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Columbus Energy Resources PLC
27 September 2018

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Columbus Energy Resources Plc
("Columbus", "CERP" or the "Company")

Unaudited Interim Results for 6 month period ending 30 June 2018

Columbus, the oil and gas producer and explorer focused on onshore Trinidad with the ambition to grow in South America, is pleased to announce its unaudited Interim Results for the 6 month period ending 30 June 2018, extracts of which are set out below and a full copy of which will shortly be made available from the Company's website www.columbus-erp.com.

The Company also confirms that the quarterly Operations and Business Update for Q3 2018 will be reported via RNS on 10 October 2018, followed by a presentation by Columbus' Executive Chairman, Leo Koot, to shareholders and other stakeholders that evening, commencing at 7.00pm at an address in central London to be confirmed soon.

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

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Period Highlights

For the 6 month Period ending 30 June 2018

FINANCIAL

- Revenue for period of £3,615,000 (1H 2017 £2,460,000), an increase of 47%
- Gross profit for period was a profit of £429,000 (1H 2017 a loss of £42,000)
- Pre-tax group loss for period of £2,465,000 (1H 2017 loss of £1,964,000), the increase being mainly due to exceptional costs in Spain
- Cash in hand of £1,800,000 at 30 June 2018 (1H 2017 £1,684,000)
- Averaged realised sales price from Goudron operations in 1H 2018: US$61.17 per barrel, peaking at US$62.35 per barrel in June 2018 (1H 2017: US$46.28 per barrel, peaking at US$49.22 per barrel in January 2017)
- Special Petroleum Tax ("SPT") has been payable at the end of each quarter throughout the period as the sales price received has exceeded US$50.00 per barrel with payments of £242,000 in 1H 2018 being incurred (1H 2017: £Nil)
- Costs of meeting ongoing obligations in Spain, including staff redundancy and associated tax costs, of £637,000 (1H 2017: £320,000). Burn rate in Spain now down to around €15,000 per month
- Lind loan balance reduced to £402,000 at 30 June 2018 (£995,000 at 30 June 2017)

OPERATIONAL

- Group oil sales in the period from Trinidad in 1H 2018 were 88,380 barrels net to Columbus (1H 2017: 64,501 barrels), a 37% increase
- Average production from Trinidad in 1H 2018 was 485 barrels of oil per day ("bopd") with production peaking at 648 bopd in 1H 2018, (1H 2017: 354 bopd)
- Solid production base, despite a number of technical challenges, delivering steady cashflow and base for future growth:
  - Q1 peak production of 627 BOPD with 427-542 bopd delivered month on month
  - Q2 peak production of 648 bopd with a steady 530-575 bopd delivered month on month
- £1,030,000 incurred on capex and workover activities during 1H 2018
- Netback per barrel of US$13.13 achieved in 1H 2018 (1H 2017: US$5.69 per barrel)
- 7-well reactivation campaign completed during period to increase water capacity for water injection campaign, resulting in capacity reaching 1,500 BWPD in late Q2 2018
- The approved Goudron Waterflood Pilot "A" commenced in June 2018. Well GY-667 was converted to continuous water injection at end June 2018.
- The Company passed 465,000 manhours without a Lost Time Incident ("LTI") in June 2018. Total field manhours in 1H 2018 was 80,100, (57,718 manhours in 1H 2017) and the milestone signifies over 37 months since the last LTI.

CORPORATE AND M&A

- Tony Hawkins joined the Executive Team as part-time Legal and M&A Director on 1 January 2018, taking on the role full-time from 1 March 2018.

- Three M&A deals announced in 1H 2018:
  - o Successful SWP re-negotiation on materially improved terms consolidating Columbus's acreage position in an attractive basin which includes multiple mapped prospects, each prospect individually ranging in size from 20-400 mmbbl.
  - o SPA signed for acquisition of Touchstone Energy's 50% interest in the Icacos field in June, which delivers operatorship for the Company and opportunities to grow production on the field through various well activities
  - o Significant management focus on delivering Steeldrum acquisition in Q2 2018, following signing of a term sheet with Steeldrum's shareholders in April 2018. Acquisition announced just after period-end and after normal due diligence and documentation processes in Q2 2018.
- All management have confirmed they will continue to take 50% of their salaries in Company shares in the second year of their employment, calculated at a share price of 5.1 pence per share.
- No fund-raisings during the period with all activities being funded from available cashflows.

OUTLOOK

- Columbus continues to undertake an ongoing fully funded programme of activities at Goudron to achieve sustained production growth
- Completion of the Steeldrum transaction, targeting early Q4
- Company continuing operational activities with the objective of production from Trinidad exceeding 1,000 bopd by the end of 2018, subject to successful completion of the Steeldrum transaction
- SWP exploration opportunity continues to progress through a programme of technical work to identify the first drilling location for commencement in mid-2019.
- The Company continues to assess M&A opportunities in other countries in South America and the Caribbean which meet its strict investment criteria and active discussions are ongoing.

NOTES

All figures are net to CERP unless otherwise stated.

