

Valiant Petroleum plc

16 September 2009

Interim Results 2009

Valiant Petroleum plc (“Valiant” or the “Group”) today is pleased to announce its interim financial results for the period to 30 June 2009. All amounts are quoted in US dollars unless otherwise noted.

Highlights

- First oil achieved in April 2009 from West Don (Valiant, 17.275%) and July 2009 from Don Southwest (Valiant 40.0%)
- Two successful appraisal wells on Don Southwest into the ‘H’ Panel and the Horst block with total net preliminary internal estimates of reserves and resources of 6.4 million barrels of oil (“mmbbls”)
- Completion of acquisition of Nor Energy (UK) Limited, including an additional 10.5% stake in the Causeway field (Licence P.201, Block 211/22a SE and Licence P.1383, Block 211/23d) and Dana Petroleum (E&P) Limited 50% stake in Banquo & Helena (Licence P.212, Block 211/8a and Licence P.296 Block 211/13a)
- Maiden revenue of \$5.6 million from the first cargo sold at an average sales price of \$68.85 per barrel
- Profit for the period of \$13.0 million (including \$5.0 million foreign exchange gain and an \$11.8 million increase in deferred tax)
- Cash balance of \$49.3 million and gross debt of \$190.9 million as at 30 June 2009
- Recent redetermination and increase to the senior borrowing base amount to \$174.4 million
- Site surveys completed on Banquo, Handcross, Tybalt and Viola which are now drill ready pending farm-down of Valiant’s interest
- Appointment of David Blackwood CBE as non-executive director as of 11 August 2009

Outlook

- Complete 2009 Don area work programme including the full commissioning of the Northern Producer to deliver around 10,000 bopd of net production capability from the existing well stock
- Commence long lead activities for the development of the Horst block in Don Southwest targeting production in the second or third quarter of 2010
- Develop with Don field partners further in-field development and appraisal wells including ‘H’ Panel and Area 6 on Don Southwest
- Continue to seek acquisition and consolidation opportunities in and around the Group’s core area

Peter Buchanan, CEO, commented:

“I am extremely pleased to report that Valiant Petroleum is now a fully fledged production, development and exploration company following first oil from the Don project in the first half of 2009. During the first half of the year we have also proved-up further oil accumulations in and around Don Southwest which reinforces Valiant’s view that the Don area will represent an exciting investment opportunity for our shareholders for years to

come. Looking forward, I am confident that the Company is in an excellent position to deliver exceptional growth through our existing portfolio of undeveloped assets against an improving macro-economic backdrop.”

A presentation of these results will be made available to analysts at 9.00 AM on Wednesday, 16 September 2009 at RBS Hoare Govett Ltd, 250 Bishopsgate, London, EC2M 4AA and a full copy of the preliminary results and this presentation can also be found on the Group’s website at <http://www.valiant-petroleum.com>.

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Valiant Petroleum plc

Chairman & Chief Executive's Review

Chairman & Chief Executive's Review

We are pleased to announce the Group's interim results for 2009 following the achievement of first oil from West Don and Don Southwest (together the "Don Fields") which has led to our maiden revenue. The Group has continued to make significant progress in maturing the Group into a full-cycle exploration and production business well positioned for the future with a balanced portfolio and excellent growth prospects.

Asset Review

Following continuous drilling from the beginning of the year utilizing both the Transocean John Shaw and Stena Spey semi-submersible drilling rigs, on 29 April 2009 the Group announced that first oil had been achieved from the first production well on West Don field (Valiant, 17.275%) located in Blocks 211/18a West Don Area and 211/13b (License P236 and P1200 respectively) and subsequently on 1 July 2009 first oil from the Don Southwest field (Valiant, 40.0%), Block 211/18a (UKCS Licence P.236). Production from the Don Fields marks an important milestone for the Group as it transitions into a full-cycle exploration and production company.

