For Immediate Release

22 October2008

LENI GAS AND OIL PLC
(the "Company")

Unaudited Second Interim Results

Leni Gas and Oil plc, the oil and gas production company with assets in US Gulf of Mexico, Spain, Hungary, Trinidad and Malta, announces its second unaudited results for the twelve month period ending 31 August 2008. As announced on 29 August 2008, the Company will publish its financial statements for the 16 month period ending 31 December 2008 on or before 30 April 2009.

Highlights

Financials
- Pre-tax operating profits before Amortisation from Spain of £865,000.
- Pre-tax Group Loss of £40,000, mainly attributable to a non-cash item of £548,000 relating to share options
- Strong balance sheet with cash reserves of £1.85 million.

Operations
- Development drilling in the US Gulf of Mexico (via interests in Byron Energy) successfully completed the Eugene Island A-7 well with 181 feet of true vertical thickness of pay in six pay sands.
- The Eugene Island A-7 was completed in the Mid Tex pay zone and successfully tested at 4,012 barrels of oíl equivalent per day**.**
- The Eugene Island A-8 drilling program is currently underway.
- Production from Ayoluengo field totalled 45,204 bbls ("barrels") of oil and 15.037 million standard cubic feet ("mmscf") of gas for a total of 47,861 barrels of oil equivalent ("boe").
- A multiple phase Ayoluengo production enhancement program was initiated targeting incremental recoverable reserves of 10% from a mean STOIIP of 104 million barrels of oil equivalent ("mmboe").
- A major re-interpretation of all the Spanish exploration acreage was completed. In total 10 prospects (of which two are historical oil discoveries and one a gas discovery not previously assessed) are identified across the acreage with a total unrisked mean STOIIP ("stock tank oil initially in place") of 74 mmb and GIIP ("gas initially in place") of 4bcf. The recoverable prospective and contingent resources across the 10 prospects have a total unrisked mean volume of 12.8 mmboe. These prospective and contingent resources are in addition to the recoverable reserves target from Ayoluengo of 10.4 mmboe.
- Trinidad production totalled gross 3,791 bbls from 12 January 2008 to end of period.
- A full technical assessment of Trinidad is underway to enhance well productivity and validate the proven reserves and prospective resources.
- First gas production from the Hungarian gas development Penészlek commenced in August at gross 3.1 million standard cubic feet per day ("mmscfd") and produced net 4.52mmscf (800 boe) to the end of the period.
- The second stage of Penészlek development was defined to accelerate production from other prospects within the area.
- The field development plan for the second Hungarian gas development, ZalaGas, was prepared with the other venture partners and MOL.
- The Malta acreage Exploration Study was finalised and a new Production Sharing Contract signed with the venture partners and the Maltese Government.

Corporate
- Acquisition of 22.3% in Byron Energy Pty Ltd which operates as an oil & gas exploration, development and production company focused on opportunities in the US Gulf of Mexico and Lower 48. The interests were increased to 28.94% in August 2008.
- Acquisition of the producing Ayoluengo oil field, north-west Spain. Initial acquisition of 88.75% stake increased to 100% interest in April 2008.
- Increased equity in Spain exploration acreage to 85% from 50%.

- Acquisition of 7.27% equity interest in two Hungary gas developments, the Penészlek gas development in eastern Hungary, and the ZalaGas joint venture with MOL in the west of Hungary.
- Acquisition of 50% interest in Trinidad onshore mature producing asset, in highly prospective East Venezuelan Basin.
- Reduction of equity in the Malta Area 4 acreage from 20% to 10%.

Outlook

- Bringing onstream production from the Eugene Island development in the US Gulf of Mexico, completing the drilling campaign on the other Eugene Island wells and initiating development drilling on the other assets covered under the Byron Leed scouting agreement.
- Targeting significant production enhancement from the Ayoluengo oilfield through a five stage enhancement program to recover 10% incremental reserves
- Concluding the assessment of the Spanish exploration acreage to identify further near term development opportunities
- Initiating a production enhancement program in Trinidad to step change well productivity and identify infill wells for targeting "sweet spot" reserves
- Increasing gas production in Hungary through executing the ZalaGas re-development work program, and identifying additional gas prospects to connect to the existing gas development production infrastructure in Penészlek
- Initiating the second stage study program in Malta to reduce the uncertainty on the identified drilling prospects
- Continue to assess value adding acquisitions to compliment Company's strategy

David Lenigas, Executive Chairman, commented:

"2007/08 has been a milestone year for the Company. Since our listing we have delivered on all our objectives and established a strong portfolio of producing assets. We are now focusing on developing these assets to their maximum potential, significantly increasing our existing production, and accelerating other exploitation opportunities to maximise the value of the Company.