Executive Chairman's Review

The Company entered 2018 having undergone significant managerial, operational and financial changes in the second half of 2017 with production at the Goudron field having peaked at over 550 barrels of oil per day ("bopd") in December 2017 and the Company becoming cashflow positive from operations at that time. This was a material achievement in a short time for the new management team and was the start of a 3-5-year growth strategy designed to manage the Company's risks by spreading investment and revenues across a wider asset-base in Trinidad and elsewhere in South America. The Columbus Board believes that the changes introduced in 2H 2017 provided the Company with a solid platform for growth in 2018 and beyond, with the key objectives for 1H 2018 being as follows:

- To continue to grow production and resultant cashflow at Goudron through a campaign of well optimisations and the implementation of a series of waterflood pilots
- To extend Columbus' footprint in Trinidad through M&A activities as a means of:
  - o reducing the Company's dependence on Goudron as the main (and only) value-driver for the future;
  - o increasing production and cashflow from other assets under the Company's operational control;
  - o extending the Company's operations to early and new developments, and;
  - o securing the potentially transformational low-risk exploration opportunities in the South West Peninsula ("SWP") which had been the subject of many years of negotiations, documentation and costs.
- To seek to close out legacy issues which could potentially hamper future growth, including addressing issues associated with the Company's Spanish assets, in a cost-effective manner, within the constraints of the legal and regulatory requirements in the relevant jurisdictions.
- To fund the above activities from cash available at the start of 2018 and arising from ongoing operations in Trinidad.

I believe the Company has made good progress in 1H 2018 in meeting these key objectives, whilst we have continued to face challenges in a number of areas.

On Goudron production, we continued an ongoing programme of wellwork activities during the period resulting in production peaking at 648 bopd and averaging 553 bopd in Q2 2018. These activities, whilst being successful in growing production, resulted in some new challenges in the form of sand-related production problems from certain high oil-rate potential wells leading to a strategy of trialling alternative downhole configurations, including sand filtration technology and custom designed Progressive Cavity Pumps ("PCPs"). We continue to progress our water injection pilot programmes and have increased water availability to support that campaign through a dedicated 7-well drilling campaign to source additional water, resulting in capacity of around 1,500 barrels of water per day ("BWPD") being available at the end of the period. We are hopeful that we will see the results of the extra water availability during 2H 2018 as the water injection pilot programme ramps up.

Sales revenues are up 47% compared to 1H 2017, due to the production growth and an increased oil price but the profits achieved in 1H 2018 were detrimentally affected by the payment of Special Petroleum Tax ("SPT") which applies when the sales oil price exceeded US$50 per barrel, which was the case for the duration of the period.

The Company successfully expanded our footprint in Trinidad in the period with three M&A deals being progressed and announced. The restructuring of the BOLT transaction was a major achievement, especially as it included materially improved terms and provides the Company with long term access to the SWP for oil and gas operations, including the Bonasse oilfield. The Company has been seeking access to the potentially transformational SWP low-risk exploration opportunity for over 5 years and the restructuring now enables the Company to undertake the technical and planning work necessary to allow us to commence drilling in 2H 2019. The SWP includes multiple mapped prospects, each ranging in size from 20-400 million barrels in place. The transaction is a clear fit with the Company's strategy to build a core exploration, appraisal, development and potentially significant production hub in the SWP.

In addition to the exploration potential of the SWP, the BOLT/Bonasse transaction allowed us to start well optimisation and reactivation activities on the Bonasse oilfield. Those optimisation and reactivation operations will continue during 2018/2019.

The acquisition of Touchstone/Primera's 50% stake (and operatorship) in the Icacos field provides the Company with a dominant position in the SWP and will allow us to commence another campaign to increase production on that field once the necessary operational changes have been completed.

Another major activity in 1H 2018 for the leadership team was identifying, negotiating the terms of and announcing the acquisition of Steeldrum Oil Company Inc ("Steeldrum") just after the period end (13 July 2018). Subject to completion and Petrotrin approval, this acquisition, which will initially add a further 250 bopd to our daily production volumes, further expands our footprint in Trinidad and I believe that the combined Columbus/Steeldrum portfolio provides a robust platform for stable production, which is essential for the Company to progress and grow. The Columbus/Steeldrum group will have six production/development assets to optimise and grow production from. This will de-risk the Company's reliance on Goudron for both future production and cashflow growth. The Steeldrum transaction was the main focus of M&A activities by Columbus management in Q2 2018 and we will be actively working with Steeldrum management to integrate the Steeldrum staff into Columbus in Q4 2018 and we shall be looking for early "quick-wins" in production growth once the transaction has completed (hopefully in early Q4 2018).