The first production well on **West Don** currently produces at a gross rate of around 5,500 barrels of oil per day ("bopd") with a similar contribution from the second production well which was brought on stream at the beginning of August 2009. Production from both wells continues to be stable and the partners believe that the start-up of gas-lift and the water injection well during the third quarter will improve production rates during the second half of the year. Based on the limited reservoir information gathered so far, the potential for a third production well in the south of the field is currently under consideration by the field partners.

Production from **Don Southwest** continues to be limited to the Area 5 well which is currently producing at gross rates of around 10,500 bopd with actual average production rates constrained by facilities uptime and shuttle tanker offloading schedules. The Area 22 production well to the south of the field continues to be shut-in pending a rig intervention at the end of the current phase of drilling in September 2009. The gas-lift and water injection well in both Areas 5 and 22 are anticipated to be on-stream during October 2009.

During the period Valiant was also pleased to announce two successful side-tracks to the development wells in Don Southwest proving up additional volumes in the newly identified Horst block section in the north of the field and the 'H' Panel in the south of the field. The Horst is a structural high between Areas 5 and 6 and has excellent reservoir quality with high oil saturations giving internal estimates of gross recoverable reserves of around seven million barrels of oil which is likely to be jointly developed alongside Area 6 in the completion of the first phase of the development programme next year.

The appraisal well drilled into the 'H' Panel encountered a 60 foot oil column in the upper Brent formation, extending the boundary of the Field to the south. While a further appraisal well will be required on the 'H' Panel, Valiant's preliminary internal estimates of gross recoverable resources from the accumulation are around nine million barrels of oil.

In August 2009, Antrim Energy Inc. ("Antrim"), the operator of the **Causeway** field (Valiant, 24.50%) announced that work continues with the Dunlin platform operator to incorporate significant cost and time savings into the subsea completion and tie-in. Since the submission of the Field Development Plan ("FDP") to the Department of Energy and Climate Change ("DECC") in late 2008, the operator has modified the original plan to tie-into existing subsea facilities adjacent to the Dunlin platform on the basis that this would provide significant cost savings compared with those currently in the FDP. Antrim plans to include these changes into an updated FDP which is expected to be submitted to DECC in late 2009.

During the period, Valiant also announced that it had completed its acquisition of Nor Energy (UK) Limited, increasing its stake in Causeway to 24.50% (from 14.0%). As part of the transaction the Group has acquired UK tax losses estimated to be \$29.5 million which the Group will seek to offset against future profit from its producing asset portfolio.

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Chairman & Chief Executive's Review (continued)

Progress continues on the **Crawford** field (Valiant, 29.0%) with considerable work completed on detailed reservoir modelling and simulation work for field development definition of the multiple oil-bearing horizons in the field. The front end engineering and design phase is continuing on schedule, including definition of the modification to the East Brae host platform. The FDP is in final draft for DECC submission by the end of 2009 and includes hydraulically fractured wells to maximise production and reserves' recovery from the field. Valiant and its partners will use the remainder of 2009 for detailed planning and optimisation in order to maximise the value of the project.

During the period, Valiant completed the purchase of Dana Petroleum (E&P) Limited's stake in the undeveloped **Banquo** and **Helena** fields (Valiant, 100.0%) giving the Group its first operatorship of an undeveloped asset. Located in Quadrant 211, these fallow discoveries are in one of the Group's core areas and have excellent potential to be jointly developed along with the nearby Tybalt exploration prospect if successful. Valiant has completed a full project scoping review and will seek to bring one or more partners into the fields during the next 12 months in order to accelerate the fields towards development.

Valiant's philosophy towards exploration remains the same – namely to retain a meaningful position in prospects and to focus on opportunities in our defined core areas where the Group has a better understanding of the subsurface risks. During the period, all of the licences were signed relating to its successful application in the UKCS 25th Seaward Offshore Licensing Round. During the period, Valiant took advantage of the lower service cost environment and completed site surveys over four of its main prospects; Banquo, Handcross, Tybalt and Viola. These prospects are now drill ready and Valiant is actively seeking farm-in partners to reduce its financial exposure to these wells.

