



14<sup>th</sup> September 2020

## **Clontarf Energy plc ("Clontarf" or the "Company")**

### **Interim Statement for the period ended 30 June 2020**

Clontarf Energy (AIM: CLON), the oil and gas exploration company focused on Ghana and Bolivia, announces its unaudited financial results for the six months ended 30 June 2020:

The principal activities during this period were ongoing discussions with the Ghanaian authorities to finalise the ratification of our signed Petroleum Agreement on Tano 2A Block, and negotiating a lithium evaporates exploration and development agreement with the Bolivian authorities.

#### **Ghanaian Tano 2A Petroleum Agreement**

Ghana currently produces circa 200,000 barrels of oil per day, from the Jubilee, and TEN oil-fields. This is expected to increase to up to 500,000 barrels of oil per day by 2023, despite the OPEC + partner output cuts during the 2020 Covid-19 ("C-19") oil demand weakness.

Clontarf is ready to contribute to this growth, by initiating the Ghana Hydrocarbons Tano 2A work programme, subject to securing the necessary funding in an environment complicated by the recent oil price fall, as soon as the signed Petroleum Agreement is ratified.

Despite lower oil prices, the carefully calibrated Ghanaian fiscal terms help make the Tano Basin oil play feasible, given the demonstrated source rock and Cretaceous sands which remain an industry favourite. Indeed, the industry contraction may assist Clontarf focus strategy on the bigger potential stratigraphic traps.

Critical Ghanaian meetings, scheduled for March 2020, to finalise the few outstanding issues, had to be postponed due to C-19.

As of September 2020, Ghana now seems to be returning to normal, with surprising good compliance and low infection rates (possibly reflecting a young population – as well as experience preventing Ebola, etc. since 2002). Accra airport opened in September 2020. We are hopeful that progress may be made from October 2020 and will update shareholders as and when appropriate.

#### **Bolivian Lithium**

Bolivia has been hard-hit (as was much of South America) by C-19, leading to postponement of planned meetings, elections, and formation of the new government.

We have had informal discussions between our local director and officials. We are hopeful of progress after the elections, which were delayed due to C-19, but likely to proceed on 18<sup>th</sup> October, 2020.

The lithium brines processing work has continued, with technical discussions. We have a steadily deeper understanding of the issues and technical parameters, and hope to incorporate these in the final agreement.

Bolivian salt pans contain at least 50% of the world's brine lithium yet it has not been developed. The EU now estimates that global demand by 2050 will be 60 times the current lithium supply. The Board believes there is no economic way to supply this without major Bolivian supplies.

The end-2019 Bolivian general elections were inconclusive, with disputed results. Peaceful protests forced the departure of the outgoing government and the appointment of an interim administration in 2020, charged with early, impartial elections under international supervision. These elections were initially scheduled for May 2020, but ultimately postponed, due to the Bolivia C-19 lock-down, until 18<sup>th</sup> October 2020, with a possible 2<sup>nd</sup> round, if necessary to achieve greater than 50% voter approval.

Accordingly, the Company's scheduled March 2020 meetings on Bolivian lithium had to be postponed. Likewise the development of possible cooperation with a prospective partner on osmosis technology that may boost pure lithium recovery from brines. As of September 2020, Bolivia, and its neighbours remain shut down for international visits.

Immediately before the lock-down, the Company's local director presented Clontarf's updated proposals to the interim minister's staff. Our plans, based on a review of the 40 plus salt pans suggests that we focus on a small number of medium sized pans.

There followed a positive response, and subsequent ministerial briefing.

The Bolivians proposed some clarifications to ensure conformity of Clontarf's proposal (which had previously been agreed with the former YLB Chief) with the existing Lithium Law. It is also likely that the Lithium Law itself will be streamlined, so as to achieve Bolivia's objective of becoming a major lithium exporter. The interim economics minister has also publicly stressed the role of lithium development in helping Bolivia to emerge from the COVID-19 pandemic.

The ambitious worldwide plans for Electric Vehicles (EVs), hybrid vehicles, as well as electrical storage to facilitate development of intermittent renewable power, make rapid growth in lithium demand inevitable. Attention so far has focused on the DRC's 64% share of Cobalt output, but the gap is similarly daunting for Lithium – which remains dominated by Australian hard-rock (53%), and Chile (21.5%).

Bolivia has not yet exported any battery-grade lithium salts - though it has up to 50% of global lithium resources. This offers a generational opportunity to those, like Clontarf Energy, with decades of Bolivian extractive industries' experience.

#### Funding

Clontarf remains fully funded for ongoing activities.