In particular, I am very pleased that Spanish operations reported an excellent pre-tax profit, and look forward to strengthening this significantly in the coming months with the programmes underway at Ayoluengo. "

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CHAIRMAN'S STATEMENT

During this reporting period, the Company has increased significantly its portfolio of oil and gas production assets, with core acquisitions in the US Gulf of Mexico, Spain, Trinidad and Hungary and investment revision in Malta. All acquisitions have existing or near term production, and upside potential for significant incremental recoverable reserves. The Company's strategy to acquire and enhance existing production assets with additional exploitation potential remains unchanged, and is continuing to actively pursue similar opportunities to increase both the equity position of existing assets, as well as identify additional analogue assets for acquisition.

Since the last reporting period, the Company has concluded a significant acquisition in the US Gulf of Mexico through its acquisition of 28.94% of Byron Energy which has interests via an agreement with Leed Petroleum Plc to develop multiple shallow water oil and assets offshore and onshore USA.

The Eugene Island asset is the first of these interests to be developed and 181 ft of true vertical pay across six pay zones was identified in the A-7 well which is now in production. The A-7 was completed in the Mid Tex pay zone and successfully tested at 4,012 barrels of oíl equivalent per day. The Eugene Island A-8 drilling program is currently underway.

Also since the last reporting period, the Company has validated the potential of the first production asset in Spain by way of acquiring 100% of the operational Ayoluengo Oilfield in Spain, and has embarked on an ambitious exploitation programme to realise 10% incremental recoverable reserves of mean 10.4 million barrels of oil ("mmbo"), and increase production above 1,000 barrels of oil per day ("bopd") through a five stage enhanced recovery program.

The surrounding exploration acreage in Spain (Basconcillos H, Huermeces and Valderredible permits) also show significant potential for additional near-term developments, and the Company's technical team conductied an area wide re-interpretation to develop a fast-track exploitation program. To this extent, the Company increased it holding in these permits from 50% to 85% during the period.

In total 10 prospects (of which two are historical oil discoveries and one a gas discovery not previously assessed) are identified across the acreage with a total unrisked mean STOIIP ("stock tank oil initially in place") of 74 mmb and GIIP ("gas initially in place") of 4bcf. The total mean contingent oil resources is 1.76 mmbo, mean contingent gas resources is 2.9 bcf and mean unrisked prospective oil resources is 10.6 mmbo.

The recoverable prospective and contingent resources across the 10 prospects have a total unrisked mean volume of 12.8 mmboe. These prospective and contingent resources are in addition to the recoverable reserves target from Ayoluengo of 10.4 mmboe.

The Company also acquired a 50% interest in the producing Icacos oilfield in Southern Trinidad by way of exercising its option agreement in January 2008. The field is jointly owned with the operator of the field, Primera Oil with various technical assessments underway to improve well productivity and identify infill drilling prospects.

The acquisition of 50% of the producing Icacos oilfield in Trinidad provides the Company with a foothold in one of the richest oil and gas bearing areas of the world, and access to the highly prospective East Venezuelan Basin. Initial data analysis of the prospect has identified a potential deep oil & gas play of significant magnitude.

In Hungary, the Company has brought onstream with joint venture partners its first gas production asset in the Penészlek development area and is about to embark upon the second stage of development by identifying halo prospects to connect to the new production infrastructure.

Also in Hungary, we are working with MOL to define the re-development program for increasing gas recovery from the Bajcsa gasfield. This program has the objective to near double the recovery of the multiple fields cover under the MOL agreement.

During the period, the Company has also de-risked the portfolio, by reducing exposure in high risk exploration plays in Malta and Switzerland, with the former about to embark upon a second stage study period to increase the chance of success on the drilling prospects identified for 2010.

Over the next period, the Company is planning to increase oil production in the US Gulf of Mexico, Spain, Trinidad and Hungary, develop and plan the execution of major development and production enhancement programmes in all of these countries, and identify high potential drilling prospects in Malta.

