UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014

TABLE OF CONTENTS

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

		Three Months ended June 30		Six Months ended June 30	
$000s	**Note**	**2014**	**2013**	**2014**	**2013**
Revenue		1,378	-	1,378	-
Royalties		(564)	-	(564)	-
Net revenue		**814**	**-**	**814**	**-**
Operating expense		(1,160)	-	(1,160)	-
Depreciation, depletion and amortization expense		(502)	(175)	(977)	(334)
Impairment of oil and gas assets	**5**	(765)	(20,477)	(1,181)	(20,477)
Pre-license costs		(1,120)	(1,457)	(2,803)	(3,129)
General and administrative expense		(3,897)	(19,188)	(7,939)	(25,458)
Other expense	**18**	(1,560)	-	(1,560)	(39,260)
Loss from operations		**(8,190)**	**(41,297)**	**(14,806)**	**(88,658)**
Finance income		41	685	163	1,026
Finance expense		(180)	-	(371)	-
Foreign exchange (losses) / gains		(127)	2,616	(250)	2,727
Loss before income tax		**(8,456)**	**(37,996)**	**(15,264)**	**(84,905)**
Income tax expense	**4**	(216)	(494)	(327)	(561)
Net loss for the period		**(8,672)**	**(38,490)**	**(15,591)**	**(85,466)**
Other comprehensive loss (net of income tax)					
Items which will not be subsequently reclassified to profit and loss					
Actuarial loss on defined benefit obligation		(375)	-	(748)	-
Total comprehensive loss for the period		**(9,047)**	**(38,490)**	**(16,339)**	**(85,466)**
Net loss for the period attributable to:					
Owners of the Company		(8,659)	(38,457)	(15,564)	(85,272)
Non-controlling interest		(13)	(33)	(27)	(194)
		(8,672)	**(38,490)**	**(15,591)**	**(85,466)**
Total comprehensive loss for the period attributable to:					
Owners of the Company		(9,034)	(38,457)	(16,312)	(85,272)
Non-controlling interest		(13)	(33)	(27)	(194)
		(9,047)	**(38,490)**	**(16,339)**	**(85,466)**
Loss per share (basic and diluted)	**13**	**(0.09)**	**(0.43)**	**(0.16)**	**(1.05)**

Condensed Consolidated Interim Statement of Financial Position

$000s	Note	June 30 2014	December 31 2013
Non-current assets			
Intangible assets	**5**	274,711	200,720
Property, plant and equipment	**6**	568,205	443,824
Deferred tax assets		1,477	911
		844,393	**645,455**
Current assets			
Inventories	**7**	10,081	12,465
Trade and other receivables	**8**	15,929	6,606
Prepaid charges		6,433	5,652
Cash and cash equivalents	**9**	55,222	306,034
		87,665	**330,757**
Total assets		**932,058**	**976,212**
Current liabilities			
Trade and other payables	**10**	95,321	138,608
Deferred revenue		526	-
Current income tax liabilities		1,151	463
		96,998	**139,071**
Non-current liabilities			
Trade and other payables	**10**	68,091	66,271
Retirement benefit obligation		6,697	3,492
Decommissioning obligation	**11**	6,021	1,346
		80,809	**71,109**
Total liabilities		**177,807**	**210,180**
Equity			
Share capital	**12**	1,010,220	1,009,684
Other reserves	**14**	9,195	5,186
Remeasurement of defined benefit obligation		(4,714)	(3,966)
Accumulated deficit		(277,136)	(261,585)
Equity attributable to owners of the company		**737,565**	**749,319**
Non-controlling interests		16,686	16,713
Total equity		**754,251**	**766,032**
Total equity and liabilities		**932,058**	**976,212**

The condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on August 5, 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**	**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		-	-	-	(85,272)	-	(85,272)	(194)	(85,466)
Shares issued prior to initial public offering	**12**	260,606	4,531	-	-	-	265,137	-	265,137
Shares issued through initial public offering	**12**	247,344	-	-	-	-	247,344	-	247,344
Issuance costs	**12**	(11,471)	(5,302)	-	-	-	(16,773)	-	(16,773)
Warrants exercised	**12**	10,515	-	-	-	-	10,515	-	10,515
Share based payment expense	**14**	-	-	18,303	-	-	18,303	-	18,303
Shares issued for long-term incentive plan	**14**	-	-	(22,256)	-	-	(22,256)	-	(22,256)
Balance at June 30, 2013		**1,006,305**	**-**	**1,893**	**(169,643)**	**(2,542)**	**836,013**	**25,128**	**861,141**
Net loss for the period		-	-	-	(100,292)	-	(100,292)	(65)	(100,357)
Share based payment expense	**14**	-	-	6,609	-	-	6,609	-	6,609
Shares issued for long-term incentive plan	**12**	3,270	-	(3,292)	-	-	(22)	-	(22)
Shares issued for Directors' compensation	**12**	174	-	(24)	-	-	150	-	150
Issuance costs	**12**	(65)	-	-	-	-	(65)	-	(65)
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(2)		**1,009,684**	**-**	**5,186**	**(261,585)**	**(3,966)**	**749,319**	**16,713**	**766,032**
Net loss for the period		-	-	-	(15,564)	-	(15,564)	(27)	(15,591)
Share based payment expense	**14**	-	-	4,395	-	-	4,395	-	4,395
Shares issued for long-term incentive plan	**12**	386	-	(386)	-	-	-	-	-
Shares issued for Directors' compensation	**12**	150	-	-	-	-	150	-	150
Actuarial loss on defined benefit obligation		-	-		-	(748)	(748)	-	(748)
Disposal of subsidiaries(3)		-	-		13	-	13	-	13
Balance at June 30, 2014		**1,010,220**	**-**	**9,195**	**(277,136)**	**(4,714)**	**737,565**	**16,686**	**754,251**

(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 12 for more information.

(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 June 30		Six Months ended June 30	
$000s	**Note**	**2014**	**2013**	**2014**	**2013**
Cash flows from operating activities					
Net cash used in operations	**15**	(3,539)	(2,843)	(27,296)	(9,667)
Income tax paid		(97)	-	(97)	-
Interest received		51	155	163	254
Net cash used in operating activities		**(3,585)**	**(2,688)**	**(27,230)**	**(9,413)**
Cash flows from investing activities					
Acquisition of property, plant and equipment		(19,620)	(744)	(122,160)	(959)
Acquisition of intangible assets		(74,367)	(45,674)	(101,422)	(101,064)
Net cash used in investing activities		**(93,987)**	**(46,418)**	**(223,582)**	**(102,023)**
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		-	257,859	-	492,959
Share issuance costs		-	(16,774)	-	(16,774)
Net cash generated from financing activities		**-**	**241,085**	**-**	**476,185**
Net (decrease) / increase in cash and cash equivalents		**(97,572)**	**191,979**	**(250,812)**	**364,749**
Cash and cash equivalents at beginning of the period		152,794	245,495	306,034	72,725
Cash and cash equivalents at end of the period		**55,222**	**437,474**	**55,222**	**437,474**

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 August 5, 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 six months ended June 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 the 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. 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, as appropriate.

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
IFRS 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

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 Production Sharing Contracts ("PSCs") and by Joint Operating Agreements ("JOAs"). 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 June 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 provision	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

$000s	Three Months ended June 30 2014	Three Months ended June 30 2013	Six Months ended June 30 2014	Six Months ended June 30 2013
Current income tax expense	(465)	(453)	(873)	(779)
Deferred tax:				
Deferred tax on long-term incentive plan	85	(127)	219	3
Deferred tax on defined benefit obligation	164	86	327	215
Total net income tax expense	**(216)**	**(494)**	**(327)**	**(561)**

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. Income taxes related to oil sales in the Kurdistan Region of Iraq in the amount of $26,000 (2013 - $nil) were remitted to the government through its allocation of oil under the Hawler PSC.

The deferred tax represents tax on unvested shares issued for the long-term incentive plan and on defined benefit obligations.

5. Intangible assets

$000s	Note	Exploration & Evaluation costs	Computer Software	Total
Cost				
At January 1, 2013		**507,319**	**1,287**	**508,606**
Additions		101,745	94	101,839
Transfers and reclassifications(1)	**6**	(373,182)	-	(373,182)
At June 30, 2013		**235,882**	**1,381**	**237,263**
Additions		109,521	303	109,824
Transfers and reclassifications(2)	**6**	(33,538)	-	(33,538)
At December 31, 2013		**311,865**	**1,684**	**313,549**
Additions		75,141	287	75,428
At June 30, 2014		**387,006**	**1,971**	**388,977**
Accumulated amortization and impairment				
At January 1, 2013		**29,017**	**427**	**29,444**
Amortization		-	214	214
Impairment charge(3)(4)		20,477	-	20,477
At June 30, 2013		**49,494**	**641**	**50,135**
Amortization		-	223	223
Impairment charge(5)(6)		62,471	-	62,471
At December 30, 2013		**111,965**	**864**	**112,829**
Amortization		-	256	256
Impairment charge(6)		1,181	-	1,181
At June 30, 2014		**113,146**	**1,120**	**114,266**

5. Intangible assets (continued)

$000s	Exploration & Evaluation costs	Computer Software	Total
Net book value			
At June 30, 2013	186,388	740	187,128
At December 31, 2013	199,900	820	200,720
At June 30, 2014	273,860	851	274,711

(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.