On legacy issues, the main outstanding issue relates to our ongoing obligations relating to our Spanish subsidiary. This has been a continual source of frustration for the leadership team given the slow pace that the Spanish authorities have moved at to progress the formal extinction of the La Lora Concession and, subsequently, to prepare for the issue of a new tender for the licence. As a result, the Company had to make the difficult decision to make 14 staff redundant in Q1 2018 and we have taken all actions possible to reduce our burn-rate in Spain to around €15,000 per month, mainly to meet our ongoing "care and maintenance obligations" at the suspended Ayoluengo Field. The Company incurred costs in Spain of approximately £637,000 in 1H 2018 and it is estimated that by the end of 2018, the Company will have incurred costs of approximately £1.5 million on meeting its obligations and ongoing responsibilities in Spain since the Concession was suspended in late January 2018. Whilst these costs were required under Spanish legal and regulatory requirements, Columbus management would have preferred to have utilised these funds on more value-adding activities in Spain or in Trinidad. It is understood that the re-tender will commence in Q4 2018, although this is not guaranteed. The delays by the Spanish authorities continue to be a source of huge frustration for the Columbus Board and management.

Outside of Spain, the Company has been required to make significant contributions to an abandonment fund (approximately £465,000) and related security (approximately £105,000) for the Goudron field.

All of our activities in 1H 2018 were funded from sales revenues or cash available to the Group with no fund-raising being undertaken. We also reduced our debt to Lind during the period, making all monthly repayments in cash, with the amount outstanding at period-end amounting to £402,000.

Finally, I would like to thank our staff across the Group for their support and activities during this period. Our staff numbers have grown during the period, especially in our Trinidad operations with the addition of specialists in petroleum engineering and HSE. This is part of a continuing programme to improve our operational capabilities and ensure we are ready for the opportunities and challenges which will arise when we integrate our organisation with our new colleagues at Steeldrum, once the acquisition has been completed.

TRINIDAD & TOBAGO

Strategically the Company remains focussed on Trinidad, which represents the majority of near-term activity and significant long-term growth potential, both within existing assets and in additional assets acquired through third-party arrangements or directly from the Trinidad and Tobago government. During the period, the Company held interests in three producing fields; Goudron, Icacos and Bonasse. Just after the period-end, the Company announced the acquisition of Steeldrum Oil Company Inc which will expand Columbus' operational assets in Trinidad to six assets, with the addition of the producing Trinity-Innis and South Erin Fields and the Snowcap Field discovery in the Cory Moruga Licence.

Goudron

Background:
Columbus ERP owns the rights to the Goudron Field, by way of an Incremental Production Service Contract ("IPSC"), through its wholly owned subsidiary, Goudron E&P Limited ("GEPL"). The Goudron Field lies in the Eastern Fields Area in south eastern onshore Trinidad. Under the terms of the IPSC the Company acts as a service contractor to the Petroleum Company of Trinidad & Tobago ("Petrotrin") who reimburse Columbus on the basis of the oil sales and oil price.

The Goudron Field contains two separate reservoir packages; the shallow Goudron Mayaro Sandstones and the deeper Gros Morne and Cruse equivalent C-sands. During infill drilling in 2014/15 a deeper, interval of turbidite sands was penetrated in GY-670 and GY-678 and this has added an additional, previously unexplored, deep resource for future exploitation.

Columbus has 11.8 million barrels ("mmbbls") of Proven and Probable Reserves ("2P") in the Goudron Field and is currently producing light sweet oil with an average API gravity of 37 degrees. In addition to its reserve base the Company has significant low risk, onshore upside in the Trinidad portfolio including 22 mmbbls of most-likely ("P50") Contingent Resources ("2C") in the Goudron Field and an estimated gross P50 unrisked oil in place of 1.3 billion barrels in the South West Peninsula leases.

1H 2018 Operations:

In 1H 2018, the Company continued to implement a programme of Goudron Field production optimisation wellwork aimed at low cost oil production gains, increasing produced water availability for injection pilots, whilst simultaneously growing the field operations crew capabilities in a cost-efficient manner. This was accompanied by the implementation of operational, facility and process improvements designed to improve production, water injection capabilities and operational uptime performance:

- The Goudron Field crew was reorganised into three functional operations: (a) Goudron Baseline Protection; (b) Well Interventions; and (c) Water Injection teams.
- Core staffing was strengthened through integrating key contract personnel such as the sales Battery Station Operators into the core Baseline Protection Team and additional recruitment into the Water Injection team.
- The wellwork programme focussed on low cost existing well optimisation with the successful Q4 2017 campaign continuing into 1H 2018. This programme has the added benefits of establishing well integrity ahead of planned water injection pilot operations. All Goudron Field wells are targets for such activities and 27 individual workovers have been conducted with 19 successful in increasing oil rates in 1H 2018.
- The well-optimisation programme resulted in some successful oil increment wells responding with problems related to increased sand production which the conventional rod pumps were not designed to handle efficiently. Resolving solids management in successful well stimulations represented the main technical challenge to the Goudron Field 2018 incremental production initiative. The Company recruited additional Petroleum Engineering expertise in Trinidad in 1H 2018 and worked

with artificial lift and sand control suppliers to develop effective solutions to improve post well intervention sand clean-up. In Q2 2018 the Company installed the first custom designed Progressive Cavity Pump ("PCP") in well GY-670 to alleviate the sand production issues preventing continuous production. GY-670 will become a key water injection support target due to its proven oil rate potential which achieved over 1,100 bopd when initially online in 2014.