Financial Results

Following the commencement of oil production from the Don Fields, the Group has switched its functional and presentation currency from Sterling to US dollars with effect from 1 January 2009. The balance sheet at 31 December 2008 was converted at the exchange rate on that date of GB£1: US\$1.4378. Prior periods' results and cash flows have been generally translated using an average exchange rate for the period and prior period balance sheets at period end rates.

The Group income statement shows a profit after tax of \$13.0 million for the period ending 30 June 2009 following maiden revenues of \$5.6 million from the first tanker cargo of oil from Don Fields. In addition, the Group reported a foreign exchange gain of \$5.0 million primarily associated with the translation effect on the Group's working capital (including Sterling cash deposits) into US dollars over the period. Due to lower levels of activity during the first half of 2009, exploration expense, within other operating expenses, was considerably lower than the previous period which included the write off of the Prospero and Globe wells and an impairment charge against the Causeway asset. Administrative costs have remained broadly flat. These costs are anticipated to increase modestly going forward as the company continues to grow following first oil production.

During the period, an increase to the deferred tax asset of \$11.8 million has been booked in respect of past tax losses and additional losses made available via the acquisition of NOR Energy (UK) Limited. Recovery of this asset is now considered probable following production from both West Don and Don South West together with the Group's other near term development opportunities.

Financing and Going Concern basis

As at 30 June 2009, the Group had gross debt of \$190.9 million split between its drawn senior debt of \$150.4 million and mezzanine debt of \$40.5 million. Additionally, the Group had cash-on-hand of \$49.3 million leaving it in a net debt position of \$141.6 million. As anticipated at the time of our preliminary results to 31 December

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Chairman & Chief Executive's Review (continued)

2008, the Group's net debt position has increased during the period due to funding requirements associated with development of the Don Fields.

The gross debt figure of \$190.9 million includes a non-cash backed Letter of Credit for \$9.4 million attributable to the Dons' drilling contract and a drawing in respect of fees paid of \$3.4 million to give a long term loans balance sheet figure of \$178.1 million.

The Group has continued to enjoy the support of its banking group which remains important for the overall funding of the business and, in particular, the Don Field development. Valiant has recently undergone a scheduled borrowing base review with its Senior Debt Lenders, the result of which the debt capacity under the \$200 million senior debt facility has increased to \$174.4 million (from \$149.2 million), excluding the \$20 million cost overrun tranche which remains available but undrawn. The next regular semi-annual review of the borrowing base is scheduled for the end of 2009.

Following a discussion between Lloyds Banking Group in its capacity as Mezzanine Lender and the Senior Debt Lenders, Lloyds has agreed to waive the requirement for a \$10 million repayment in 2009 under the terms of the covenant restructuring previously announced in relation to the deferral of the Causeway Field Development Plan approval covenant from 30 September 2009 to 30 June 2010. Valiant will be looking to find a long term solution to repaying or refinancing the mezzanine debt.

The availability of debt finance to the Group under its existing banking facilities, on which the Group relies, is ultimately linked to oil prices and the level of independently certified oil reserves carried by the Group which are inherently uncertain. Furthermore, with the commencement of production in the period, the Group's cash generation from operations is affected by uncertainties over oil prices and production rates. The Group will continue to monitor oil production and prices with a view to prudently protecting its downside oil price risk in relation to its debt burden. The Group's forecasts and projections, taking account of reasonably possible delays in production rates, prices and other key assumptions, show that the Group should be able to operate within the level of its available facilities.

After making enquiries, the directors have reached a judgement, at the time of approving the interim results, that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the interim results.

Board

During the period, two changes to Valiant's board were announced. Gordon Stollery announced his intention to step-down as Chairman and was replaced by Kevin Lyon who has served as a Director since 1 October 2007.