(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.

(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 second half of 2013.

(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 income as impairment of oil and gas assets.

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		499	-	1,038	1,537
Transfers and reclassifications	**5**	373,182	-	-	373,182
At June 30, 2013		**373,681**	**-**	**1,709**	**375,390**
Additions		33,432	1,116	735	35,283
Transfers and reclassifications	**5**	33,538	-	-	33,538
At December 31, 2013		**440,651**	**1,116**	**2,444**	**444,211**
Additions		110,893	13,997	264	125,154
At June 30, 2014		**551,544**	**15,113**	**2,708**	**569,365**
Accumulated depreciation, depletion and impairment					
At January 1, 2013		**-**	**-**	**96**	**96**
Depreciation		-	-	121	121
At June 30, 2013		**-**	**-**	**217**	**217**
Depreciation		-	-	170	170
At December 30, 2013		**-**	**-**	**387**	**387**
Depreciation		-	-	512	512
Depletion		261	-	-	261
At June 30, 2014		**261**	**-**	**899**	**1,160**
Net book value					
At June 30, 2013		373,681	-	1,492	375,173
At December 31, 2013		440,651	1,116	2,057	443,824
At June 30, 2014		551,283	15,113	1,809	568,205

(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 17 for further information on the increase in capital commitments due to the finalization of the Early Production Facility finance lease contract.

No assets have been pledged as security.

7. Inventories

$000s	June 30 2014	December 31 2013
Oil inventory	427	-
Exploration materials	9,654	12,465
	10,081	**12,465**

No inventories have been recognized as an expense during the period (2013: nil).

No inventories have been pledged as security.

8. Trade and other receivables

$000s	June 30 2014	December 31 2013
Advances paid on contracts	6,639	5,500
Receivables from joint operations partners	8,841	717
Receivables from related parties	-	116
Other receivables	449	273
	15,929	**6,606**

The carrying amounts of trade and other receivables presented above are reasonable approximations of the fair value 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. 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.

10. Trade and other payables

$000s	June 30 2014	December 31 2013
Trade accounts payable	5,358	14,033
Amounts payable to joint operations partners	11,347	12,213
Amounts payables to related parties	9	1,120
Contingent costs	78,399	136,807
Other payables and accrued liabilities	68,299	40,706
	163,412	**204,879**
Less: Non-current portion	(68,091)	(66,271)
Current portion	**95,321**	**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.

The decrease in contingent costs is due to a payment of $50.0 million made in the first quarter of 2014 relating to the contingent payment due to the Kurdistan Regional Government upon the declaration of a first commercial discovery on the Hawler license area. Additionally a $10.0 million payment was made during the first quarter of 2014 as contingent consideration due on the Hawler license area relating to the acquisition of Norbest Limited in 2011. See Note 18 for further information. The non-current portion of contingent costs relates to $71 million in contingent consideration relating to the acquisition of Norbest Limited and is presented at fair value estimated by discounting future cash outflows at a rate of 10%.

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.

11. Decommissioning obligation

The Group has an obligation to decommission wells upon cessation of operations. The estimated net present value of the decommissioning obligation at June 30, 2014 is $6.0 million (December 31, 2013 - $1.3 million) based on the Group's working interest undiscounted liability of $39.7 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	**June 30 2014**	**December 31 2013**
Decommissioning obligation, beginning of the period	**1,346**	**-**
Property acquisition and development activity	1,197	1,346
Change in discount rate	2,045	-
Change in inflation rate	1,380	-
	5,968	**1,346**
Accretion expense	53	-
Decommissioning obligation, end of the period	**6,021**	**1,346**

12. 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	99,602,333	246,388	(5,302)
At June 30, 2013	**99,602,334**	**1,006,305**	**-**
Issue of shares	252,584	3,379	-
At December 31, 2013	**99,854,918**	**1,009,684**	**-**
Issue of shares	42,249	536	-
At June 30, 2014	**99,897,167**	**1,010,220**	**-**

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

Prior to the Company's initial public offering, 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 Long Term Incentive Plan 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 long term incentive plan.

12. Share capital and share premium (continued)

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.

Subsequent to the IPO, during 2013, the Group issued 239,703 shares to employees and executive offers under the Group's long term incentive plan 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.