**John Teeling**

**Chairman**

**11<sup>th</sup> September 2020**

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

**ENDS**

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**Clontarf Energy plc**  
**Financial Information (Unaudited)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Six Months Ended		Year Ended
	30 June 20 unaudited £'000	30 June 19 unaudited £'000	31 Dec 19 audited £'000
<b>CONTINUING OPERATIONS</b>			
Administrative expenses	( 146 )	( 123 )	( 308 )
<b>LOSS BEFORE TAXATION</b>	( 146 )	( 123 )	( 308 )
Income Tax	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>( 146 )</u>	<u>( 123 )</u>	<u>( 308 )</u>
<b>LOSS PER SHARE - basic and diluted</b>	<u>(0.02p)</u>	<u>(0.02p)</u>	<u>(0.04p)</u>

**CONDENSED CONSOLIDATED BALANCE SHEET**

	30 June 20 unaudited £'000	30 June 19 unaudited £'000	31 Dec 19 audited £'000
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	869	837	851
	<u>869</u>	<u>837</u>	<u>851</u>
<b>CURRENT ASSETS</b>			
Other receivables	2	9	3
Cash and cash equivalents	190	425	301
	<u>192</u>	<u>434</u>	<u>304</u>
<b>TOTAL ASSETS</b>	<u>1,061</u>	<u>1,271</u>	<u>1,155</u>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables	( 48 )	( 71 )	( 56 )
Other payables	( 1,240 )	( 1,116 )	( 1,180 )
	<u>( 1,288 )</u>	<u>( 1,187 )</u>	<u>( 1,236 )</u>
<b>TOTAL LIABILITIES</b>	<u>( 1,288 )</u>	<u>( 1,187 )</u>	<u>( 1,236 )</u>
<b>NET (LIABILITIES)/ASSETS</b>	<u>( 227 )</u>	<u>84</u>	<u>( 81 )</u>
<b>EQUITY</b>			
Share capital	1,792	1,792	1,792
Share premium	10,900	10,900	10,900
Share based payment reserve	22	191	22
Retained earnings - (Deficit)	( 12,941 )	( 12,800 )	( 12,795 )
<b>TOTAL EQUITY</b>	<u>( 227 )</u>	<u>83</u>	<u>( 81 )</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital £'000	Share Premium £'000	Share based Payment Reserves £'000	Retained Losses £'000	Total Equity £'000
<b>As at 1 January 2019</b>	1,792	10,900	191	( 12,677 )	206
Total comprehensive loss				( 123 )	( 123 )
<b>As at 30 June 2019</b>	1,792	10,900	191	( 12,800 )	83
Share options vested	-	-	21	-	21
Share options expired	-	-	( 190 )	190	-
Total comprehensive loss	-	-	-	( 185 )	( 185 )
<b>As at 31 December 2019</b>	1,792	10,900	22	( 12,795 )	( 81 )
Total comprehensive loss	-	-	-	( 146 )	( 146 )
<b>As at 30 June 2020</b>	1,792	10,900	22	( 12,941 )	( 227 )

**CONDENSED CONSOLIDATED CASH FLOW**

	Six Months Ended		Year Ended
	30 June 20 unaudited £'000	30 June 19 unaudited £'000	31 Dec 19 audited £'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss for the period	( 146 )	( 123 )	( 308 )
Share options vested	-	-	21
Exchange movements	( 1 )	2	5
	( 147 )	( 121 )	( 282 )
Movements in Working Capital	38	32	79
<b>CASH USED BY OPERATIONS</b>	( 109 )	( 89 )	( 203 )
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	( 109 )	( 89 )	( 203 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for intangible assets	( 3 )	( 4 )	( 3 )
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	( 3 )	( 4 )	( 3 )
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	( 112 )	( 85 )	( 206 )
Cash and cash equivalents at beginning of the period	301	512	512
Effect of exchange rate changes on cash held	1	( 2 )	( 5 )
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	190	425	301

**Notes:****1. INFORMATION**

The financial information for the six months ended 30 June 2020 and the comparative amounts for the six months ended 30 June 2019 are unaudited. The financial information above does not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Interim Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the Group 2019 Annual Report, which is available at [www.clontarfenergy.com](http://www.clontarfenergy.com)

The interim financial statements have not been audited or reviewed by the auditors of the Group pursuant to the Auditing Practices board guidance on Review of Interim Financial Information.