Mr Stollery's input has been invaluable to the Group over the last four years from its initial phases of fund raising through to our successful AIM admission and the Board is pleased that he will remain as a Non-Executive Director.

Mr Lyon has broad business experience first as a Chartered Accountant and later in various roles at the private equity and venture capital business 3i plc. Mr Lyon left 3i in 2004 to build a portfolio of non-executive interests and is currently Chairman of Mono Global Group Limited, an infrastructure support services to the telecoms sector and of Wyndeham Press Group Limited, a printing and communications group. He is also a Non-Executive Director of health and fitness club operator David Lloyd and was previously a Non-Executive Director of Booker plc, a wholesale cash and carry business, which listed on AIM in June 2007.

Valiant is also very pleased to have recently announced the appointment of David Blackwood CBE as a non-executive director as of 11 August 2009, fulfilling its promise to increase the number of independent Directors on Board. The Board welcomes David and looks forward to benefitting from his wealth of upstream oil industry experience gained during a career which has spanned 34 years, the majority of which was spent in various

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Chairman & Chief Executive's Review (continued)

global roles at BP plc including the past six years during which he led BP's upstream business in the UK and Norway.

Outlook

Due to the longer-than-anticipated period in the commissioning of the overall Don Fields, Valiant expects to exit 2009 with around 10,000 bopd of net production capacity and guidance for 2010 will be updated following commissioning of all of the current well-stock across both of the Don Fields.

Valiant's view of the Don Fields remains very positive based on the recent discoveries in the 'H' Panel and Horst Block in Don Southwest and the field partners are in the early stages of planning for further development phases for the area over the next 18-24 months to take advantage of lower service costs available in the market at present.

With many of the project execution risks of the Don Fields relating to the installation of the core infrastructure behind us, an increasing emphasis will now be placed on managing reservoir performance from the Don Fields and growing production through further development, appraisal and exploration.

In addition to the continued opportunities offered in and around the Don Fields, the Group will seek to work closely with its partners to take advantage of the recent improvement in global oil prices to bring forward its other undeveloped assets such as Banquo, Causeway, Crawford and Helena.

As one of the few remaining independent oil and gas companies solely focused on the UK North Sea, Valiant remains positive about its business outlook for the remainder of 2009 both with regard to its existing portfolio and the potential for growth through acquisition.

The principal risks and uncertainties facing the Group in the remainder of the year have not materially changed since the publication of the Annual Report and Accounts for the year ended 31 December 2008 and can be summarised as; operational risk, reservoir and reserves risk, competitive environment, changes to the regulatory environment, changes to the taxation system, failure by joint venture parties to fund their obligations, failure by contractors to carry out their duties, retention of Key Business Relationships, ability to exploit successful discoveries, cost overruns or significant delays in the commercialisation of fields.

These risks are considered typical for an upstream group of the Group's size and stage of development and the Group has assembled a highly experienced team combining strong technical expertise with financial and transactional knowledge of the oil and gas sector gained in various companies and jurisdictions in order to manage these risks. The Group's strategy to managing these risks includes building and maintaining a portfolio of assets, focusing on delivering production and maintaining financial and operational flexibility.

On behalf of the board, we would like to thank you for your continued support.

Kevin Lyon
Chairman

Peter Buchanan
Chief Executive Officer

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Group income statement For the six months to 30 June 2009

	Unaudited Six months to 30 June 2009 \$'000	Audited [note 1] Fifteen months to 31 December 2008 \$'000	Unaudited Six months to 31 March 2008 \$'000
Revenue	5,569	-	-
Cost of sales	(3,659)	-	-
Gross profit	1,910	-	-
Administrative expenses	(5,107)	(10,390)	(5,715)
Other operating expenses	(510)	(54,249)	-
Operating loss	(3,707)	(64,639)	(5,715)
Investment revenue - interest income	569	4,753	1,570
Exchange gain/ (loss)	5,002	(36,510)	(800)
Finance costs	(673)	(30)	-
Profit/(Loss) for the period before tax	1,191	(96,426)	(4,945)
Tax	11,830	36,775	-
Profit/(Loss) for the period	13,021	(59,651)	(4,945)
Profit/(Loss) per ordinary share	cents	Cents	cents
- Basic	49.61	(252.99)	(23.9)
- Diluted	43.51	(252.99)	(23.9)