- The Company also installed the first batch of long stroke length pump jacks on key high pump submergence wells in June 2018 which will both allow higher individual well production rates and reduce wellbore sand-face stresses that can contribute to sand production.
- The wellwork programme also targeted the re-start of previously shut-in wells to increase oil and produced water availability. A 7 well re-activation programme was completed in Q1 2018 which was successful in increasing field produced water capacity from 800 BWPD to a field rate of over 1,500 BWPD to support the water injection pilot campaign.
- Field facilities improvements continue including the installation of an additional back-up electrical generator which now allows 100% coverage of Goudron production wells during the frequent external power outages. Additional in-field flow-lines using reclaimed production tubing were also installed to distribute water for the injection and well stimulation programmes. These practical, low-cost solutions were aimed at improving production uptime, enhancing water injection pilot operational efficiency and reducing incremental wellwork costs.

Solid production base delivering cash flow:

In January 2018, the Company undertook a testing phase to allow for a better understanding of the reservoir ahead of full water injection pilot work and to plan for an increase in incremental production. Due to wells being taken offline for injection trials and monitoring, there was a period of lower production compared to the Company's "Base Case" target.

In 1H 2018 the Company has continued to perform low cost well stimulation and well re-activation work which has stabilised production. The stimulation work has also brought about new technical challenges which need to be overcome in order to unlock the full benefit of this capacity. In Q2 2018, high oil-rate potential wells tended to exhibit sand-related production problems leading to a strategy of trialling alternative downhole configurations, including sand filtration technology, and custom designed PCPs.

Production in 1H 2018 was as follows:

- January oil production: average of 427 bopd
- February oil production: average of 541 bopd
- March oil production: average of 542 bopd
- April oil production: average of 574 bopd
- May oil production: average of 532 bopd
- June oil production: average of 553 bopd
- Peak daily production rate during period: 648 bopd
- ***Total Goudron sales in 1H 2018: 87,661 barrels***

The Company notes that it has established a solid, production base that is operationally cash flow positive. This allows the Company to maintain its capital base and reinvest cashflow profits to grow the business. Whilst some production challenges remain, including sand control, the Goudron field (with 2P reserves of 11.8 mmbbl) provides a robust platform for future growth through either the SWP assets and/or M&A activity.

Goudron Waterflood Pilot Campaign:

The approved Goudron Waterflood Pilot "A" commenced in June 2018, following a period of trial injection and interference testing in other areas of the field in 1H 2018. This initial waterflood pilot is designed to establish pressure support to "C" Sand wells GY-665 and GY-664, both of which proved capable of oil production rates of greater than 300 BOPD at original pressures when drilled in 2014. The approved pilot allows water injection into nearby "C" sand wells GY-667, GY-668 and GY-209.

Well GY-667 was converted to continuous water injection at end June 2018. The well is now the main focus of produced water injection and has been averaging injection of 600 BWPD and achieved peak daily water injection rates of up to 960 BWPD, which is significantly higher than anticipated and allows potentially accelerated response times. The offset production wells are being monitored daily for communication responses to this water injection.

The Goudron well reactivation programme carried out in 1Q 2018 resulted in the successful addition of available produced water volumes from 800 BWPD to over 1,500 BWPD. This additional produced water is available for planned injection expansion both in the Waterflood Pilot "A" area and also in later planned pilots in the shallower Mayaro sands. This additional produced water capacity is being managed according to the water injection requirements of GY-667.

Water injectivity trials have been completed in over 40 wells in the Goudron Mayaro sandstone as well as another 10 wells in the "C" Sand. This successful injectivity testing has established well mechanical integrity and also delivered water injectivity rates and pressures that can now be applied to future injection pilot plans.

Daily injection of available water has been achieved using the newly commissioned produced water re-injection facilities with offset production well monitoring through downhole memory gauges and active Echometer based fluid level monitoring.

GY-669 short-term injectivity trials were discontinued in January after pressure monitoring results indicated limited connectivity with offset C sand production point GY-670. Support for GY-670 which when initially completed in December 2014 delivered 1,100 BOPD, remains a high potential injection pilot target Responses at GY-670 are being monitored daily as this "C" sand production well may also have a reservoir communication path to wells targeted for Waterflood Pilot "A" injection.

The Company has established that water injectivity is sustainable in the wells tested at the rates required for pilot responses to be achieved in reasonable time frames. The simple produced water re-injection facilities are in constant use and capable of being scaled up to higher rates. Further increments on produced water availability are being studied to allow multiple simultaneous pilot activities to be planned with faster response times.

The Company is continuing with water injection on a daily basis and is constantly reviewing the effect on production and where water injection can best be deployed to increase production.

<u>Icacos</u>

The Icacos field is located in the extreme southwest of Trinidad. The field was producing at around 34 bopd in 2011 and has steadily declined to around 22 bopd in 2017, mainly through natural decline. Production throughout 2017 and in 1H 2018 was consistently around this volume and there have been limited new work programme activities during this period to increase production. The Icacos field currently consists of six wells, with three on production.

