For Immediate Release 28 September 2007

Borders & Southern Petroleum Plc
("Borders & Southern" or "the Company")

Unaudited interim results for the six months ended
30 June 2007

Borders & Southern Petroleum Plc (AIM: BOR) is pleased to announce its interim results for the six months to 30 June 2007. The accounts contained within this report represent the consolidation of Borders & Southern Petroleum Plc and its subsidiary Borders & Southern Falkland Islands Limited. These figures are presented under IFRS for the first time.

Operating highlights during the period

- Continued the technical evaluation of the Company's Falkland Islands Production Licences with particular emphasis on the high impact leads
- Planned and completed an Invitation to Tender for a 3D survey over high-graded leads
- Ongoing screening and evaluation of new opportunities
- Cash balance as at 30 June 2007 is £9.4 million (30 June 2006 : £9.9 million)

Post Balance Date Events

- Raised £15 million (pre costs) in capital raising at 30p per share
- Entered into agreement with PGS for approximately 1,500km of 3D seismic
- Additional capital raising: PGS subscribed for 16,656,670 new shares at 30p per share to raise US$10 million (approx. £5 million)

Chief Executive, Howard Obee said: "During the first six months of the year the Company consolidated its technical evaluation of its Falklands Islands Production Licences and began to focus on the high impact leads. The Board decided that the best way to further reduce the technical risks ahead of drilling was to acquire an extensive 3D survey over the most attractive leads."

He added: "The next 12 months will be an exciting time for the Company as we get greater clarity on the value of our acreage and prepare the groundwork for the drilling phase."

For further information, please call:

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Chief Executive's Statement

During the first six months of the year the Company consolidated its technical evaluation of its Falklands Islands Production Licences and began to focus on the high impact leads. The Board decided that the best way to further reduce the technical risks ahead of drilling was to acquire an extensive 3D survey over the most attractive leads.

As previously reported, the Company's acreage contains numerous, very large (> 50 square kilometre) structures. These were mapped using the 2D seismic data acquired in 2005 which has an average line spacing of approximately five kilometres. The 3D seismic grid will provide us with an order of magnitude data enhancement and in particular provide details on structural integrity, reservoir distribution and allow a rigorous analysis of the seismic amplitude anomalies associated with the structures. This will then enable us to define the optimum drilling locations.

With oil prices remaining high, the costs and availability of both seismic and drilling services remain at a premium. However, having completed an invitation to tender comprising the industry's leading seismic contractors we were delighted to receive tenders from the majority of the companies approached. After assessing the commercial and technical merits of all the tenders, we entered into negotiations with Petroleum Geo-Services ("PGS") regarding a Seismic Agreement. This has recently been signed and we now look forward to commencing operations very shortly.

In order to fund the acquisition of the new 3D seismic data and have sufficient funds available to assess new projects, the Company raised £15 million (gross) through the placing of 50,000,000 new ordinary shares of 1p per share (the "Placing"). We were pleased that many of our existing institutional shareholders supported the Placing, but also that new institutional shareholders were added to the share register. The Placing was supported by the management team of the Company.

During our discussions with PGS they expressed an interest in investing directly in the Company. After their reservoir evaluation team reviewed the prospectivity of our Falkland Licences, PGS elected to subscribe for 16,656,670 new ordinary shares of 1p per share representing an investment of some US$10 million (approx £5 million) and consequently now own 8.6% of the total outstanding ordinary shares in the Company. The subscription price was 30p per share, the same as for the recent placing.

Following the PGS subscription there are 197,344,170 ordinary shares issued in the Company.

As we look forward, the 3D survey is anticipated to commence before the end of October 2007 and will last approximately four months depending on the weather conditions. PGS will be using their vessel the Ocean Explorer, most recently active in the Gulf of Mexico. In parallel with the seismic operations the Company intends to progress its Environmental Impact Assessment, a requirement of our licence terms ahead of the drilling campaign. With respect to accessing drilling rigs, it is the Company's intention to participate in any joint drilling activity with the other Falkland Islands operating companies and we will continue to work with these companies to progress this.

The next 12 months will be an exciting time for the Company as we get greater clarity on the value of our acreage and prepare the groundwork for the drilling phase.

Howard Obee
Chief Executive
27 September 2007

Borders & Southern Petroleum Plc

Consolidated Income Statement

For the six months ended 30 June 2007

	Notes	**6 months ended 30 June 2007 (unaudited)**	6 months ended 30 June 2006 (unaudited)	18 months ended 31 December 2006 (audited)
		£	**£**	£
Administrative expenses		**(362,015)**	(361,022)	(1,176,389)
LOSS FROM OPERATIONS		**(362,015)**	(361,022)	(1,150,361)
Finance income		**244,857**	179,012	649,365
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAX		**(117,158)**	(182,010)	(527,024)
LOSS FOR THE PERIOD	3	**(117,158)**	(182,010)	(527,024)
Earnings per share – basic and diluted	2	**(0.09p)**	(0.14p)	(0.41p)

All amounts relate to continuing activities.