The Company is continually seeking to increase the portfolio value through further acquisitions and strengthening the position in existing assets thereby allowing Leni Gas and Oil to optimise exploitation programmes and increase overall production.

The Directors are encouraged by the potential of the portfolio and by the early results, and given the high activity levels planned, is looking forward to further enhancement of portfolio value. In line with expectations the Company are reporting:

- Pre-tax operating profits before Amortisation from Spain of £865,000.
- Pre-tax Group Loss of £40,000, mainly attributable to a non-cash item of £548,000 relating to share options
- Strong balance sheet with cash reserves of £1.85million.

Although the global market conditions are difficult, the Directors are excited about the prospects for the Company in the year ahead and would like to take this opportunity of thanking all of our staff, employees, consultants and our shareholders for their ongoing support.

David Lenigas
Executive Chairman

OPERATIONS REVIEW

Leni Gas and Oil's strategy is focused on enhancing the value of existing oil and gas producing assets, where it can maximise equity position, operator influence, exploitation potential, and fiscal stability. It operates a low risk portfolio of stable production assets with significant play upside using similar operations approaches to leverage technologies and proven secondary recovery techniques.

Leni Gas and Oil specifically targets near term production with upside exploitation potential, and has evolved its portfolio during the period to ensure all assets match this requirement through divesting high risk exploration acreage and acquiring analogue production upside assets.

A summary of period activity in all country operations (US Gulf of Mexico, Spain, Trinidad Hungary and Malta) follows:

US GULF OF MEXICO:

In July 2008 the Company acquired 22.3% of the total issued shared capital in Byron Energy Pty Ltd ("Byron"), for an aggregate cost of approximately US$22 million in cash. Byron is a private Australian company, incorporated in 2005 and operates as an oil & gas exploration, development and production company focused on opportunities in the US Gulf of Mexico and Lower 48.

Byron's primary assets comprise rights granted to oil and gas properties in the shallow waters of the Gulf of Mexico under a scouting agreement (the "Scouting Agreement") with Leed Petroleum plc ("Leed"), a company listed on AIM. Under the Scouting Agreement Byron exclusively presents potential acquisition opportunities and provides additional technical expertise to Leed, as required. The Scouting Agreement remains valid and binding until December 2008. In return Byron is granted rights, exercisable at its discretion for up to one year, to acquire up to 25 per cent (25%) of Leed's working interest in any such acquisition. To date, Byron has been granted these rights in respect of Eugene Island Blocks 172, 183 and 184, the Grand Isle Blocks 95 and 100, the Ship Shoal Blocks 201 and 205 , the South Marsh Island Blocks 5, 6 and 8, Main Pass Block 115 and West Cameron Block 106.

In July 2008, Byron completed a transaction to acquire a 25% Working Interest in both Eugene Island Blocks 183 and the southern half of Block 184 (Net Revenue Interest up to 20.83% in Block 183 and 19.17% in the southern half of Block 184), including the Eugene Island 184A platform and production facilities. Byron also acquired a 12.5% Working Interest (Net Revenue Interest 9.58%) in the northern half Eugene Island Block 184 and 10.37% Working Interest (Net Revenue Interest 8.64%) in Eugene Island Block 172, excluding the Eugene Island 172 producing reserves and platform.

The Eugene Island asset is the first of these interests to be developed and 181 ft of true vertical pay across six pay zones was identified in the A-7 well which is now in production. The A-7 was completed in the Mid Tex pay zone and successfully tested at 4,012 barrels of oíl equivalent per day. The Eugene Island A-8 drilling program is currently underway.

The equity position in Byron was increased in August 2008 through the acquisition of a further 1,000,000 shares from IB Daiwa Corporation, increasing its holding from 22.3 percent (22.3%) of the issued share capital of Byron to 28.94 percent (28.94%) for an aggregate cost of US$6.57 million in cash.

SPAIN:

In November 2007 the Company acquired the entire issued share capital of Compañía Petrolífera de Sedano, S.L., whose assets include 88.75% in the La Lora production concession (containing the Ayoluengo oil field) in Northern Spain and 50% interest in the surrounding exploration permits of Huermeces, Valderredible and Basconcillos H, covering an area of over 670 sq.km.