The Company has held a 50% non-operated interest in the Icacos Field, via its subsidiary Leni Trinidad Limited ("LTL"), for a number of years. The other joint venture partner is Touchstone Exploration Inc ("Touchstone"), via its subsidiary Primera Oil and Gas Limited ("Primera") who holds a 50% interest and is Operator.

In April 2018, the Company and Touchstone announced that they had agreed, in principle, for LTL to acquire Primera's 50% interest in the Icacos field. In late June 2018, the Company further announced that LTL and Primera had signed a sale and purchase agreement ("Icacos SPA") and, subject to certain regulatory approvals and completion of the transaction, LTL will be the 100% owner of the Icacos field and Operator, with the effective date of the transaction being 1 April 2018.

The consideration for the transaction is USD$500,000 (the "Minimum Payment") for Primera's current net 11 bopd. However, LTL will not pay any upfront consideration for the purchase but will pay the consideration over time until 1 January 2021 through Primera receiving the net revenue it would have received had it retained its interest. Primera will also receive, in the event of increased production, 25% of any net revenue above the current baseline. Should these cumulative payments not exceed the Minimum Payment, LTL will pay the difference between the amount received and the Minimum Payment. LTL shall be entitled to 100% of all revenue from Icacos from 1 January 2021.

Columbus plans to undertake analysis of the potential for a well reactivation programme in 2H 2018 and undertake well stimulation and other well activities to increase production. The Company will also look at additional infill wells in due course.

The Company viewed this transaction as another step in its strategy to build a core exploration, appraisal, development and potentially significant production hub in the South West Peninsula of Trinidad.

South West Peninsula

In March 2018, the Company announced that it had successfully restructured the BOLT transaction, on materially improved terms, which provides Columbus with a lease of up to 28 years for a large area (approximately 8,700 acres) in the SWP and 100% operational control over the opportunities. The Company is confident that the SWP, which contains multiple mapped prospects each prospect ranging in size from 20-400 mmbbls, has the potential to deliver transformational growth over the next 18 to 24 months.

Background:

In early 2017, Lenigas Trinidad Limited ("LTL"), a wholly-owned subsidiary of the Company, signed a Sale and Purchase Agreement (the "BOLT SPA") with BOLT to acquire the entire shareholding in BOLT and thereby place the operatorship of the leases held by BOLT in the SWP in LTL's hands . The SWP is an area of underexplored land in the south -west tip of Trinidad adjacent in the highly prolific East Venezuelan Basin with contiguous hydrocarbon geology to that found in nearby Venezuela. This was another in a series of agreements with BOLT in a commercial process which was first announced by the Company in 2013. As discussions with various parties had not been completed, LTL delayed the completion of the acquisition of BOLT and as a result the longstop date in the BOLT SPA, of 30 April 2017, was mutually waived by the parties.

After the appointment of new leadership in mid-2017, the Company engaged the services of Tony Hawkins in Q3 2017 to help re-negotiate the terms of the BOLT SPA and close out other outstanding matters relating to the transaction.

New SWP Transaction:

In March 2018, the Company announced that it had successfully restructured the BOLT transaction, on materially improved terms (the "Transaction") and had entered into an Agreement for Lease with Singh's (Cedros) Estates Limited ("Singh Estates") to gain long term access to the South West Peninsula for oil and gas operations, including the Bonasse oilfield. The transaction is a clear fit with the Company's strategy to build a core exploration, appraisal, development and potentially significant production hub in the SWP.

A summary of the key commercial terms of transaction (in comparison with previous BOLT transaction) are as follows:

Commercial Terms	New Transaction	Previous BOLT Transaction
SWP Rights - access to lease for up to 28 years	100% rights through new wholly-owned Company subsidiary for upfront consideration of US$0.375m	100% rights until Feb. 2019 through BOLT company, new 27-year lease extension for BOLT from Feb. 2019 (not yet secured)
Bonasse Field	100% operational control	Operational control through BOLT acquisition
BOLT loan adopted and payable by the Company	Nil	US$ 1.1m principal (plus interest)
Upfront consideration to Seller and Petrotrin payable by the Company	US$0.53m - upfront consideration has effectively fallen by approx. 60% (when BOLT loan taken into account)	US$0.18m
Royalty (or equity) payable to Seller	3% only after 10m barrels produced, US$1.25m pa cap	7.5%
Deferred consideration payable to Seller	US$0.5m upon development of any field other than Bonasse Field	No deferred consideration
BOLT Ownership	No ownership - 25% current equity relinquished	Columbus owned 25% of BOLT with agreement to acquire remaining 75% as part of transaction
Future drilling bonuses to Singh Estates	Approx. US$15k upon spud of each of first 3 deep wells	No drilling bonuses
Future Development Bonus to Singh Estates	Approx. US$30k on approval of Development Plan arising from new discovery	No development bonuses
Lease royalty 2019-2020	0%	10% from first oil, no cap
Lease royalty 2021-2026	10%, US$2m pa cap	10% from first oil, no cap
Lease royalty 2027-2045	12.5%, US$2m pa cap	10% from first oil, no cap
Lease royalty timing	After 2 years	On first oil

The up-front considerations in 2018 are payable from available cash in accordance with the 2018 Budget and these payments are being made in Q3 & Q4 2018. Completion of the transaction is anticipated in Q4 2018 with the new 28-year lease commencing in

February 2019. The Company believes that by removing the need for Columbus to adopt the BOLT loan, the upfront consideration for the BOLT transaction fell by approximately 60%. The deferred consideration is only payable on a material success case in due course.