Borders & Southern Petroleum Plc

Consolidated balance sheet

At 30 June 2007

	At 30 June 2007 (unaudited) £	At 30 June 2006 (unaudited) £	At 31 December 2006 (audited) £
ASSETS			
NON-CURRENT ASSETS			
Exploration and evaluation assets	**1,637,066**	1,639,997	1,637,066
Office equipment	**6,057**	10,173	10,144
Total non-current assets	**1,643,123**	1,650,170	1,647,210
CURRENT ASSETS			
Trade and other receivables	**124,659**	93,531	135,731
Cash and cash equivalents	**9,364,105**	9,918,712	9,468,174
Total current assets	**9,488,764**	10,012,243	9,603,905
TOTAL ASSETS	**11,131,887**	11,662,413	11,251,115
CURRENT LIABILITIES			
Trade and other payables	**(63,734)**	(26,241)	(65,804)
NET ASSETS	**11,068,153**	11,636,172	11,185,311
EQUITY			
Share capital	**1,276,875**	1,276,875	1,276,875
Share premium account	**10,561,393**	10,561,393	10,561,393
Other reserve	**15,313**	-	15,313
Retained earnings	**(785,428)**	(202,096)	(668,270)
TOTAL EQUITY	**11,068,153**	11,636,172	11,185,311

Borders & Southern Petroleum Plc

Consolidated cash flow statement

For 6 months ended 30 June 2007

	6 months ended 30 June 2007 (unaudited) £	6 months ended 30 June 2006 (unaudited) £	12 months ended 31 December 2006 (audited) £
LOSS BEFORE TAX	**(117,158)**	(182,010)	(527,024)
Adjustments for:			
Depreciation	**4,086**	3,412	10,653
Decrease/(increase) in receivables and prepayments	**(1,939)**	35,886	2,203
(Decrease)/in crease in trade and other payables	**(2,070)**	9,619	(265,742)
Increase in provision	**-**	-	(42,955)
Issue of share options	**-**	-	15,313
Investment income	**(244,857)**	(179,012)	(649,365)
CASH UTILISED BY OPERATIONS	**(361,938)**	(312,105)	(1,456,917)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	**257,869**	179,012	654,221
Purchase of tangible fixed assets	**-**	(639)	(5,832)
Exploration and evaluation expenditure	**-**	(13,300)	(139,398)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**257,869**	165,073	508,991
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(104,069)**	(147,032)	(947,926)
Cash and cash equivalents at the beginning of the period	**9,468,174**	10,065,744	10,416,100
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**9,364,105**	9,918,712	9,468,174

Borders & Southern Petroleum Plc

Notes to the interim statement

For 6 months ended 30 June 2007

1. BASIS OF PREPARATION

With effect from 1 January 2007 the Group is required to prepare its consolidated financial statements in accordance with International Financial Reporting Standards. (IFRS) as adopted by the European Union. The financial results of the Group for the six months to 30 June 2007 have been prepared on this basis, which it expects to apply in its annual audited accounts presented at 31 December 2007.

Previously the Group had reported under United Kingdom General Accepted Accounting Principles (UK GAAP). The transition from UK GAAP to IFRS has not impacted the Group's previous results or the comparatives in this interim report.

The principal accounting policies that the Group has adopted in this interim report are consistent with the Group's anticipated 2007 accounting policies.

The interim report is unaudited and does not constitute Statutory Accounts as defined in Section 240 of the Companies Act 1985. The UK GAAP version of the accounts for the period ended 31 December 2006 has been filed with the Registrar of Companies and the audit report issued for those accounts was unqualified.

2. LOSS PER SHARE

The calculation of the basic earnings per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Loss for the period £	Weighted average number of shares	Loss per share pence
BASIC AND DILUTED			
Six months ended 30 June 2007 (unaudited)	**(117,158)**	127,687,500	**(0.09)**
Six months ended 30 June 2006 (unaudited)	(182,010)	127,687,500	(0.14)
12 months ended 31 December 2006 (audited)	(527,024)	127,687,500	(0.41)

3. MOVEMENT IN TOTAL SHAREHOLDERS' EQUITY DURING THE PERIOD

	Share capital £	Share premium account £	Other reserves £	Retained earnings £
Balance at 1 January 2007	1,276,875	10,561,393	15,313	(668,270)
Loss attributable to shareholders	-	-	-	(117,158)
As at 30 June 2007	1,276,875	10,561,393	15,313	(785,428)