The equity position in all assets was increased in April 2008, by acquiring the remaining 11.25% of the Ayoluengo oil field in Northern Spain from Gold Oil Plc, and increasing to 85% through a farmout with Tethys Oil A.B., the interests in all the exploration permits.

The Company appointed TRACS International Ltd, the international consulting services company that specialises in the petroleum industry, as technical engineering supplier for all the Spain assets, and subsequent to a full field re-interpretation of the Ayoluengo field, the Company announced in April 2008, the enhanced prospectivity of STOIIP in the range of 93 -104-116 mmbo (P90-P50-P10) with a target increased recovery of 10%.

In June 2008 a multiple phase production enhanced program for the Ayoluengo oilfield was defined to realise the 10% incremental recovery and boost production above 1000 bopd. This program includes two phases of well stimulation, two phases of water injection and one phase of infill drilling in the shallower pay zones, and shall be executed from Q2 2008 through to end 2009. The initial results of the first few phases on this enhancement program are expected at end 2008.

The surrounding exploration acreage in Spain (Basconcillos H, Huermeces and Valderredible permits) also show significant potential for additional near-term developments, and the Company's technical team conducted an area wide re-interpretation to develop a fast-track exploitation program. To this extent, the Company increased it holding in these permits from 50% to 85% during the period.

In total 10 prospects (of which two are historical oil discoveries and one a gas discovery not previously assessed) are identified across the acreage with a total unrisked mean STOIIP ("stock tank oil initially in place") of 74 mmb and GIIP ("gas initially in place") of 4bcf. The total mean contingent oil resources is 1.76 mmbo, mean contingent gas resources is 2.9 bcf and mean unrisked prospective oil resources is 10.6 mmbo.

The recoverable prospective and contingent resources across the 10 prospects have a total unrisked mean volume of 12.8 mmboe. These prospective and contingent resources are in addition to the recoverable reserves target from Ayoluengo of 10.4 mmboe.

Ayoluengo production for the twelve months to 31 August 2008 totalled 45,204 bbls of oil and 15,037 Mscf of gas.

TRINIDAD:

In January 2008, the Company announced it had exercised an option to purchase the entire share capital of Eastern Petroleum Australia Pty Ltd ("Eastern"). Eastern's main asset is a 25% interest in the Icacos oilfield permit, covering 1,900 acres, located on the Cedros Peninsula of Southern Trinidad, within the East Venezuelan Basin. The Company also purchased a further 25% interest in the Icacos permit from Kroes Energy Inc. ("Kroes") giving the Company a total interest of 50% in the field.

The field will be jointly owned with the operator of the field, Primera Oil, an active participant in the Trinidad petroleum industry. Current daily production for the field is 31 barrels per day from only 3 of 14 wells, with enhanced production targeted through improving well productivity and executing secondary recovery techniques.

The acquisition of 50% of the producing Icacos oilfield in Trinidad provides the Company with a foothold in one of the richest oil and gas bearing areas of the world, and access to the highly prospective East Venezuelan Basin. Initial data analysis of the prospect has identified a potential deep oil & gas play of significant magnitude.

In order to step change the existing production of the Icacos asset, and validate the magnitude of the prospective deeper reserves, the Company has commissioned TRACS International Limited to undertake an immediate review of the Icacos oilfield to establish STOIIP and recoverable reserve estimates and define well stimulation programs. This review shall be completed by end 2008.

Icacos oil production from the 12 January 2008 to 31 August 2008 totalled 3,791 bbls of oil on a 100% basis.

HUNGARY:

In April 2008 the Company agreed conditional terms with Ascent Resources plc to acquire a 7.27% interest in PetroHungaria kft and a 14.54% interest in ZalaGasCo kft in East and West Hungary respectively. PetroHungaria kft ("PetroHungaria") owns a 100% interest in the Penészlek gas development project in the

Nyirség exploration permits in eastern Hungary, while ZalaGasCo kft has a joint development agreement with MOL Hungarian Oil & Gas for a 50% interest in the multiple tight gasfield redevelopment projects in western Hungary. The acquisition was completed in July 2008.

