CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013

ORYX PETROLEUM

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Consolidated Statement of Comprehensive Income

	Note	Three months ended June 30 June 30 2013 $'000	 June 30 2012 $'000	Six months ended June 30 June 30 2013 $'000	 June 30 2012 $'000
General and administrative expense*		(19,188)	(3,001)	(25,458)	(5,327)
Pre-licence costs		(1,457)	(1,569)	(3,129)	(2,758)
Impairment of oil and gas assets	7	(20,477)	(31,083)	(20,477)	(31,083)
Depreciation and amortisation expense	7, 8	(175)	(74)	(334)	(137)
Other operating expense		-	-	(39,260)	-
Loss from operations		**(41,297)**	**(35,727)**	**(88,658)**	**(39,305)**
Finance income	4	685	20	1,026	29
Foreign exchange gains	5	2,616	52	2,727	69
Finance income - net		**3,301**	**72**	**3,753**	**98**
Loss before income tax		**(37,996)**	**(35,655)**	**(84,905)**	**(39,207)**
Income tax (expense) / benefit	6	(494)	(65)	(561)	140
Total comprehensive loss for the period		**(38,490)**	**(35,720)**	**(85,466)**	**(39,067)**
Comprehensive loss attributable to :					
Owners of the company		(38,457)	(35,685)	(85,272)	(38,970)
Non-controlling interests		(33)	(35)	(194)	(97)
		(38,490)	**(35,720)**	**(85,466)**	**(39,067)**
Loss per share (basic and diluted)	17	(0.43)	(2.00)	(1.05)	(2.52)

* General and administrative expense for the three and six months ended June 30, 2013 includes a share grant to employees and management of $13.7 million immediately prior to the Company's initial public offering.

Condensed Consolidated Statement of Financial Position

	Note	June 30 2013 $'000	December 31 2012 $'000
Non-current assets			
Intangible assets	7	187,128	479,162
Property, plant and equipment	8	375,173	575
Deferred tax assets		1,100	882
		563,401	**480,619**
Current assets			
Inventories	9	9,147	5,601
Trade and other receivables	10	8,499	12,361
Prepaid charges	11	7,080	6,534
Cash and cash equivalents	12	437,474	72,725
		462,200	**97,221**
Total assets		**1,025,601**	**577,840**
Current liabilities			
Trade and other payables	13	45,689	83,121
Current income tax liabilities	14	1,618	870
Borrowings	15	-	7,781
		47,307	**91,772**
Non-current liabilities			
Trade and other payables	13	112,372	37,687
Retirement benefit obligation		2,202	1,465
		114,574	**39,152**
Total liabilities		**161,881**	**130,924**
Equity			
Share capital	16	1,006,305	499,311
Share premium	16	-	771
Other reserves	18	1,893	5,846
Accumulated deficit		(169,606)	(84,334)
Equity attributable to owners of the company		**838,592**	**421,594**
Non-controlling interests		25,128	25,322
Total equity		**863,720**	**446,916**
Total equity and liabilities		**1,025,601**	**577,840**

The financial statements were approved by the Board of Directors and authorized for issue on August 7, 2013.
They were signed on behalf of the Board of Directors by

Michael Ebsary
Director

Peter Newman
Director

Condensed Consolidated Statement of Changes in Equity

	Note	Attributable to equity holders of the company						
		Share capital $'000	Share premium $'000	Other reserves $'000	Accumulated deficit $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at January 1, 2012		105,153	-	2,585	(26,012)	81,726	25,500	107,226
Total comprehensive loss for the period		-	-	-	(38,970)	(38,970)	(97)	(39,067)
Shares issued	16	61,992	-	-	-	61,992	-	61,992
Share based payment expense	18	-	-	2,841	-	2,841	-	2,841
Balance at June 30, 2012		**167,145**	**-**	**5,426**	**(64,982)**	**107,589**	**25,403**	**132,992**
Total comprehensive loss for the period		-	-	-	(19,352)	(19,352)	(81)	(19,433)
Shares issued	16	332,166	771	-	-	332,937	-	332,937
Share based payment expense	18	-	-	8,888	-	8,888	-	8,888
Issue of shares for long-term incentive plan	18	-	-	(8,468)	-	(8,468)	-	(8,468)
Balance at December 31, 2012		**499,311**	**771**	**5,846**	**(84,334)**	**421,594**	**25,322**	**446,916**
Total comprehensive loss for the period		-	-	-	(85,272)	(85,272)	(194)	(85,466)
Shares issued prior to initial public offering	16	260,606	4,531	-	-	265,137	-	265,137
Shares issued through initial public offering	16	247,344	-	-	-	247,344	-	247,344
Issuance costs		(11,471)	(5,302)	-	-	(16,773)	-	(16,773)
Warrants exercised	16	10,515	-	-	-	10,515	-	10,515
Share based payment expense	18	-	-	18,303	-	18,303	-	18,303
Issue of shares for long-term incentive plan	18	-	-	(22,256)	-	(22,256)	-	(22,256)
Balance at June 30, 2013*		**1,006,305**	**-**	**1,893**	**(169,606)**	**838,592**	**25,128**	**863,720**