The Future Lease has a minimum work obligation of three wells and/or workovers that involve deepening the well and is otherwise on industry standard terms and conditions, substantially similar to the Existing Lease.

The agreements with Singh Estates and BOLT, as referred to above, were undertaken through a new Columbus wholly-owned Trinidad subsidiary company, Columbus Energy Bonasse Limited ("CEBL"). Under the new arrangements, Columbus will not have any further ownership of BOLT and all dealings with BOLT will be on an arms-length contractual basis (eg. for payment of any deferred consideration and royalties).

The Company believes that the changes to the over-riding royalty rates that were agreed, as well as the timing of their introduction and annual caps on those rates, means that a successful commercial development of the SWP following any exploration/appraisal success is now far more likely and will now be undertaken in a manner which works to the benefit of all interested stakeholders.

In summary, the SWP exploration opportunity can be progressed in a proven oil producing province with two small producing fields already in operation. Despite being in close proximity to the prolific East Venezuelan Basin, of which the SWP is geologically a part, this is a largely under-explored area where exploration wells may be drilled at a modest cost. In addition, any successful discovery/appraisal can be brought onto early production at a low cost due to the presence of existing Company operated oil production and sales capabilities and other locally available hydrocarbon infrastructure.

Now that the lease covering the Bonasse area has been secured for approximately 28 years, the Company plans to progress this opportunity over the entire SWP throughout 2018 and 2019 and is currently putting the necessary manpower and other resources in place to maximise the chance of success. The Company is undertaking further analysis of the good quality 3D seismic and other data on the SWP, using specialist consultants, with the first well potentially being drilled, subject to satisfactory technical analysis, in the first half of 2019.

Bonasse

LTL and BOLT undertook a handover of operations in late Q1 2017, despite the fact the BOLT SPA had not yet been completed. In 1H 2018, LTL and CEBL managed operations on the 3 wells, Bonasse-1, 2 and 4 on intermittent production during that period with daily production rates of between 3-10 BOPD over the period. During 1H2018, CEBL has transported approximately 513 barrels of oil from Bonasse to the sales point at Point Fortin, approximately 30 kilometres from the field, these volumes being sold to Petrotrin in April, May and June 2018 for which CEBL receives payment in US Dollars due to the terms of the licence. CEBL is in a position to undertake regular oil sales and to start to increase production rates by the recommissioning of existing wells and equipment at the field, a programme which commenced in Q3 2018 after the period end. CEBL also plans to continue work to reactivate the Bonasse Oilfield which was previously shut-in since mid-2016 and has plans, in due course, to drill several new wells at Bonasse which it considers to be underexploited.

Further updates on the well reactivation programme being undertaken in Q3 2018 will be provided in the next quarterly Business Update in October 2018.

Health, Safety & Environment ("HSE")

The Company passed 465,000 manhours without a Lost Time Incident ("LTI") in June 2018. Total field manhours in 1H 2018 was 80,100, (57,718 manhours in 1H 2017) and the milestone signifies over 37 months since the last LTI.

The reorganisation of the Company HSE structures continued with the appointment of a new, highly experienced, field-based HSE Manager in May 2018, accompanied by immediate focus on rejuvenation of proactive HSE systems. Focus on leading indicators such as Near Miss and START Card reporting has allowed all operations staff to re-focus on job safety as the Goudron Field continues to see an increase in wellwork, facilities and water injection operations activity. Bridging the existing Goudron HSE systems to the newly increased production operations in the SWP Field activities has also been conducted.

The ramp-up of water injection activities continues to allow the target of all produced water being re-injected into the reservoir to be prioritised.

Spain

Since late January 2017, when the Company's Spanish subsidiary, Compañía Petrolífera de Sedano, S.L.U. ("CPS"), received notification from the Spanish authorities declining CPS's application for an extension of the La Lora Concession ("Concession"), CPS has been required to maintain the Ayoluengo Field in Northern Spain on a "care and maintenance" basis whilst CPS awaits the commencement of a new tender by the Spanish authorities for the issue of a new 20-year licence which would allow production to re-start. Under European Union and Spanish legislation, the offer of a new concession requires a process of public tender in which the previous concession holder has preferential treatment. Prior to the Royal Decree the carrying value of the Spanish assets was £7.94 million which was fully impaired in the Annual Report and Accounts 2016.