In August 2008, the Penészlek gas development came onstream with a stabilised gross production of 88,200 cu.m per day (3.12 MMscfd; 520 boepd). This project is centred on the development of a discovery that was drilled and tested by PetroHungaria in 2006, with production routed through MOL national gas transportation network. In addition to the planned tie-in of two existing appraised wells, further appraisal of the area will be undertaken in late 2008 with the acquisition of approximately 100 sq km of 3D seismic including the area of the partially depleted Penészlek field, which is a candidate for re-development.

ZalaGasCo kft retains a 50:50 joint venture with MOL in multiple gasfield re-development projects. A pilot project due to commence at end 2008 will undertake the redevelopment of the Bajcsa gasfield with the drilling of horizontal wells into proven productive gas reservoirs. These wells, because they were previously on production, are already connected to the field gas processing facilities and production can start immediately once these wells are completed, during third quarter 2008. Upon successful development of Bajcsa, ZalaGasCo kft has the option to repeat the same development plan on other analog nearby fields.

Penészlek gas production from the 12 August 2008 to 31 August 2008 totalled net 4.52 mmscf of gas and 2 barrels of condensate.

MALTA:

In June 2008 the Exploration Study on the joint venture with Mediterranean Oil & Gas (MOG) for Area 4 Blocks 4, 5, 6 and 7 was completed.

The Company varied the terms of the joint venture with MOG in July 2008 and will now contribute a total of a USD2.5 million (including US$1.5 million the Company has already sole funded) to the costs MOG has expended on exploring the PSC Area and will earn a 10% working interest in the PSC. This agreement reduces the Company’s exposure to this exploration venture to ensure funds are focused on current and future production enhancement investments.

Four prospects and five leads on the 5,700 square Kilometre PSC Area have been delineated. The total most likely hydrocarbon potential of the PSC Area is estimated at 5 billion barrels of oil in place with resultant total most likely case prospective recoverable oil resources of 1,475 mmbo.

A future work program is proposed under the PSC to increase the understanding of the prospect and leads and increase their relative chance of success for identifying the highest potential for drilling in 2010 and 2011. The Work Program will be finalised in Q4 2008 and commence immediately.

SWITZERLAND:

The investment in assets in the Hungary assets resulted as a variation in the option to acquire a 10% interest in Ascent's Seeland Freinisburg Exploration Permit in Switzerland, which was executed in order to de-risk the Company’s portfolio from high risk exploration to mature production upside assets. The Company still retains an option with Ascent to farm into the Switzerland gas acreage on the original terms until April 2010.

Competent Person's Statement:
The technical information contained in this announcement has been reviewed and approved by Fraser S Pritchard, Executive Director (Operations) for Leni Gas & Oil Plc (member of the SPE) who has 20 years relevant experience in the oil industry.

FINANCIAL STATEMENTS

GROUP INCOME STATEMENT
FOR THE INTERIM PERIOD ENDED 31 AUGUST 2008

	Notes	Period 1 September 2007 to 31 August 2008 (Unaudited) £ 000's	Period 9 August 2006 to 31 August 2007 (Audited) £ 000's	Six months to 29 February 2008 (Unaudited) £ 000's
Revenue		1,908	-	815
Cost of Sales		(1,129)	-	(470)
Gross profit		**779**	**-**	**345**
Administrative expenses		(414)	(256)	(260)
Share options expensed		(548)	(167)	-
Operating (loss)/profit		(183)	(423)	85
Interest receivable		143	59	82
(Loss)/profit on ordinary activities before taxation		(40)	(364)	167
Income tax expense		-	-	-
(Loss)/profit on ordinary activities after taxation		(40)	(364)	167
Retained (loss)/profit for the period		(40)	(364)	167
Attributable to:				
Equity holders of the parent		(40)	(364)	128
Minority interests		-	-	39
		(40)	(364)	167
(Loss)/earnings per share	3			
Basic		(0.01) pence	(0.14) pence	0.04 pence
Diluted		(0.01) pence	(0.14) pence	0.04 pence

All of the operations are considered to be continuing.