* 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.

Consolidated Statement of Cash Flows

	Note	Three months ended June 30 2013 $'000	Three months ended June 30 2012 $'000	Six months ended June 30 2013 $'000	Six months ended June 30 2012 $'000
Cash flows from operating activities					
Net cash used in operations	19	(2,843)	(3,803)	(9,667)	(5,416)
Interest received		155	20	254	29
Net cash used in operating activities		(2,688)	(3,783)	(9,413)	(5,387)
Cash flows from investing activities					
Acquisition of property, plant and equipment		(744)	(49)	(959)	(149)
Acquisition of intangible assets		(45,674)	(11,865)	(101,064)	(22,383)
Net cash used in investing activities		(46,418)	(11,914)	(102,023)	(22,532)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		257,859	-	492,959	51
Proceeds from issuance of convertible loan notes		-	-	-	184
Proceeds from borrowings		-	26,506	-	42,166
Share issuance costs		(16,774)	-	(16,774)	-
Net cash generated from financing activities		241,085	26,506	476,185	42,401
Net increase in cash and cash equivalents		191,979	10,809	364,749	14,482
Cash and cash equivalents at beginning of the period		245,495	28,954	72,725	25,281
Cash and cash equivalents at end of the period	12	437,474	39,763	437,474	39,763

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Oryx Petroleum Corporation Limited ('the Company') is a public company incorporated in Canada under the Canada Business Incorporation Act on December 31, 2012, and is the holding company for the Oryx Petroleum Group of companies (together "the Group"). 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 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 irrecoverable 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, a corporate restructuring occurred whereby Oryx Petroleum Corporation Limited became the parent company of Oryx Petroleum Holdings PLC (formerly Oryx Petroleum Company PLC and Oryx Petroleum Company Limited). Although the consolidated financial information has been released in the name of the parent, Oryx Petroleum Corporation Limited, it represents in-substance continuation of the existing Group, headed by Oryx Petroleum Holdings PLC and the following accounting treatment has been applied to account for the restructuring:

- the consolidated assets and liabilities of the subsidiary Oryx Petroleum Holdings PLC 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 condensed consolidated statement of financial position reflect the consolidated retained earnings and other equity balances of Oryx Petroleum Holdings PLC, 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 Oryx Petroleum Holdings PLC 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.
- Comparative numbers presented in the interim consolidated financial statements are those of Oryx Petroleum Holdings PLC, except for the per-share amounts, which have been restated to reflect the change in the nominal value of the common shares resulting from the restructuring as if the Company had been the parent company during such periods.

The unaudited consolidated financial statements for the three and six months ended June 30, 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The unaudited consolidated financial statements were authorized for issue by the Board of Directors on August 7, 2013.

2. Summary of significant accounting policies

Basis of preparation

The unaudited consolidated financial statements for the three and six months ended June 30, 2013 of Oryx Petroleum Corporation Limited 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, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The unaudited consolidated 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.

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, 2012. These estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

New and amended standards adopted by the Group

The Group has adopted all of the new and revised standards and interpretations issued by the IASB and IFRIC that are relevant to its operations and effective for accounting periods beginning on or after January 1, 2013 as follows:

Amendments to Standards		Effective for annual periods beginning on or after
IFRS 10	Consolidated financial statements	January 1, 2013
IFRS 11	Joint arrangements	January 1, 2013
IFRS 12	Disclosure of interests in other entities	January 1, 2013
IAS 27 (2011)	Separate financial statements	January 1, 2013
IAS 28 (2011)	Investments in associates and joint ventures	January 1, 2013
IFRS 13	Fair value measurement	January 1, 2013
IAS 19	Amendments to IAS 19	January 1, 2013
IFRS 7	Amendment, offsetting	January 1, 2013

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

At the date of authorization of these financial statements, the following standards and interpretations applicable to the Group were issued but not yet effective:

New and Amended Standards		Effective for annual periods beginning on or after
IAS 32	Amendment, offsetting	January 1, 2014
IFRS 9	Financial Instruments: classification and measurement	January 1, 2015
	Additions to IFRS 9 for financial liability accounting	January 1, 2015

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in the US Dollar currency (USD), which is the presentation currency of the Group.

