right to fixed income. The holders of ordinary 'A' shares were entitled to appoint all the directors of the Company. Otherwise, both classes of shares ranked pari passu. Prior to the IPO, AOG International Holdings Ltd held 699,900 ordinary 'A' shares and its parent, AOG, which was the ultimate parent company of the Company, held 100 ordinary 'B' shares. Additionally, 42,540 ordinary 'B' shares were held by directors of AOG, persons connected to AOG, Group management and employees of the Group via the LTIP and investments in the Company.

Immediately prior to the closing of the initial public offering, the Group, AOG and its affiliates, as well as other shareholders of the Company, engaged in certain transactions whereby the Company acquired all of the issued and outstanding shares of OPHP in exchange for 81,762,377 common shares of the Company. These shares acquired include 10,920 shares of OPHP issued prior to closing to the employees and executive officers of OPHP, as well as 6,457 shares of OPHP issued to employees and executive officers of OPHP under previously issued awards pursuant to the OPHP LTIP.

On May 5, 2013, the Company announced the filing of a supplemented PREP prospectus with the securities regulatory authorities in each of the provinces of Canada, other than Quebec, in connection with its initial public offering of 16,700,000 common shares, at a price of CAD$15.00 per common share for total gross proceeds of CAD$250.5 million ($249.4 million). The IPO closed on May 15, 2013.

Holders of 21,155 ordinary 'B' shares of OPHP had the right to purchase an additional half share at par value for every share held (warrants). Warrant holders could exercise the right to purchase shares at any time once completing three years' service, or on the occurrence of an exit event, such as an offering of the Company's shares to the public. Accordingly, prior to closing of the IPO, the warrants, which represented an entitlement to acquire 10,515 shares of OPHP, were cancelled in exchange for 1,131,349 warrants issued by the Company that entitled the holder to acquire, for each warrant held, one common share of the Company at $9.29 per share for a period of 10 business days following the closing. All warrants were exercised on or before June 13, 2013 resulting in an issuance of 1,131,349 common shares for net proceeds to the Company of $10,515,000.

The following table summarizes the effects of the transactions described above.

OPHP shares acquired by the Company immediately prior to the IPO	81,762,377
Initial public offering	16,700,000
First stage investors options exercised	1,131,349
Issue of shares through IPO	**99,593,726**

Subsequent to the IPO, during 2013, the Group issued 239,703 shares to employees and executive offers under the Group's LTIP and 8,607 shares to employees and executive officers as a share grant. In addition, 12,881 shares were issued to Directors of the Company as remuneration.

14. Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of the basic and diluted loss per share are as follows:

	Three Months ended September 30		Nine Months ended September 30	
$000s	**2014**	**2013**	**2014**	**2013**
Net loss for the period attributable to equity holders	(1,556)	(65,109)	(17,120)	(150,381)
Weighted average number of ordinary shares for basic and diluted loss per share[1]	116,752,833	99,747,271	105,570,405	87,678,813
$				
Basic and diluted loss per share	**(0.01)**	**(0.65)**	**(0.16)**	**(1.72)**

(1) The unvested LTIP shares are excluded as they are anti-dilutive. The weighted average number of shares of OPHP for the nine months ended September 30, 2013 are presented as if they were shares of the Company (refer to Note 13).

15. Other reserves

$000s	**Share based payments**
At January 1, 2013	**5,846**
Share based payment transactions[1]	22,809
Issue of shares for LTIP	(25,427)
Issue of shares for directors' compensation	(174)
At September 30, 2013	**3,054**
Share based payment transactions	2,238
Issue of shares for LTIP	(106)
At December 31, 2013	**5,186**
Share based payment transactions	8,515
Issue of shares for LTIP	(9,491)
Issue of shares for directors' compensation	(75)
At September 30, 2014	**4,135**

(1) Share based payments for the nine months ended September 30, 2013 include a share grant to employees and management of $13.7 million immediately prior to the Company's initial public offering.

