

30 September 2021



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

Unaudited Results for the six-month period ended 30 June 2021

Borders & Southern Petroleum plc (AIM: BOR) announces its unaudited half year financial statements for the six months to 30 June 2021. The accounts contained within this report represent the consolidation of Borders & Southern Petroleum plc and its subsidiary, Borders & Southern Falkland Islands Limited.

Highlights

- An application to extend the current phase of the Falkland Islands licences has been submitted
- Operating loss for the period was \$446,000 (2020: \$721,000)
- Cash balance on 30 June 2021 was \$1.35 million (30 June 2020: \$2.56 million)

Chief Executive's Statement

The current phase of the Company's Falkland Islands Production Licences (PL018, PL019, PL020) and its Discovery Area Licence are due to expire at the end of January 2022. An application has been submitted to the Falkland Islands Executive Council requesting an extension to all licences. As part of the approval process the Company will have to demonstrate that it can meet its financial obligations under the terms of the licences.

For the six-month reporting period up until 30 June 2021, Borders & Southern incurred a loss from operations of \$446,000 (loss for the same period in 2020 was \$721,000). Administrative expenses were \$546,000 (2020: \$579,000). The cash balance at 30 June 2021 was \$1.35 million compared with a balance of \$2.56 million at 30 June 2020. The Company has no debt.

Given the decreasing cash balance, it is likely that additional funds will be sought before the end of January 2022 in order to meet licence and working capital needs and in order to meet the "going concern" tests of the 2021 year-end audit.

During the last six months the Company has undertaken a re-marketing initiative to attract partners. This work is in progress. We have always emphasised the outstanding sub-surface characteristics of the project, the quality of the reservoir and its exceptional imaging, but to support the current farmout, technical work has focused on defining different development options, early production possibilities and minimising the environmental impact of a development.

For further information, please visit www.bordersandsouthern.com or contact:

Borders & Southern Petroleum plc

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Notes to Editors:

Borders & Southern Petroleum plc (AIM: BOR) is an oil & gas exploration company listed on the AIM Market of the London Stock Exchange. The Company operates and has a 100% interest in three Production Licences in the South Falkland Basin covering an area of nearly 10,000 square kilometres. The Company has acquired 2,517 square kilometres of 3D seismic and drilled two exploration wells, making a significant gas condensate discovery with its first well.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		6 months ended 30 June 2021 (unaudited) \$000	6 months ended 30 June 2020 (unaudited) \$000	12 months ended 31 Dec 2020 (audited) \$000
Administrative expenses		(546)	(579)	(1,046)
LOSS FROM OPERATIONS		(546)	(579)	(1,046)
Finance income	3	101	2	55
Finance costs	3	(1)	(144)	(11)
LOSS BEFORE TAX		(446)	(721)	(1,002)
Tax expense		-	-	-
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT		(446)	(721)	(1,002)
Loss per share – basic and diluted	2	(0.09) cents	(0.15) cents	(0.21) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	At 30 June 2021 (unaudited) \$000	At 30 June 2020 (unaudited) \$000	At 31 December 2020 (audited) \$000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	88	71	151
Intangible assets	292,494	292,019	292,241
Total non-current assets	292,582	292,090	292,392
CURRENT ASSETS			
Other receivables	361	363	225
Cash and cash equivalents	1,352	2,560	2,184
TOTAL CURRENT ASSETS	1,713	2,923	2,409
TOTAL ASSETS	294,295	295,013	294,801
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	(180)	(171)	(240)
TOTAL LIABILITIES	(180)	(171)	(240)
TOTAL NET ASSETS	294,115	294,842	294,561
EQUITY			
Share capital	8,530	8,530	8,530
Share premium	308,602	308,602	308,602
Other reserve	1,777	1,777	1,777
Retained deficit	(24,778)	(24,051)	(24,332)
Foreign currency reserve	(16)	(16)	(16)
TOTAL EQUITY	294,115	294,842	294,561