3. Segment information

The Group has a single class of business which is to acquire, explore, develop and produce oil and gas assets. The geographical areas are defined by the Group as operating segments in accordance with IFRS 8 - Operating Segments. The Group operates in a number of geographical areas based on the location of operations and assets. The Group's reporting segments comprise each separate geographical area in which it operates.

3. Segment information (continued)

Segmental information for the six months ended

	Middle East $'000	West Africa $'000	Corporate $'000	Total $'000
At 30 June 2013				
General and administrative expense	(508)	(221)	(24,729)	(25,458)
Pre-licence costs	(1,203)	(1,926)	-	(3,129)
(Impairment) of oil and gas assets / Release	1,223	(21,700)	-	(20,477)
Depreciation and amortisation	-	(11)	(323)	(334)
Other operating expense	(39,260)	-	-	(39,260)
Loss from operations	**(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)
Total comprehensive loss				**(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)

The carrying amounts of segment assets and segment liabilities exclude investments in subsidiaries and intra-group financing respectively.

Segmental information for the six months ended

	Middle East $'000	West Africa $'000	Corporate $'000	Total $'000
At 30 June 2012				
General and administrative expense	(20)	(5)	(5,302)	(5,327)
Pre-licence costs	(623)	(2,135)	-	(2,758)
Impairment of oil and gas assets	(31,083)	-	-	(31,083)
Depreciation and amortisation	(7)	-	(130)	(137)
Loss from operations	**(31,733)**	**(2,140)**	**(5,432)**	**(39,305)**
Finance income				98
Loss before income tax				**(39,207)**
Income tax benefit				140
Total comprehensive loss				**(39,067)**
Capital additions	20,671	4,494	252	25,417
Segment assets	387,745	15,889	8,839	412,473
Segment liabilities	(65,987)	(283)	(213,211)	(279,481)

The carrying amounts of segment assets and segment liabilities exclude investments in subsidiaries and intra-group financing respectively.

4. Finance income

	Three months ended		Six months ended	
	June 30 2013 $'000	June 30 2012 $'000	June 30 2013 $'000	June 30 2012 $'000
Bank interest	685	20	1,026	29
	685	**20**	**1,026**	**29**

5. Foreign exchange gains and losses

	Three months ended		Six month ended	
	June 30 2013 $'000	June 30 2012 $'000	June 30 2013 $'000	June 30 2012 $'000
Realized foreign exchange gains	3,058	27	3,055	25
Unrealized foreign exchange (losses)/gains	(442)	25	(328)	44
	2,616	**52**	**2,727**	**69**

On May 9, 2013, the Group sold CAD$150 million and purchased $149.4 million at the forward rate of CAD$1.0043 per $1, with delivery on May 21, 2013. A foreign exchange gain of $3.4 million was realized on this transaction.

6. Income tax expense

	Three months ended		Six months ended	
	June 30 2013 $'000	June 30 2012 $'000	June 30 2013 $'000	June 30 2012 $'000
Current tax:				
Current income tax expense	(453)	(193)	(779)	(116)
Total current income tax expense	**(453)**	**(193)**	**(779)**	**(116)**
Deferred tax:				
Deferred tax on long-term incentive plan	(127)	-	3	-
Deferred tax on defined benefit obligation	86	128	215	256
Total current income tax (expense) / benefit	**(494)**	**(65)**	**(561)**	**140**

The current income tax expense relates to tax on profit from operations of the Group's Swiss and Maltese subsidiaries. The Group is subject to income taxes in certain territories in which it owns licenses or has taxable operations.

The deferred tax represents tax on unvested shares issued for the long-term incentive plan and on defined benefit obligations following the adoption of the amendments to IAS 19 – Employee Benefits.