Despite the suspension of all operational activities in accordance with best international standards, CPS has been liable under Spanish law/regulations for a variety of costs associated with the suspended Concession, including staff liabilities and associated tax/social payments, operational care & maintenance costs, other administrative/legal costs and certain local taxes. This has been a continual cash drain on the Company which has been required to provide ongoing financial support to CPS (through inter-company loans) to meet these costs as CPS no longer has an ongoing revenue stream.

The speed of progress by the Spanish authorities has been painfully slow since the Concession was suspended, something which has been a constant source of frustration for Columbus management who, recognising this as a likely outcome, have sought to reduce ongoing costs to a minimum within the constraints of the Spanish legal system. This inevitably meant that the Company was required to make some difficult decisions affecting its staff in Spain, most of whose employment contracts had been suspended in accordance with Spanish law in February 2017 for a one-year period.

The main activities in Spain in 1H 2018 were as follows:

- Completion in January 2018 of various dismantling works of old infrastructure, as required by the Spanish authorities.
- Formal extinction of the La Lora Concession in March 2018. This process, which in most jurisdictions around the world would have taken a few months at most, took the Spanish authorities over 14 months to complete, inevitably delaying the commencement of the re-tender process and increasing the ongoing costs of the Company/CPS.
- Completion in March of a Collective Dismissal Process ("CDP") under Spanish law affecting 14 employees. The Company took this action as it was not prepared to un-necessarily continue to bear the ongoing costs of the employee suspensions, and ex-

gratia payments to those employees, for what could have been a further year if the CDP process had not been initiated before the end of the first year of suspensions. The CDP process was completed on time, with the full support of the local trade unions and the final cost was consistent with the relevant budget approved by the Board. The final cost to the Company of the CDP was approximately €410,000 with additional tax/social costs of €144,000 being applied by the Spanish authorities in the months afterwards.

- Since March 2018, two full-time staff remain as employees of CPS to administer the company and maintain the Ayoluengo Field, whilst CPS awaits the commencement of the re-tender process. Costs have now been reduced to approximately €15,000 per month, instead of the previous burn-rate of around €60,000 per month, although the Spanish legal/tax/regulatory system generates additional costs from time to time which need to be met.

CPS currently understands that the re-tender process will commence in Q4 2018, although given past experience it is possible this may be delayed into 2019. It is still the Company's intention to participate in the re-tender and is open to bidding jointly with a partner. The Company was in dialogue with another public company during the period but that company has confirmed they wish to focus their resources elsewhere and will not consider a joint-bid in the re-tender. The Company invites any other interested parties to contact the Company at info@columbus-erp.com (for the attention of Tony Hawkins, Legal and M&A Director).

In summary, the Company/CPS incurred costs in Spain of approximately £637,000 in 1H 2018 and it is estimated that by the end of 2018, the Company will have incurred costs of approximately £1.5 million on meeting its obligations and ongoing responsibilities in Spain since the Concession was suspended in late January 2018. Whilst these costs were required under Spanish legal and regulatory requirements, Columbus management would have preferred to have utilised these funds on more value-adding activities in Spain or even in Trinidad. The delays by the Spanish authorities continue to be a source of frustration for the Columbus Board and management.

CORPORATE AND M&A

The Company funded all of its business activities across the Group in 1H 2018 from available cash resources and sales revenues from its Trinidad operations over the period with no fund-raising being undertaken. The main issues of note in 1H 2018 from corporate or M&A activities included the following:

- Tony Hawkins joined the Executive Team as part-time Legal and M&A Director on 1 January 2018, taking on the role full-time from 1 March 2018.
- Each of the Executive Directors and Executive Management members agreed upon their appointment to receive 50% of their fees for the first year of their employment in Company's shares. The Company announced at the end of June 2018 that this arrangement would continue, for the foreseeable future, into the second year of employment for each of those individuals with the number of shares to be issued being calculated at a price of 5.1 pence per share. This policy continues with the objective of aligning Director and management interests with shareholders and also helps to conserve cash resources for use in growing the business.
- Restructuring of the BOLT transaction on materially improved terms, as highlighted above.
- Negotiating, agreeing and documenting the acquisition of Primera's 50% interest in the Icacos field, as highlighted above.
- In order to grow the Company's footprint in Trinidad, a number of M&A opportunities were identified and analysed in 1Q 2018. The Company identified Steeldrum as the best opportunity for an initial acquisition and believes that the combined Columbus/Steeldrum portfolio will provide a very good platform for growth through the six production/development assets which Columbus will be able to progress to de-risk the Company's reliance on Goudron for both production and cashflow growth. The Company agreed a term sheet with Steeldrum's shareholders in April 2018 followed by two months of detailed due diligence, analysis and documentation by both companies. This was the main focus of M&A activities by Columbus management in Q2 2018, resulting in the announcement of the Steeldrum acquisition just after the period end (13 July 2018).
- In July 2018, in conjunction with the Steeldrum transaction, the Company signed a new short-term Convertible Security facility (the "2018 Lind Facility") with Lind Asset Management VII, LLC ("Lind") which provides the Company with the right, but not the obligation, to drawdown up to US$3.25 million. The 2018 Lind Facility provides Columbus with access to additional funds, should they be required in Q3 or Q4 2018 to support the Steeldrum transaction, including costs associated with integrating the two companies or accelerating certain operational activities.