Group statement of comprehensive income

	Unaudited Six months to 30 June 2009 \$'000	Audited [note 1] Fifteen months to 31 December 2008 \$'000	Unaudited Six months to 31 March 2008 \$'000
Profit /(Loss) for the period	13,021	(59,651)	(4,945)
Other Comprehensive Income:			
Currency Translation Adjustment			
(Note 1)	-	(41,538)	(7,232)
Total comprehensive income/(loss) for the period	13,021	(101,189)	(12,177)

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Group statement of changes in equity For the six months to 30 June 2009

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
1 October 2007	1,039	123,434	1,616	(4,055)	122,034
Shares Issued:					
Ordinary shares issued in business combinations	345	101,200	-	-	101,545
Share issue costs	-	(5,784)	-	-	(5,784)
Share based payments	-	-	1,422	-	1,422
Total comprehensive income:					
Loss for the period	-	-	-	(4,945)	(4,945)
Currency translation adjustment (Note 1)		(7,329)	(89)	235	(7,232)
31 March 2008	1,334	211,521	2,950	(8,765)	207,040
Share based payments	-	-	4,184	-	4,184
Total comprehensive income:					
Loss for the period	-	-	-	(59,651)	(59,651)
Currency translation adjustment (Note 1)	(371)	(58,538)	(2,940)	20,311	(41,538)
31 December 2008	963	152,983	4,194	(48,105)	110,035
Share based payments	-	-	1,402	-	1,402
Total comprehensive income:					
Profit for the period	-	-	-	13,021	13,021
30 June 2009	963	152,983	5,596	(35,084)	124,458

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Group balance sheet as at 30 June 2009

	Unaudited at 30 June 2009 \$'000	Audited [note 1] at 31 December 2008 \$'000	Unaudited at 31 March 2008 \$'000
Non-current assets			
Intangible exploration and evaluation assets	55,145	41,848	124,977
Property, plant and equipment	228,386	127,819	157
Long term prepayments	-	-	1,780
Deferred tax	40,084	28,254	-
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	323,615	197,921	126,914
Current assets			
Inventory	1,081	-	-
Trade and other receivables	6,175	16,195	13,610
Cash and cash equivalents	49,297	72,958	118,250
	-----	-----	-----
	56,553	89,153	131,860
Total assets	-----	-----	-----
	380,168	287,074	258,774
Current liabilities			
Trade and other payables	(42,115)	(30,237)	(15,231)
	-----	-----	-----
	(42,115)	(30,237)	(15,231)
Net current assets	-----	-----	-----
	14,438	58,916	116,629
Non-current liabilities			
Long-term loans	(178,114)	(131,661)	(36,503)
Long-term provisions	(35,481)	(15,141)	-
	-----	-----	-----
Total liabilities	(255,710)	(177,039)	(51,734)
Net assets	-----	-----	-----
	124,458	110,035	207,040
Equity			
Share capital	963	963	1,334
Share premium	152,983	152,983	211,521
ESOP reserve	5,596	4,194	2,950
Accumulated deficit	(35,084)	(48,105)	(8,765)
	-----	-----	-----
Total equity attributable to equity holders of the parent	-----	-----	-----
	124,458	110,035	207,040
	=====	=====	=====

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Group cash flow statement For the six months to 30 June 2009