6. Income tax expense (continued)

The charge for the period can be reconciled to the loss per the statement of comprehensive income as follows:

	Three months ended		Six months ended	
	June 30 2013 $'000	**June 30 2012 $'000**	**June 30 2013 $'000**	**June 30 2012 $'000**
Loss before income tax	(37,996)	(35,655)	(84,905)	(39,207)
Combined Canadian federal and provincial income taxes at the statutory rate / Maltese rate*	9,499	12,479	25,917	13,722
Effect of income exempt from taxation	4,025	328	4,132	-
Effect of unused tax losses unrecognized in deferred tax assets	286	(4,287)	278	(5,139)
Effect of tax rates of subsidiaries operating in other jurisdictions	24	99	41	75
Effect of non-deductible expenses	(14,328)	(8,684)	(30,929)	(8,518)
Income tax expense / (benefit)	**(494)**	**(65)**	**(561)**	**140**

* The tax expense for the three months ended June 30, 2013 was calculated using the combined Canadian federal and provincial tax rates. The tax expense for the three months ended March 31, 2013 was calculated using the Maltese tax rate.

Deferred tax assets have been recognized for unvested amounts relating to the long-term incentive plan of the Group's Maltese subsidiary and defined benefit obligations relating to the Group's Swiss subsidiary. No other deferred tax assets have been recognized for the benefit of tax deductions and tax losses because realization of the deferred tax assets in the foreseeable future is not sufficiently probable.

Cumulative unused tax losses unrecognized in deferred tax assets amount to $4.1 million at June 30, 2013 (June 30, 2012: $29.0million).

7. Intangible assets

	Note	Exploration & Evaluation costs $'000	Computer Software $'000	Total $'000
Cost				
At January 1, 2012		**371,122**	**645**	**371,767**
Additions		25,166	102	25,268
At June 30, 2012		**396,288**	**747**	**397,035**
Additions		110,958	540	111,498
Transfers and reclassifications	8	73	-	73
At December 31, 2012		**507,319**	**1,287**	**508,606**
Additions		101,745	94	101,839
Transfers and reclassifications(1)	8	(373,182)	-	(373,182)
At June 30, 2013		**235,882**	**1,381**	**237,263**
Accumulated amortization and impairment				
At January 1, 2012		**-**	**156**	**156**
Amortization		-	114	114
Impairment charge(3)		31,083	-	31,083
At June 30, 2012		**31,083**	**270**	**31,353**
Amortization		-	157	157
Impairment release(3)		(2,066)	-	(2,066)
At December 31, 2012		**29,017**	**427**	**29,444**
Amortization		-	214	214
Impairment charge(2)(3)		20,477	-	20,477
At June 30, 2013		**49,494**	**641**	**50,135**
Net book value				
At June 30, 2012		365,205	477	365,682
At December 31, 2012		478,302	860	479,162
At June 30, 2013		186,388	740	187,128

(1) During the six months ended June 30, 2013, a portion of the Hawler license area exploration and evaluation costs in Kurdistan was transferred from intangible assets to property, plant and equipment (PP&E) following the latest reserve report from Netherland, Sewell & Associates, Inc. (NSAI) indicating the discovery of reserves within the license area. As a result, the $373.2 million of costs associated with the license area were transferred from intangible E&E assets to Oil and Gas assets classified as PP&E (Note 8) as of March 31, 2013.

(2) Drilling on the Dila prospect, one of six identified prospects in the OML 141 license area offshore Nigeria included in the NSAI report, was completed in the second quarter of 2013. Oil was encountered during the drilling, but based on current information, the estimated quantities of oil are not sufficient to be considered commercial. The Group considers the well unsuccessful. An impairment charge of $21.7 million was recorded during the three months ending June 30, 2013.

(3) Mateen-1 was drilled by the operator of the Sindi Amedi block, with technical support provided by Oryx Petroleum. Current understanding of the structure does not support a working petroleum system on Mateen. The impairment charge of $31.1 million recorded in the second quarter of 2012 was reviewed and adjusted downwards by $2.1 million at the end of September 2012 and by a further $1.2 million at the end of June 2013 based on new information received from the operator.

7. Intangible assets (continued)

The carrying amounts of intangible E&E assets relate to:

	June 30 2013 $'000	June 30 2012 $'000	December 31 2012 $'000
Middle East	109,060	353,937	427,003
West Africa	77,328	11,268	51,299
	186,388	**365,205**	**478,302**

The net reduction to intangible assets during the six months ended 30 June 2013 reflects the transfer to PP&E of $373.2 million due to the successful drilling on the Hawler block.