16. Supplemental cash flow information

Items not involving cash

		Three Months ended September 30		Nine Months ended September 30	
$000s	**Note**	**2014**	**2013**	**2014**	**2013**
Depreciation, depletion and amortization		1,881	195	2,858	529
Share based payment expense		4,127	4,506	8,515	22,809
Impairment of oil and gas assets		-	45,216	1,181	65,693
Increase in retirement benefit obligation, net of remeasurement		682	370	2,080	1,107
Unrealized foreign exchange (gains) / losses		(67)	(84)	15	(113)
Non-cash income tax (benefit) / expense		(437)	(450)	(983)	111
Interest, G&A and accretion expense / (income)		275	102	671	(670)
Other (income) /expenses	**19**	(3,072)	9,819	(1,516)	49,079
Items not involving cash		**3,389**	**59,674**	**12,821**	**138,545**

16. Supplemental cash flow information (continued)

Changes in non-cash working capital

	Three Months ended September 30		Nine Months ended September 30	
$000s	**2014**	**2013**	**2014**	**2013**
Inventories	(5,821)	755	(3,385)	(2,791)
Trade and other receivables	1,541	(406)	(6,518)	3,456
Other current assets	(1,206)	(201)	(3,126)	(747)
Trade and other payables	9,180	14,591	(34,183)	13,354
Current income tax liabilities	215	-	844	-
Deferred revenue	1,923	-	2,449	-
Changes in non-cash working capital	**5,832**	**14,739**	**(43,919)**	**13,272**
Changes in operating non-cash working capital	7,474	8,036	(7,989)	5,218
Changes in investing non-cash working capital	(1,642)	6,703	(35,930)	8,054
Changes in non-cash working capital	**5,832**	**14,739**	**(43,919)**	**13,272**

Other cash flow Information

	Three Months ended September 30		Nine Months ended September 30	
$000s	**2014**	**2013**	**2014**	**2013**
Cash interest received	38	244	129	1,024
Cash interest paid	-	-	281	-
Cash income taxes paid	155	702	252	702

17. Segment information

The Group has a single class of business which is to acquire, explore, develop and produce oil from oil and gas assets. The Group operates in two geographical areas. Segmented information related to the two operating segments and corporate activities is as follows:

For the nine months ended September 30, 2014 **$000s**	**Middle East**	**West Africa**	**Corporate**	**Total**
Revenue	11,808	-	-	11,808
Royalty	(4,835)	-	-	(4,835)
Net revenue	**6,973**	**-**	**-**	**6,973**
Operating expense	(4,762)	-	-	(4,762)
Depreciation, depletion and amortization	(1,793)	(28)	(1,037)	(2,858)
Impairment of oil and gas assets	-	(1,181)	-	(1,181)
Pre-license costs	(1,094)	(2,675)	-	(3,769)
General and administrative expense	(112)	(298)	(12,222)	(12,632)
Other income	1,516	-	-	1,516
Segment result	**728**	**(4,182)**	**(13,259)**	**(16,713)**
Finance income				275
Finance expense				(611)
Foreign exchange gains				376
Loss before income tax				**(16,673)**
Income tax expense				(475)
Net loss for the period				**(17,148)**
Capital additions	230,347	50,043	1,620	282,010
Segment assets as at September 30, 2014	908,553	219,858	23,896	1,152,307
Segment liabilities as at September 30, 2014	(161,955)	(11,950)	(18,272)	(192,177)

17. Segment information (continued)

For the nine months ended September 30, 2013 $000s	Middle East	West Africa	Corporate	Total
Depreciation, depletion and amortization	-	(20)	(509)	(529)
Impairment of oil and gas assets	(43,993)	(21,700)	-	(65,693)
Pre-license costs	(771)	(4,182)	-	(4,953)
General and administrative expense	(507)	(346)	(33,316)	(34,169)
Other expense	(49,079)	-	-	(49,079)
Segment result	**(94,350)**	**(26,248)**	**(33,825)**	**(154,423)**
Finance income				1,791
Foreign exchange gains				2,832
Loss before income tax				**(149,800)**
Income tax expense				(813)
Net loss for the period				**(150,613)**
Capital additions	102,298	68,514	1,805	172,617
Segment assets as at September 30, 2013	614,828	310,619	68,827	989,274
Segment liabilities as at September 30, 2013	(166,352)	(7,324)	(12,721)	(186,397)

For the three months ended September 30, 2014 $000s	Middle East	West Africa	Corporate	Total
Revenue	10,430	-	-	10,430
Royalty	(4,271)	-	-	(4,271)
Net revenue	**6,159**	**-**	**-**	**6,159**
Operating expense	(3,602)	-	-	(3,602)
Depreciation, depletion and amortization	(1,583)	(10)	(288)	(1,881)
Impairment of oil and gas assets	-	-	-	-
Pre-license costs	(373)	(593)	-	(966)
General and administrative expense	(64)	(59)	(4,570)	(4,693)
Other income	3,076	-	-	3,076
Segment result	**3,613**	**(662)**	**(4,858)**	**(1,907)**
Finance income				112
Finance expense				(240)
Foreign exchange gains				627
Loss before income tax				**(1,408)**
Income tax expense				(148)
Net loss for the period				**(1,556)**
Capital additions	75,434	4,925	1,069	81,428