GROUP BALANCE SHEET
AS AT 31 AUGUST 2008

	Notes	As at 31 August 2008 (Unaudited) £ 000's	As at 31 August 2007 (Audited) £ 000's	As at 29 February 2008 (Unaudited) £'000
Assets				
Non-current assets				
Intangible assets		20,234	745	2,925
Tangible assets	**6**	19	1	1
		20,253	**746**	**2,926**
Current assets				
Cash and cash equivalents		1,852	5,753	3,715
Trade and other receivables		1,090	324	884
Inventories		32	-	76
Total current assets		**2,974**	**6,077**	**4,675**
TOTAL ASSETS		**23,227**	**6,823**	**7,601**
Current Liabilities				
Trade and other payables		(174)	(188)	(189)
Total Liabilities		**(174)**	**(188)**	**(189)**
Net Assets		**23,053**	**6,635**	**7,412**
Shareholders' equity				
Called-up share capital	**4**	304	193	197
Share premium		22,271	6,639	7,094
Share based payments reserve		715	167	167
Retained earnings		(404)	(364)	(197)
Foreign exchange reserve		167	-	62
Total Equity attributable to equity holders of the parent		**23,053**	**6,635**	**7,323**
Minority Interest		**-**	**-**	**89**
Total Equity		**23,053**	**6,635**	**7,412**

GROUP CASH FLOW STATEMENT
FOR THE INTERIM PERIOD ENDED 31 AUGUST 2008

	Period 1 September 2007 to 31 August 2008 (Unaudited) £ 000's	Period 9 August 2006 to 31 August 2007 (Audited) £ 000's	Six months to 29 February 2008 (Unaudited) £'000
Cash outflow from operating activities			
Operating (loss)/profit	(183)	(423)	85
(Increase) in trade and other receivables	(766)	(324)	(560)
(Decrease)/ increase in trade and other payables	(14)	188	1
(Increase) in inventories	(32)	-	(76)
Share options expensed	548	167	-
Amortisation	86	-	-
Net cash outflow from operating activities	**(361)**	**(392)**	**(550)**
Cash flows from investing activities			
Interest received	143	59	82
Net cash inflow from investing activities	**143**	**59**	**82**
Cash flows from investing activities			
Payments to acquire intangible assets	(17,355)	(745)	(69)
Payments to acquire tangible assets	(18)	(1)	-
Cash acquired on acquisition of subsidiary	31	-	31
Net cash outflow from investing activities	**(17,342)**	**(746)**	**(38)**
Cash flows from financing activities			
Issue of ordinary share capital	16,619	7,214	-
Share issue costs	(1,469)	(382)	(41)
Loan repayments to third parties	(1,491)	-	(1,491)
Net cash inflow from financing activities	**13,659**	**6,832**	**(1,532)**
Net (decrease)/increase in cash and cash equivalents	**(3,901)**	**5,753**	**(2,038)**
Cash and cash equivalents at beginning of period	**5,753**	**-**	**5,753**
Cash and cash equivalents at end of period	**1,852**	**5,753**	**3,715**

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD ENDED 31 AUGUST 2008

	Called up share capital	Share premium reserve	Share based payment reserve	Retained earnings	Foreign exchange reserve	Total Equity
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Group						
As at 09 August 2006	**-**	**-**	**-**	**-**	**-**	**-**
Share capital issued	193	7,021	-	-	-	**7,214**
Cost of share issue	-	(382)	-	-	-	**(382)**
Profit for the year	-	-	-	(364)	-	**(364)**
Share based payments	-	-	167	-	-	**167**
As at 31 August 2007	**193**	**6,639**	**167**	**(364)**	**-**	**6,635**
Share capital issued	111	17,318	-	-	-	**17,429**
Cost of share issue	-	(1,686)	-	-	-	**(1,686)**
Loss for the period	-	-	-	(40)	-	**(40)**
Share based payments	-	-	548	-	-	**548**
Currency translation differences	-	-	-	-	167	**167**
As at 31 August 2008	**304**	**22,271**	**715**	**(404)**	**167**	**23,053**

1. Basis of preparation

The financial information has been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS") and those parts of the BVI Business Companies Act applicable to companies reporting under IFRS.

The financial information for the period ended 31 August 2008 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the period ended 31 August 2007.

The financial information contained in this document does not constitute statutory accounts as defined by Section 240 of the Companies Act 1985 (England & Wales). In the opinion of the directors the financial information for this period fairly presents the financial position, result of operations and cash flows for this period.

This Interim Financial Report was approved by the Board of Directors on 21 October 2008.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 – Interim Financial Reporting as adopted by the European Union. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Leni Gas and Oil Plc and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

Foreign currencies

The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The group's presentational currency is Sterling (£).