No assets have been pledged as security.

The amounts for intangible assets represent costs incurred on active exploration projects. These amounts are written-off to the statement of comprehensive income as exploration expense unless commercial reserves are established or the determination process is not completed and there are no indications of impairment.

At June 2013, the Group had no material legal or constructive obligations with regards to abandonment costs on intangible assets.

On April 25, 2013, in conjunction with the operator, Oryx Petroleum relinquished 34% of the Sindi Amedi contract area to the Kurdistan Regional Government in exchange for the replacement of an exploration well commitment with the acquisition of 180km of seismic data and the potential extension to the current exploration period which expires on October 2, 2013. The potential contract extension, to be exercised at the option of the partners by October 2, 2013, would require the relinquishment of an additional 17% of the remaining contract area and the drilling of one or more wells and have a new expiry of October 2, 2014.

8. Property, plant and equipment

	Note	Oil and Gas Assets $'000	Fixtures and Equipment $'000	Total $'000
Cost				
At January 1, 2012		**-**	**111**	**111**
Additions		-	149	149
At June 30, 2012		**-**	**260**	**260**
Additions		-	484	484
Transfers and reclassifications	7	-	(73)	(73)
At December 31, 2012		**-**	**671**	**671**
Additions		499	1,038	1,537
Transfers and reclassifications *	7	373,182	-	373,182
At June 30, 2013		**373,681**	**1,709**	**375,390**
Accumulated depreciation				
At January 1, 2012		-	**6**	**6**
Depreciation		-	23	23
At June 30, 2012		**-**	**29**	**29**
Depreciation		-	67	67
At December 31, 2012		**-**	**96**	**96**
Depreciation		-	121	121
At June 30, 2013		**-**	**217**	**217**
Net book value				
At June 30, 2012		-	231	231
At December 31, 2012		-	575	575
At June 30, 2013		373,681	1,492	375,173

* During the six months ended 30 June 2013, a portion of the Hawler costs in Kurdistan was transferred from intangible assets to PP&E following the latest reserve report from NSAI indicating the discovery of reserves within the license area. As a result, the $373.2 million of costs associated with the license area were transferred from intangible assets (Note 7) to Oil and Gas assets classified as PP&E.

9. Inventories

	June 30 2013 $'000	December 31 2012 $'000
Exploration materials	9,147	5,601

No inventories have been recognized as an expense during the year (2012: nil).
No inventories have been pledged as security.

10. Trade and other receivables

	June 30 2013 $'000	December 31 2012 $'000
Advances paid on contracts	4,000	4,000
Receivables from joint venture partner	1,393	7,197
Receivables from related parties	157	-
Other receivables	2,949	1,164
	8,499	**12,361**

The carrying amounts of trade and other receivables presented above are reasonable approximations of the fair value and not past due or impaired as of the date of issuance of these financial statements.

The balance of joint venture receivables arises from timing differences between cash calls and the expenditure incurred on behalf of joint venture partners. Cash calls are normally due within 15 days.

11. Prepaid charges

	June 30 2013 $'000	December 31 2012 $'000
Prepaid charges	6,076	6,534
Related party prepaid charges	1,004	-
	7,080	**6,534**

12. Cash and cash equivalents

	June 30 2013 $'000	December 31 2012 $'000
Cash at bank and in hand	437,474	72,725
	437,474	**72,725**

Cash at bank and in hand includes cash held in interest bearing accounts. Cash and cash equivalents comprise cash and short-term deposits with an original maturity of three months or less. The carrying amounts of the assets presented above are reasonable approximations of the fair value.

AOG provided additional equity funding to the Group amounting to $234.8 million in January 2013.

As a result of the initial public offering, the Group received a total of CAD$238.9 million ($236.0 million) which represents the total offering of CAD$250.5 million, net of underwriters' fees.

13. Trade and other payables

	June 30 2013 $'000	December 31 2012 $'000
Trade accounts payable	5,845	8,381
Payables to joint venture partners	10,650	6,349
Payables to related parties	993	2,608
Contingent costs	112,372	60,087
Other payables and accrued liabilities	28,201	43,383
	158,061	**120,808**
Less : Non-current portion	(112,372)	(37,687)
Current portion	**45,689**	**83,121**

Trade and other payables comprise current amounts outstanding for trade purchases and ongoing costs. Contingent costs relate to the acquisition of OP Hawler Kurdistan Ltd (Note 21).