	Unaudited Six months to 30 June 2009 \$'000	Audited [note 1] Fifteen months to 31 December 2008 \$'000	Unaudited Six months to 31 March 2008 \$'000
Net cash inflow / (outflow) from operating activities (note 6)	(7,246)	(11,409)	(5,816)
	-----	-----	-----
Investing activities			
Purchase of intangible Exploration and Evaluation assets	(10,459)	(101,491)	(47,927)
Purchase of property plant and equipment	(53,177)	(51,794)	(34)
Investing receivables	51	(2,944)	-
Interest received	781	4,235	1,569
	-----	-----	-----
Net cash used in investing activities	(62,804)	(151,994)	(46,392)
	-----	-----	-----
Financing activities			
Proceeds from issue of share capital	-	95,761	95,812
Drawdown of bank loans	44,332	96,319	4,369
Income tax paid	-	(430)	-
Interest paid	(3,332)	(30)	(1,960)
	-----	-----	-----
Net cash from financing activities	41,000	191,620	98,221
	-----	-----	-----
Net increase in cash and cash equivalents	(29,050)	28,217	46,013
	-----	-----	-----
Cash and cash equivalents at beginning of period	72,958	76,250	76,250
Effect of foreign exchange rate changes	5,389	(31,509)	(4,013)
	-----	-----	-----
Cash and cash equivalents at end of period	49,297	72,958	118,250
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Notes to the accounts

1. General information

This financial information comprises the Group Balance Sheet as of 30 June 2009 and the Group Income Statement, Statement of Changes in Equity and Cash Flow Statement for the six months ended 30 June 2009 of Valiant Petroleum plc (hereinafter referred to as 'financial information').

The financial information contained in this announcement does not constitute statutory financial statements within the meaning of Section 240 of the Companies Act 1985.

The comparative figures for the financial period ended 31 December 2008 were prepared under IFRS as adopted by the European Union and reported in pounds sterling, have been reported on by the Group's auditors and the statutory accounts have been delivered to the registrar of companies. The auditors issued an unqualified opinion on those accounts and their report did not include an emphasis of matter, and did not contain a statement under Section 237(2) or (3) of Companies Act 1985. This interim financial information has been presented in US dollars, the Group's new functional and presentational currency, and accordingly prior period amounts have been translated into US dollars as further described in note 5. It should be noted that the next audited set of financial statements will be for the year ended 31 December 2009.

The financial information has been prepared on the going concern basis as described in the Chairman's and Chief Executive's Review.

2. Significant accounting policies

Accounting policies

The accounting policies applied in this financial information is consistent with those of the annual financial statements for the year ended 31 December 2008, as described in the annual financial statements, with the exception of standards, amendments and interpretations effective in 2009.

Standards, amendments and interpretations effective in 2009

The following standards, amendments and interpretations to published standards were mandatory for the financial year beginning 1 January 2009:

- IAS 1 (revised) - 'Presentation of Financial Statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in a performance statement. The Group has elected to present two statements: an income statement and a statement of comprehensive income. This financial information has been prepared under the revised disclosure requirements. IAS 1 (revised) requires the presentation of a statement of changes in equity as a primary statement, separate from the income statement and statement of comprehensive income. As a result, a condensed consolidated statement of changes in equity has been included in the primary statements, showing changes in each component of equity for each period presented.
- IFRS 8 - 'Operating Segments'. IFRS 8 replaces IAS 14 - 'Segment Reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change in the number of reportable segments presented. Operating segments are reported in a manner consistent with the internal reporting provided to the Board.
- IAS 23 (amendment) - 'Borrowing Costs'. The amended standard requires borrowing costs related to the acquisition, construction or production of a qualifying asset to be capitalised as part

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of the cost of the asset. All other borrowing costs should be expensed as incurred. The adoption of this standard has not had any impact on the accounting policies applied by the Group as the Group already applied a policy of capitalising interest.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group:

- IFRIC 13 - 'Customer Loyalty Programmes'.
- IFRIC 14 - 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'.
- IFRIC 15 - 'Agreements for the Construction of Real Estate'.
- IFRIC 16 - 'Hedges of a Net Investment in a Foreign Operation'.
- IAS 39 (amendment) - 'Financial Instruments: Recognition and Measurement'.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- IFRS 3 (revised) - 'Business Combinations' and consequential amendments to IAS 27 - 'Consolidated and Separate Financial Statements', IAS 28 - 'Investments in Associates' and IAS 31 - 'Interests in Joint Ventures'.
- IFRIC 17 - 'Distributions of Non-cash Assets to Owners'.
- IFRIC 18 - 'Transfers of Assets from Customers'.