2. Segmental analysis

Period 1 September 2007 to 31 August 2008 (Unaudited)	UK	Cyprus	Spain	Total
	£'000	£'000	£'000	£'000
Operating loss by geographical area				
Revenue	-	-	1,908	**1,908**
Operating (loss)/profit	(962)	-	779	**(183)**
Investment revenue	143	-	-	**143**
(Loss)/profit before taxation	**(819)**	**-**	**779**	**(40)**
Segment assets				
Financial Assets	-	17,644	3,557	**21,201**
Cash	1,623	-	229	**1,852**
Consolidated Total Assets	**1,623**	**17,644**	**3,786**	**23,053**
Segment Liabilities				
Trade and other payables	(50)	-	(124)	**(174)**
Consolidated Total Liabilities	**(50)**	**-**	**(124)**	**(174)**

Period 9 August 2006 to 31 August 2007 (Audited)	UK	Cyprus	Spain	Total
	£'000	£'000	£'000	£'000
Operating loss by geographical area				
Revenue	-	-	-	**-**
Operating (loss)/profit	(419)	(4)	-	**(423)**
Investment Revenue	59	-	-	**59**
(Loss) before taxation	**(360)**	**(4)**	**-**	**(364)**
Segment assets				
Financial Assets	955	745	-	**1,700**
Cash	5,753	-	-	**5,753**
Consolidated Total Assets	6,078	745	-	**6,823**
Segment Liabilities				
Trade and other payables	(188)	-	-	**(188)**
Consolidated Total Liabilities	**(188)**	**-**	**-**	**(188)**

3. Earnings per share

The calculation of earnings per share is based on the loss after taxation divided by the weighted average number of share in issue during the period:

	Period 1 September 2007 to 31 August 2008 (Unaudited)	**Period 9 August 2006 to 31 August 2007 (Audited)**	**Six months to 29 February 2008 (Unaudited)**
Net (loss)/profit after taxation	£(40,000)	£(364,000)	£167,000
Weighted average number of ordinary shares used in calculating basic earnings per share	608.0 million	251.9 million	390.3 million
Weighted average number of ordinary shares used in calculating diluted earnings per share	643.3 million	259.2 million	406.3 million
Basic (loss)/earnings per share (expressed in pence)	(0.01) pence	(0.14) pence	0.04 pence
Diluted (loss)/earnings per share (expressed in pence)	(0.01) pence	(0.14) pence	0.04 pence

The authorised share capital of the Company and the called up and fully paid amounts at 31 August 2008 were as follows:

Authorised	**Number of shares**	**Nominal value**
		£000's
Ordinary shares of 0.05p each	5,000,000,000	**2,500**

Called up, allotted, issued and fully paid	**Number of shares**	**Nominal value**
		£000's
Incorporation	2	-
17 August 2006 for cash at 0.05p per share	183,999,998	92
8 February 2007 for cash at 0.05p per share	20,000,000	10
16 March 2007 for cash at 3p per share	125,233,361	63
16 March 2007 for cash at 3p per share	500,000	-
24 August 2007 for cash at 6p per share	55,666,666	28
15 November 2007 - non cash to acquire 88.75% of a Spanish project	8,000,000	4
11 December 2007 - non cash for readmission costs	593,793	-
9 June 2008 - non cash for staff incentives	6,333,333	3
27 June 2008 for cash at 8p per share	156,725,000	78
2 July 2008 for cash at 8p per share	19,252,812	10
29 July 2008 for cash at 8p per share	31,750,000	16
	608,054,965	304

4. Called up share capital (continued)

Total share options in issue

As at 31 August 2008 the options in issue were;

Exercise Price	Expiry Date	Options in Issue 31 August 2008
3p	16 March 2012	16,000,000
10p	9 June 2013	16,300,000
		32,300,000

The above 10p options were granted on 9 June 2008 and will vest 50% each at the first and second anniversary of the grant date.
No options lapsed or were cancelled and no options were exercised during the period ended 31 August 2008.

Total warrants in issue

During the 6 months ended 31 August 2008, the following warrants were issued.

As at 30 August 2008 the warrants in issue were;

Exercise Price	Expiry Date	Warrants in Issue 30 August 2008
8p	26 June 2013	78,362,500
8p	1 July 2013	9,626,406
8p	28 July 2013	15,875,000
		103,863,906

No options lapsed or were cancelled and no options were exercised during the period ended 31 August 2008.