The carrying amounts of trade and other payables presented above are reasonable approximations of their fair value.

Included in Other payables and accrued liabilities is $15.0 million due by way of a direct contribution towards the construction of a hospital for children in Erbil in Kurdistan (December 31, 2012: $40.0 million).

14. Current income tax liabilities

	June 30 2013 $'000	December 31 2012 $'000
Corporation tax payable	1,618	870
	1,618	**870**

15. Borrowings

	June 30 2013 $'000	December 31 2012 $'000
Convertible loan notes - unsecured	-	7,781
Current portion	**-**	**7,781**

The fair value of borrowings equaled their carrying amount, as the impact of discounting was not significant. All borrowings were denominated in US Dollars.

At December 31, 2012, the Group had 7,681 loan notes convertible at par value of $1,000 and 80 loan notes convertible at $1,250 being $7,781 convertible loan notes in total. During the first quarter of 2013, the loan notes were fully converted into equity.

Furthermore, the Group entered into an uncommitted bond facility agreement with BNP Paribas on March 26, 2013 whereby up to a maximum of US$15 million may be used by Oryx Petroleum Holdings PLC for bank guarantees. As of June 30 2013, no guarantees were issued under this agreement.

16. Share capital and share premium

Issued and fully paid	Number of shares	Share capital $'000	Share premium $'000
At January 1, 2012	**105,153**	**105,153**	**-**
Issue of shares	61,992	61,992	-
At June 30, 2012	**167,145**	**167,145**	**-**
Issue of shares	332,166	332,166	771
At December 31, 2012	**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**	**-**

The company has unlimited authorized share capital outstanding as at June 30, 2013 (June 30, 2012 $1,000,000,000, December 31, 2012 $1,000,000,000).

Prior to the Company's initial public offering, Oryx Petroleum Holdings PLC (OPHP) had authorized two classes of ordinary shares which carry 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. At March 31, 2013, AOG International Holdings Ltd (AIHL) held 699,900 (December 2012: 465,100) ordinary 'A' shares and its parent, AOG, which was the ultimate parent company of the Company, held 100 (December 2012: 100) ordinary 'B' shares. Additionally, 42,540 (December 2012: 34,111) 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 11,000 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.

Holders of 21,155 ordinary 'B' shares (December 2012: 13,933 ordinary 'B' shares and 7'097 convertible loan notes 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 a sale to a third party or an offering of the Company's shares to the public, whichever was the sooner). To qualify for this right, there was a requirement to be in employment in Oryx Petroleum, or directors of AOG, at the date of the exit event. Prior to closing of the initial public offering, 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.

17. 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		Six months ended	
	June 30 2013 $'000	June 30 2012 $'000	June 30 2013 $'000	June 30 2012 $'000
Loss for the period attributable to equity holders	**(38,457)**	**(35,685)**	**(85,272)**	**(38,970)**
Weighted average number of ordinary shares for basic and diluted loss per share*	**89,503,362**	**17,880,480**	**81,534,713**	**15,472,638**
	$	**$**	**$**	**$**
Basic and diluted loss per share	**(0.43)**	**(2.00)**	**(1.05)**	**(2.52)**

* For 2012, warrants, convertible loan notes, treasury shares and unvested LTIP shares were excluded as they were currently anti-dilutive. For 2013, the unvested LTIP shares are excluded as they are anti-dilutive. There were no warrants, convertible loans notes and treasury shares at June 30, 2013. The weighted average number of shares of OPHP for the three and six months ended June 30, 2012 are presented as if they were shares of the Company (refer to note 16).

18. Other reserves

	Treasury shares $'000	Share based payments $'000	Total $'000
At January 1, 2012	(864)	3,449	2,585
Share based payment transactions	-	2,841	2,841
Release of shares for long-term incentive plan	166	(166)	-
At June 30, 2012	**(698)**	**6,124**	**5,426**
Share based payment transactions	-	8,888	8,888
Issue of shares for long-term incentive plan	(8,468)	-	(8,468)
Release of shares for long-term incentive plan	9,166	(9,166)	-
At December 31, 2012	**-**	**5,846**	**5,846**
Share based payment transactions*	-	18,303	18,303
Issue of shares for long-term incentive plan	-	(22,256)	(22,256)
At June 30, 2013	**-**	**1,893**	**1,893**