3. Earnings per share

The calculation of profit/ (loss) per share is based on the weighted average number of ordinary shares in issue during the period of 26,245,398 (31 December 2008:23,578,731, 31 March 2008:20,689,839). The difference between the diluted profit per share and the profit per share presented represent all dilutive share options currently in issue.

4. Dividends

No dividend is proposed.

5. Foreign currencies

Following the commencement of oil production from the Don Fields, the Group has switched its functional and presentation currency from Sterling to US dollars with effect from 1 January 2009. The balance sheet at 31 December 2008 was converted at the exchange rate on that date of GB£1: US\$1.4378. Prior periods' results and cash flows have been generally translated using an average exchange rate for the period and prior period balance sheets at period end rates.

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6. Cash flows utilised in operating activities for the six months to 30 June 2009

	Unaudited Six months to 30 June 2009 \$'000	Audited 15 months to 31 December 2008 \$'000	Unaudited Six Months to 31 March 2008 \$'000
Profit/(Loss) for the period before tax	1,191	(96,426)	(4,945)
Adjustments for:			
Depletion, depreciation and amortisation	2,435	382	119
Finance revenues	(570)	(4,752)	(1,569)
Well write offs	510	25,659	-
Impairment	-	28,589	-
Share option expense	1,402	4,050	1,420
Exchange rate loss / (gain)	(5,002)	32,791	799
Finance costs	778	30	-
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Operating cash flow prior to working capital	744	(9,677)	(4,176)
Increase in trade and other receivables	(4,424)	(1,210)	(968)
Inventory	(1,081)	-	-
Decrease / (Increase) in other current assets	9,667	(159)	(181)
Increase / (Decrease) in trade and other payables	(12,152)	(363)	(491)
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Net cash inflow / (outflow) from operating activities	(7,246)	(11,409)	(5,816)
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7. Business and geographical segment reporting

In the opinion of the Directors, the operations of the Group comprise one class of business, being oil and gas exploration, development and production and the sale of hydrocarbons and related activities in only one geographical area, the UKCS North Sea. The Group has adopted IFRS 8 'Operating Segments', which has had no impact on the Group's segmental reporting.

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Independent Review Report to Valiant Petroleum Plc

Independent Review Report to Valiant Petroleum plc

We have been engaged by the Company to review the financial information in the half-yearly financial report for the six months ended 30 June 2009 which comprises the Group income statement, the Group Statement of Other Comprehensive Income, the Group balance sheet, the Group statement of changes in equity, the Group cash flow statement and related notes 1 to 7. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The financial information included in this half-yearly financial report have been prepared in accordance with the accounting policies the Group intends to use in preparing its next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects in accordance with the AIM Rules of the London Stock Exchange.

Deloitte LLP
Chartered Accountants
15 September 2009
London, UK

Valiant Petroleum plc

Directors, Advisers & Other Information

Directors

Mr K Lyon, Non-Executive Chairman^{ar}
Mr A G Stollery, Non-Executive Director^{ar}
Dr P G Buchanan, Chief Executive
Mr S N Edgley, Finance Director
Mrs S N D Shaw, Director and General Counsel
Mr M Bonte-Friedheim, Non-Executive Director^{ar}
Mr D Blackwood, Non-Executive Director^r

^a member of Audit Committee

^r member of Remuneration Committee

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Auditors

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