2. No dividend is proposed in respect of the period.

**3. LOSS PER SHARE**

Basic loss per share is computed by dividing the loss after taxation for the year available to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets out the computation for basic and diluted earnings per share (EPS):

	Six months Ended		Year Ended
	30 June 20 £'000	30 June 19 £'000	31 Dec 19 £'000
<b>Numerator</b>			
For basic and diluted EPS	<u>(146)</u>	<u>(123)</u>	<u>(308)</u>
<b>Denominator</b>			
For basic and diluted EPS	<u>716,979,964</u>	<u>716,979,964</u>	<u>716,979,964</u>
Basic EPS	(0.02p)	(0.02p)	(0.04p)
Diluted EPS	<u>(0.02p)</u>	<u>(0.02p)</u>	<u>(0.04p)</u>

Basic and diluted loss per share are the same as the effect of the outstanding share options is anti-dilutive and is therefore excluded.

**4. INTANGIBLE ASSETS**

Exploration and evaluation assets:	30 June 20 £'000	30 June 19 £'000	31 Dec 19 £'000
<b>Cost:</b>			
At 1 January	8,561	8,528	8,528
Additions	18	19	33
<b>Closing Balance</b>	<u><u>8,579</u></u>	<u><u>8,547</u></u>	<u><u>8,561</u></u>
<b>Impairment:</b>			
At 1 January	7,710	7,710	7,710
Provision for impairment	-	-	-
<b>Closing Balance</b>	<u><u>7,710</u></u>	<u><u>7,710</u></u>	<u><u>7,710</u></u>
<b>Carrying value:</b>			
At 1 January	<u>851</u>	<u>818</u>	<u>818</u>
<b>At period end</b>	<u><u>869</u></u>	<u><u>837</u></u>	<u><u>851</u></u>

<b>Regional Analysis</b>	<b>30 Jun 20</b>	<b>30 Jun 19</b>	<b>31 Dec19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bolivia	16	16	16
Ghana	853	821	835
	<b>869</b>	<b>837</b>	<b>851</b>

Exploration and evaluation assets relate to expenditure incurred in prospecting and exploration for lithium, oil and gas in Bolivia and Ghana. The directors are aware that by its nature there is an inherent uncertainty in exploration and evaluation assets and therefore inherent uncertainty in relation to the carrying value of capitalised exploration and evaluation assets.

During 2018 the Group resolved the outstanding issues with the Ghana National Petroleum Company (GNPC) regarding a contract for the development of the Tano 2A Block. The Group has signed a Petroleum Agreement in relation to the block and this agreement awaits ratification by the Ghanaian government.

The directors believe that there were no facts or circumstances indicating that the carrying value of intangible assets may exceed their recoverable amount and thus no impairment review was deemed necessary by the directors. The realisation of these intangibles assets is dependent on the successful discovery and development of economic deposit resources and the ability of the Group to raise sufficient finance to develop the projects. It is subject to a number of potential significant risks, as set out below.

The Group's activities are subject to a number of significant potential risks including:

- licence obligations;
- exchange rate risks;
- uncertainties over development and operational costs;
- political and legal risks, including arrangements with Governments for licences, profit sharing and taxation;
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts;
- title to assets;
- financial risk management;
- going concern;
- ability to raise finance; and
- operational and environmental risks.

Included in the additions for the period are £15,000 (2019: £30,000) of directors remuneration. The remaining balance pertains to the amounts capitalised to the respective licences held by the entity.

#### 5. TRADE PAYABLES

	<b>30 June 20</b>	<b>30 June 19</b>	<b>31 Dec 19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade payables	38	47	38
Other accruals	10	24	18
	<b>48</b>	<b>71</b>	<b>56</b>

#### 6. OTHER PAYABLES

	<b>30 June 20</b>	<b>30 June 19</b>	<b>31 Dec 19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts due to directors	1,240	1,116	1,180
	<b>1,240</b>	<b>1,116</b>	<b>1,180</b>

Other payables relate to remuneration due to directors' accrued but not paid at period end.

## 7. SHARE CAPITAL

### Allotted, called-up and fully paid:

	Number	Share Capital £'000	Premium £,000
At 1 January 2019	716,979,964	1,792	10,900
Issued during the period	-	-	-
At 30 June 2019	<u>716,979,964</u>	<u>1,792</u>	<u>10,900</u>
Issued during the period	-	-	-
At 31 December 2019	<u>716,979,964</u>	<u>1,792</u>	<u>10,900</u>
Issued during the period	-	-	-
At 30 June 2020	<u>716,979,964</u>	<u>1,792</u>	<u>10,900</u>

## 8. POST BALANCE SHEET EVENTS

There were no material post balance sheet events affecting the group or company.

9. The Interim Report for the six months to 30 June 2020 was approved by the Directors on 11<sup>th</sup> September 2020.

10. The Interim Report will be available on the Company's website at [www.clontarfenergy.com](http://www.clontarfenergy.com).