***** Share based payments for the three and 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.

19. Net cash used in operations

	Three months ended		Six months ended	
	June 30 2013 $'000	June 30 2012 $'000	June 30 2013 $'000	June 30 2012 $'000
Net loss before income tax	(37,996)	(35,655)	(84,905)	(39,207)
Adjustments for:				
Depreciation and amortisation	175	74	334	137
Foreign exchange (gains) / losses	5	(12)	(29)	-
Interest income	(685)	(20)	(1,026)	(29)
Share based payment expense	16,197	1,456	18,303	2,841
Impairment of intangible assets	20,477	31,083	20,477	31,083
Increase in retirement benefit obligation	369	366	737	708
Operating cash flows before movements in working capital	**(1,458)**	**(2,708)**	**(46,109)**	**(4,467)**
Increase in inventories	(3,114)	(1,694)	(3,546)	(2,271)
(Increase)/decrease in trade and other receivables	6,282	(995)	6,319	(12)
Increase /(decrease) in trade and other payables	(4,553)	1,594	33,669	1,334
Net cash used in operations	**(2,843)**	**(3,803)**	**(9,667)**	**(5,416)**

20. Commitments

(a) *Capital commitments*

Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure, although it will be necessary to incur expenditure in order to maintain existing exploration and appraisal rights.

At June 30, 2013, the Group had capital commitments totaling $161.8 million (December 2012: $177.4 million) which includes minimum work obligations on production sharing contracts of $57.1 million (December 2012: $58.5 million).

During the second quarter of 2013, the Company agreed to donate a total of $1.5 million over a period of 3 years to the Addax & Oryx Foundation. The first payment of $0.5 million was made in July 2013.

(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 period ended June 30, 2013 was $0.7 million (December 2012: $0.9 million).

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

Leases which expire	June 30 2013 $000	December 31 2012 $000
No later than one year	28	13
	28	**13**

21. Contingent liabilities

During 2011, the Group acquired interests in various exploration licenses. The acquisition terms included additional consideration and other liabilities, contingent upon the outcome of future drilling activities and, in some cases, the quantities of reserves discovered. These amount in aggregate to a maximum of $197.5 million. In accordance with the terms of the agreements for the acquisition of interests in these license areas, the Group is contractually obliged to make the payments upon a declaration of commercial discovery. If quantities of hydrocarbons discovered are not determined to be commercial, no payments will be due.

The aggregate fair value of the contingent consideration, based on the estimated probability of success, was initially evaluated by the directors at $46.3 million in total, of which $27.7 million was first recognized in the Group's statement of financial position at December 31, 2011 in relation to the license acquired in the acquisition of the 65% of the Hawler Block, acquired as part of the business combination with Norbest Limited (subsequently renamed OP Hawler Kurdistan Limited). The determination of fair value was principally based on an assessment of the available geological data, historical success rates in the region and other related assumptions on the likelihood of commercial success.

In addition, the net assets and liabilities acquired with OP Hawler Kurdistan Limited include a contingent payment to the Kurdistan Regional Government in relation to the declaration of a first commercial discovery. The total potential amount payable is $50 million of which the fair value, based on the estimated probability of success, was initially evaluated by the directors at $32.4 million and recognized in the fair values of the identifiable assets and liabilities acquired.

Following the discovery of reserves in the Hawler license area in the three months period ended March 31, 2013, the fair values detailed above have been re-evaluated and are now estimated at $112.3 million, resulting in changes in fair value recorded for contingent consideration and the contingent payment amounting to $52.3 million, of which $39.3 million in relation to contingent consideration was recognized in the statement of comprehensive income and $13.0 million in relation to the contingent payment was capitalized and then transferred from intangible assets to property, plant and equipment oil and gas assets in March 2013.

There was no change to the fair value of the contingent consideration and the contingent payment during the three months ended June 30, 2013.

22. Events after the balance sheet date

The National Assembly of Congo (Brazzaville) announced on July 25, 2013 that it had approved a one year extension to the initial exploration period of the Haute Mer A license area to September 2014. One of the two three year extension periods will be shortened to two years.

Subsequent to June 30, 2013, the Kurdistan Regional Government gave its consent to lease an Early Production Facility for the Demir Dagh area of the Hawler license and also approved the contract to acquire seismic data on the Banan area of the Hawler license.

On August 3, 2013, the E-1 well in the Haute Mer A license area reached target depth of 2,497 meters and logging operations are now underway.

On August 5, 2013, the ZEG-1 well in the Hawler license area reached target depth of 4,398 meters.

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