5. Investment in group companies

Company	Country of Registration	Proportion held	Nature of business
Direct			
Leni Gas & Oil Holdings Ltd	Cyprus	100%	Holding Company
Indirect			
Via Leni Gas & Oil Holdings Ltd			
Leni Gas & Oil Investments Ltd	Cyprus	100%	Investment Company
Leni Investments Cps Ltd	Cyprus	100%	Investment Company
Leni Investments Byron Ltd	Cyprus	100%	Investment Company
Leni Investments Trinidad Ltd	Cyprus	100%	Investment Company
Via Leni Investments Cps Ltd			
Compania Petrolifera de Sedano S.L.	Spain	100%	Oil and Gas Production and Exploration Company
Via Leni Investments Byron Ltd			
Byron Energy Pty Ltd	Australia	28.94%	Oil and Gas Production and Exploration Company

Leni Gas and Oil Holdings Ltd acquired 100% of the share capital of Leni Investments Byron Ltd on 10 June 2008. The company was incorporated on 10 June 2008.

Leni Gas and Oil Holdings Ltd acquired 100% of the share capital of Leni Investments Trinidad Ltd on 12 June 2008. The company was incorporated on 7 March 2007.

6. Tangible assets

Group	Office Equipment	Total
	£ 000's	£ 000's
At 31 August 2007	**1**	**1**
Additions	18	18
As at 31 August 2008	**19**	**19**

7. Business combinations

Acquisition of Compania Petrolifera de Sedano S.L. ("Cps")

On 12 November 2007, Leni Investments Cps Ltd ("Leni Investments", a subsidiary of Leni Gas and Oil plc) acquired an 88.75% Interest in Cps for a consideration of approximately £590,000. The consideration was settled by the issue of 8 million new ordinary shares in Leni Gas and Oil plc.

	Leni Cps (88.75%) (Book Value)	Fair Value Adjustment (*)	Fair Value on acquisition
	£ 000's	£ 000's	£ 000's
Non Current Assets			
Intangible	336	1,720	2,056
Tangible	-	-	-
Current Assets			
Receivables	91	-	91
Cash	27	-	27
Inventories	62	-	62
Total Assets	516	1,720	2,236
Payables	1,646	-	1,646
Net Assets	(1,130)	1,720	590

Consideration for acquisition	
Issue of 8 million new ordinary shares of Leni Gas and Oil plc with a market value of 7.37p each	
Total Consideration	590
Fair value of net assets acquired	590
Goodwill arising on acquisition	-

On 11 April 2008, Leni Investments completed the purchase of the remaining 11.25% minority interest in Cps for payment consideration of approximately £251,000.

8. Post Balance Sheet events

There are no post balance sheet events to disclose.

9. The financial information set out above does not constitute the Group's statutory accounts for the period ended 31 August 2007, but is derived from those accounts. Statutory accounts for the period have been delivered to the Registrar of Companies in England and Wales and the auditors have made an unqualified report which did not contain statements under section 237(2) or (3) of the Companies Act 1985.

10. A copy of this interim statement is available on the Company's website : www.lenigasandoil.com

CORPORATE INFORMATION

Registered number	05901339
Directors	David Lenigas – Executive Chairman Donald Strang – Finance Director Fraser Pritchard – Operations Director Jeremy Edelman – Executive Director
Company Secretary	Donald Strang
Registered Office	Level 5, 22 Arlington Street London SW1A 1RD
	Tel: +44 (0)20 7016 5103 Fax: +44 (0)20 7016 5101 Email: info@lenigasandoil.com Website: www.lenigasandoil.com
Auditors	Chapman Davis LLP, 2 Chapel Court, London, SE1 1HH
Solicitors	Kerman & Co LLP, 200 Strand, London, WC2R 1DJ
Nominated Advisor	Beaumont Cornish Limited, 2nd Floor, Bowman House, 29 Wilson Street, London EC2M 2SJ
Broker	Mirabaud Securities Limited, 21 St James's Square, London, SW1Y 4JP
Registrars	Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham Surrey, GU9 7LL
Principal Bankers	Bank of Scotland 38 Threadneedle Street London EC2P 2EH