During the six months ended June 30, 2014, the Group issued 29,783 shares to employees and executive officers under the Group's long term incentive plan respectively. An additional 12,466 shares were granted to Directors of the Company as remuneration.

On July 18, 2014, the Company completed a public offering whereby 19,910,000 shares were issued for total gross proceeds of CAD 11.25 per share. Refer to the Note 19 for further information.

Common shares outstanding at January 1, 2013	**1**
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
Long term incentive plan and share grant	248,310
Directors' compensation	12,881
Common shares outstanding at December 31, 2013	**99,854,918**
Long term incentive plan	29,783
Directors' compensation	12,466
Common shares outstanding at June 30, 2014	**99,897,167**

13. 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 June 30		**Six Months ended June 30**	
$000s	**2014**	**2013**	**2014**	**2013**
Net loss for the period attributable to equity holders	(8,659)	(38,457)	(15,564)	(85,272)
Weighted average number of ordinary shares for basic and diluted loss per share(1)	99,983,151	89,503,362	99,886,518	81,534,713
$				
Basic and diluted loss per share	**(0.09)**	**(0.43)**	**(0.16)**	**(1.05)**

(1) The unvested LTIP shares are excluded as they are anti-dilutive. The weighted average number of shares of OPHP for the six months ended June 30, 2013 are presented as if they were shares of the Company (refer to Note 12).

14. Other reserves

$000s	Share based payments
At January 1, 2013	**5,846**
Share based payment transactions[1]	18,303
Issue of shares for long-term incentive plan	(22,256)
At June 30, 2013	**1,893**
Share based payment transactions	6,609
Issue of shares for long-term incentive plan	(3,292)
Issue of shares for Directors' compensation	(24)
At December 31, 2013	**5,186**
Share based payment transactions	4,395
Issue of shares for long-term incentive plan	(386)
At June 30, 2014	**9,195**

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

15. Net cash used in operations

	Three Months ended June 30		Six Months ended June 30	
$000s	**2014**	**2013**	**2014**	**2013**
Net loss before tax	**(8,456)**	**(37,996)**	**(15,264)**	**(84,905)**
Adjustments for:				
Depreciation, depletion and amortization	502	175	977	334
Foreign exchange losses	(37)	5	(5)	(29)
Interest income	(86)	(685)	(155)	(1,026)
Share based payment and directors' remuneration expense	2,132	16,197	4,395	18,303
Impairment of oil and gas assets	765	20,477	1,181	20,477
Increase in retirement benefit obligation, net of remeasurement	668	369	1,402	737
Other expenses	1,560	-	1,560	39,260
	(2,952)	**(1,458)**	**(5,909)**	**(6,849)**
(Increase) / decrease in inventories	(1,850)	(3,114)	2,811	(3,546)
(Increase) / decrease in trade and other receivables	(7,548)	6,282	(9,767)	6,319
Increase / (decrease) in trade and other payables	8,285	(4,553)	(14,957)	(5,591)
Increase in deferred revenue	526	-	526	-
Net cash used in operations	**(3,539)**	**(2,843)**	**(27,296)**	**(9,667)**

16. 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 six months ended June 30, 2014 **$000s**	**Middle East**	**West Africa**	**Corporate**	**Total**
Revenue	1,378	-	-	1,378
Royalty	(564)	-	-	(564)
Net revenue	**814**	**-**	**-**	**814**
Operating expense	(1,160)	-	-	(1,160)
Depreciation, depletion and amortization	(209)	(18)	(750)	(977)
Impairment of oil and gas assets	-	(1,181)	-	(1,181)
Pre-license costs	(721)	(2,082)	-	(2,803)
General and administrative expense	(50)	(239)	(7,650)	(7,939)
Other expenses	(1,560)	-	-	(1,560)
Segment result	**(2,886)**	**(3,520)**	**(8,400)**	**(14,806)**
Finance income				163
Finance expense				(371)
Foreign exchange losses				(250)
Loss before income tax				**(15,264)**
Income tax expense				(327)
Net loss for the period				**(15,591)**
Capital additions	154,913	45,118	551	200,582
Segment assets	749,672	165,928	16,458	932,058
Segment liabilities	(144,971)	(19,049)	(13,787)	(177,807)