17. Segment information (continued)

For the three months ended September 30, 2013 $000s	**Middle East**	**West Africa**	**Corporate**	**Total**
Depreciation, depletion and amortization	-	(9)	(186)	(195)
Impairment of oil and gas assets	(45,216)	-	-	(45,216)
Pre-license costs	432	(2,256)	-	(1,824)
General and administrative expense	1	(125)	(8,587)	(8,711)
Other expense	(9,819)	-	-	(9,819)
Segment result	**(54,602)**	**(2,390)**	**(8,773)**	**(65,765)**
Finance income				765
Foreign exchange gains				105
Loss before income tax				**(64,895)**
Income tax expense				(252)
Net loss for the period				**(65,147)**
Capital additions	47,783	20,702	765	69,241

18. Commitments

(a) Contractual obligations

The Group has entered into agreements which contain provisions for the following spending commitments:

$000s	**September 30 2014**	**December 31 2013**
No later than one year	88,228	141,110
One to five years	49,277	36,821
Greater than five years	34,265	-
	171,770	**177,931**

During the third quarter of 2013, the Group signed a finance lease agreement for the construction of an Early Production Facility relating to the Demir Dagh development in the Hawler license area. The remaining commitment related to this finance lease agreement is included above and amounts to $47.1 million.

The commitments noted above reflect the Group's execution of current budgeted and contracted exploration and development activities. Expenditure commitments may be subject to change and may be reduced by selective relinquishments of acreage and/or licenses or by curtailing the execution of activity under existing supplier contracts. Determining expenditure commitments requires the use of estimates and judgments primarily related to expectations that budgeted activities will be executed.

(b) Operating lease commitments – Group company as lessee

The Group leases buildings and equipment under non-cancellable operating lease agreements with varying terms and renewal rights. The corresponding lease expenditure charged to the statement of comprehensive loss during the three and nine month periods ended September 30, 2014 was $0.6 million and $2.5 million respectively (2013: $0.3 million and $1.0 million).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

$000s	**September 30 2014**	**December 31 2013**
No later than one year	2,332	677
One to five years	3,593	139
	5,925	**816**

18. Commitments (continued)

(c) Bond facilities

The Group entered into an uncommitted bond facility agreement with BNP Paribas on March 26, 2013 whereby up to a maximum of $15 million may be used by Oryx Petroleum Holdings PLC for bank guarantees. In February 2014, OPCL extended the uncommitted bond facility agreement for an additional twelve months. No guarantees have been issued under this agreement.

19. Contingent liabilities

During 2011, the Group acquired interests in various exploration licenses. The acquisition terms included additional consideration and liabilities which are contingent upon the outcome of future drilling activities and, in some cases, the quantities of reserves discovered. At September 30, 2014 these contingencies, including a $75.5 million (December 31 2013: $86.8 million) liability which has been recorded and is discussed in note 11, amounted to a maximum of $186.2 million (December 31, 2013: $193.5 million).

During the three and nine month periods ended September 30, 2014, the Group recorded gains of $3.1 million and $1.5 million, respectively, to the statement of loss relating to decreases in the fair value of the contingent consideration described above. The decrease in fair value is due to revised estimates regarding timing of anticipated cash outflows. During the three and nine months ended September 30, 2013, the Group recorded charges of $9.8 million and $49.1 million, respectively, in relation to increases in fair value of the contingent consideration.

20. Events after the balance sheet date

In October 2014, the Group entered into a joint arrangement and signed a PSC covering the AGC Central offshore license area which is being jointly developed by Senegal and Guinea Bissau. The PSC was approved by decree from the Haute Autorité and the Presidencies of Senegal and Guinea Bissau, who are responsible for administering oil exploration activities in the AGC. The license covers 3,150 square kilometres in water depths ranging from 100 metres to 1,500 metres. Oryx Petroleum will hold an 85% participating interest and serve as Operator with L'Entreprise AGC holding the remaining 15%.

In October 2014, the Group entered into a forward exchange contract to hedge foreign currency transactions in the ordinary course of business. Under the contract, the Group will purchase CHF 2.4 million per month (total CHF $7.2 million) at a rate of USD 1.00/CHF 0.95347 during the fourth quarter of 2014. The contract expires in December 2014. The future impact on the statement of comprehensive loss cannot be estimated as the resulting impact of this contract is dependent the foreign exchange rate on the date of settlement.