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Share capital	Share premium	Other reserve	Retained Deficit	Foreign currency reserve	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Unaudited						
Balance at 1 January 2021	8,530	308,602	1,777	(24,332)	(16)	294,561
Total comprehensive loss for the period	-	-	-	(446)	-	(446)
Balance at 30 June 2021	8,530	308,602	1,777	(24,778)	(16)	294,115
Unaudited						
Balance at 1 January 2020	8,530	308,602	1,777	(23,330)	(16)	295,563
Total comprehensive loss for the period	-	-	-	(721)	-	(721)
Balance at 30 June 2020	8,530	308,602	1,777	(24,051)	(16)	294,842
Audited						
Balance at 1 January 2020	8,530	308,602	1,777	(23,330)	(16)	295,563
Total comprehensive loss for the year	-	-	-	(1,002)	-	(1,002)
Balance at 31 December 2020	8,530	308,602	1,777	(24,332)	(16)	294,561

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	6 months ended 30 June 2021 (unaudited) \$	6 months ended 30 June 2020 (unaudited) \$	12 months ended 31 December 2020 (audited) \$
Cash flow from operating activities			
(Loss) before tax	(446)	(721)	(1,002)
Adjustments for:			
Depreciation	63	47	95
Net finance (income) / costs	(100)	142	(43)
Realised foreign exchange gains	-	-	2
	(483)	(532)	(948)
Cash flows used in operating activities			
(Increase)/decrease in trade and other receivables	(136)	(130)	8
Increase/(decrease) in trade and other payables	5	(8)	(61)
Net cash outflow from operating activities	(131)	(138)	(1,000)
Cash flows used in investing activities			
Interest received	-	2	2
Purchase of intangible fixed assets	(253)	(254)	(476)
Net cash used in investing activities	(253)	(252)	(474)
Cash flows from financing activities			
Lease interest	(1)	(5)	(11)
Lease payments	(65)	(56)	(62)
Net cash used in financing activities	(66)	(61)	(73)
Net decrease in cash and cash equivalents	(933)	(983)	(1,547)
Cash, cash equivalents and restricted use cash at the beginning of the period	2,184	3,682	3,682
Exchange gains on cash and cash equivalents	101	(139)	49
Cash, cash equivalents and restricted use cash at the end of the period	1,352	2,560	2,184

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared using the recognition and measurement principles of International Accounting Standards, International Reporting Standards and Interpretations as applied in accordance with the provisions of the Companies Act 2006. The Group has not elected to comply with IAS 34 "Interim Financial Reporting" as permitted. The principal accounting policies used in preparing the interim financial statements are unchanged from those disclosed in the Group's Annual Report for the year ended 31 December 2020 and are expected to be consistent with those policies that will be in effect at the year end.

The condensed financial statements for the six months ended 30 June 2021 and 30 June 2020 are unreviewed and unaudited. The comparative financial information does not constitute statutory financial statements as defined by Section 435 of the Companies Act 2006. The comparative financial information for the year ended 31 December 2020 is not the company's full statutory accounts for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did include references to any matters to which the auditors drew attention by way of emphasis relating to going concern without qualifying their report and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

For the six-month reporting period up until 30 June 2021, Borders & Southern had a loss from operations of \$446,000 (a loss for the same period in 2020 was \$721,000). Administrative expenses were \$546,000 (2020: \$579,000). The cash balance at the 30 June 2021 was \$1.35 million compared with a balance of \$2.56 million at 30 June 2020. The Company has no debt.

Given the decreasing cash balance it is likely that additional funds will be sought before the end of January 2022 in order to meet licence and working capital needs and in order to meet the "going concern" tests of the 2021 year-end audit.

2. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. Diluted loss per share is not stated as the result would be ant-dilutive given the loss in the period.

	Loss after tax for the period \$000	Weighted average number of shares	Loss per share (cents)
Basic and diluted			
Six months ended 30 June 2021 (unaudited)	(446)	484,098,484	(0.09)
Six months ended 30 June 2020 (unaudited)	(721)	484,098,484	(0.15)
Twelve months ended 31 December 2020 (audited)	(1,002)	484,098,484	(0.21)

3. FINANCE INCOME AND COSTS

	6 months ended 30 June 2021 \$000	6 months ended 30 June 2020 \$000	12 months ended 31 December 2020 \$000
Finance Income			
Bank interest receivable	-	2	2
Foreign exchange gain	101	-	53
	101	2	55
Finance costs			
Foreign exchange loss	-	139	-
Interest on leased assets	1	5	11
	1	144	11

4. GOING CONCERN

The Company regularly assesses its liquidity and available funds to ensure that it has sufficient funds available to cover costs for at least the following 12 months. This remained the case at 30 June 2021, however, as noted above, the Company intends to secure additional funds by the end of January 2022 in order to continue operations as normal.

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