For the six months ended June 30, 2013 **$000s**	**Middle East**	**West Africa**	**Corporate**	**Total**
Depreciation, depletion and amortization	-	(11)	(323)	(334)
Impairment of oil and gas assets	1,223	(21,700)	-	(20,477)
Pre-license costs	(1,203)	(1,926)	-	(3,129)
General and administrative expense	(508)	(221)	(24,729)	(25,458)
Other expense	(39,260)	-	-	(39,260)
Segment result	**(39,748)**	**(23,858)**	**(25,052)**	**(88,658)**
Finance income				1,026
Foreign exchange gains				2,727
Loss before income tax				**(84,905)**
Income tax expense				(561)
Net loss for the period				**(85,466)**
Capital additions	54,515	47,812	1,049	103,376
Segment assets	603,548	363,869	58,184	1,025,601
Segment liabilities	(142,272)	(10,555)	(9,054)	(161,881)

16. Segment information (continued)

For the three months ended June 30, 2014 **$000s**	**Middle East**	**West Africa**	**Corporate**	**Total**
Revenue	1,378	-	-	1,378
Royalty	(564)	-	-	(564)
Net revenue	**814**	**-**	**-**	**814**
Operating expense	(1,160)	-	-	(1,160)
Depreciation, depletion and amortization	(209)	(9)	(284)	(502)
Impairment of oil and gas assets	-	(765)	-	(765)
Pre-license costs	(353)	(767)	-	(1,120)
General and administrative expense	(14)	(132)	(3,751)	(3,897)
Other expenses	(1,560)	-	-	(1,560)
Segment result	**(2,482)**	**(1,673)**	**(4,035)**	**(8,190)**
Finance income				41
Finance expense				(180)
Foreign exchange losses				(127)
Loss before income tax				**(8,456)**
Income tax expense				(216)
Net loss for the period				**(8,672)**
Capital additions	86,911	18,948	311	106,170
Segment assets	749,672	165,928	16,458	932,058
Segment liabilities	(144,971)	(19,049)	(13,787)	(177,807)

For the three months ended June 30, 2013 **$000s**	**Middle East**	**West Africa**	**Corporate**	**Total**
Depreciation, depletion and amortization	-	(6)	(169)	(175)
Impairment of oil and gas assets	1,223	(21,700)	-	(20,477)
Pre-license costs	(372)	(885)	-	(1,257)
General and administrative expense	(72)	(2)	(19,314)	(19,388)
Other expense	-	-	-	-
Segment result	**779**	**(22,593)**	**(19,483)**	**(41,297)**
Finance income				685
Foreign exchange gains				2,616
Loss before income tax				**(37,996)**
Income tax expense				(494)
Net loss for the period				**(38,490)**
Capital additions	22,820	25,308	818	48,946
Segment assets	603,548	363,869	58,184	1,025,601
Segment liabilities	(142,272)	(10,555)	(9,054)	(161,881)

17. Commitments

(a) Contractual obligations

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

$000s	June 30 2014	December 31 2013
No later than one year	97,536	141,110
One to five years	57,158	36,821
Greater than five years	34,863	-
	189,557	**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 $25.2 million due within five years.

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 could 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 reasonable 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 income during the three and six month periods ended June 30, 2014 was $1.6 million and $1.9 million respectively (2013: $0.4 million and $0.7 million).

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

$000s	June 30 2014	December 31 2013
No later than one year	1,593	677
One to five years	4,341	139
	5,934	**816**

18. 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 June 30, 2014 these contingencies, in aggregate, amounted to a maximum of $186.0 million. As at December 31, 2013, the comparable contingent consideration and liabilities, in aggregate, amounted to a maximum of $193.5 million.

During the second quarter of 2014, the Group has recorded a $1.6 million charge to the statement of loss relating to the increase in the fair value of the contingent consideration described above. During the six months ended June 30, 2013, the Group recorded a $39.3 million charge in relation to the increase in fair value of the contingent consideration.

As at June 30, 2014, the Group has recognized a liability of $78.4 million related to the Hawler license area which represents the fair value of the above contingent consideration (see note 10).

19. Events after the balance sheet date

On July 11, 2014, the Company announced the filing of a prospectus supplement to the short form base shelf prospectus dated January 27, 2014 with the securities regulatory authorities in each of the provinces of Canada, other than Quebec (the “July 2014 Prospectus”). The July 2014 Prospectus relates to the issuance of 19,910,000 Common Shares of the Company at a price of CAD$11.25 per Common Share (the “July 2014 Offering”) for aggregate gross proceeds of CAD$224.0 million ($209.7 million) and proceeds net of underwriting fees of $207.3 million. The offering closed on July 18, 2014.

Subsequent to the balance sheet date, the Company issued 12,191 Common Shares to its Directors as remuneration for services provided in the first and second quarters of 2014. The Group also issued 923,676 Common Shares to employees and executive officers under the Group’s Long Term Incentive Plan.