OUTLOOK

The Company will continue to undertake an ongoing programme of activities at Goudron to achieve sustained production growth, in particular through the additional water injection pilot campaigns and will be looking to demonstrate the connectivity between injector wells and other production wells in the vicinity of the injector wells through those pilots. Water injection is the next material step towards real and sustained production growth at Goudron and the additional water now available through the dedicated drilling campaign in 1H 2018 will now allow additional pilots to commence in 2H 2018.

That said, it has been clear to the Board for some time that there has been a need to expand the Company's footprint in Trinidad as a means of de-risking our asset base and expanding the opportunity set for growing the Company's production. Completion of the Steeldrum transaction is a priority for management in 2H 2018 and it is hoped that this can be achieved in early Q4 2018. The integration of the two companies will also be key to ensuring future success and once the transaction has been completed Columbus will have seven assets in its portfolio, including the SWP exploration opportunity which is progressing through a programme of technical work to identify the first drilling location for commencement in mid-2019.

In order the de-risk the portfolio further and provide further opportunities for growth, Columbus is also assessing M&A opportunities in other countries in South America and the Caribbean. Active discussions are currently ongoing with various parties and, as previously noted, the Company will be looking for onshore, operational assets in jurisdictions where early actions can be taken to grow production quickly.

The Company will continue to maintain capital discipline, although it is recognised that certain costs become necessary which are not planned. The costs which the Company has incurred in Spain in 1H 2018 are one such example and were incurred to benefit the Company in the longer term but have a real impact on short-term cashflows. In order to provide sufficient financial headroom as the Steeldrum acquisition heads towards completion, the Company announced in early July 2018 that it had established a new US$3.25 million loan drawdown facility with Lind Partners as a form of "financial insurance" in the event additional costs arise in the integration which were not envisaged. No decision has yet been made as to whether any of those funds will be drawn-down. The Company will continue to keep its options open as regards future funding, with the main objective being to continue to fund ongoing activities from production.

Columbus is rich in growth opportunities and our strong reputation in-country should help us open up access to further brownfield re-development. Aligned with Petrotrin's ambition to grow its own oil production, Columbus is well placed to expand beyond our present footprint.

During the remainder of 2018, we will continue to evaluate our operational results and mature our strategy to enter into the South American continent leveraging our regional operational experience.

Safe and environmentally sound onshore production operations, where there are proven reserves, will remain central to the Company's long-term growth proposition.

Leo Koot
Executive Chairman
26 September 2018

Qualified Person's statement:
The information contained in this document has been reviewed and approved by Stewart Ahmed, Managing Director (Trinidad) for Columbus Energy Resources plc. Mr Ahmed has a BSc in Mining and Petroleum Engineering and is a member of the Society of Petroleum Engineers. Mr Ahmed has over 33 years of relevant experience in the oil industry.

GLOSSARY & NOTES

AIM	London Stock Exchange Alternative Investment Market
barrel or bbl	45 US gallons
bbls	barrels of oil
best estimate or P50	the most likely estimate of a parameter based on all available data, also often termed the P50 (or the value of a probability distribution of outcomes at the 50% confidence level)
BOLT	Beach Oilfield Limited
bopd	barrels of oil per day
C-sand	sandstone reservoirs below the pre-Mayaro unconformity and above the pre-Lower Cruse unconformity encompassing sandstones of equivalent age to both the Gros Morne and the Lower Cruse formations
CEBL	Columbus Energy Bonasse Limited
CESL	Columbus Energy Services Limited
CPR	Competent Persons Report
CPS	Compañia Petrolifera de Sedano
EOR	enhanced oil recovery
FTG	Full Tensor Gravity Gradiometry. Full tensor gradiometers measure the rate of change of the gravity vector in all three perpendicular directions
GEPL	Goudron E&P Limited
Goudron Sandstone	reservoir sands above the pre-Mayaro unconformity, also known as the Mayaro Sandstone
IPSC	incremental production service contract
La Lora	La Lora Production Concession in Spain
Lind	Lind Asset Management VII, LLC
LTL	Leni Trinidad Limited
Mayaro Sandstone	reservoir sands above the pre-Mayaro unconformity, also known as the Goudron Sandstone
MEEI	Trinidad and Tobago Ministry of Energy and Energy Industries (formally the Ministry of Energy and Energy Affairs, MEEA)
m	thousand
mm	million
mmbbls	million barrels of oil
STOIIP or oil in place	stock tank oil initially in place, those quantities of oil that are estimated to be in known reservoirs prior to production commencing
Petrotrin	The Petroleum Company of Trinidad and Tobago Limited
PPL	private petroleum rights license
sidetrack	an additional or replacement well bore created from an existing well bore at a depth below the surface casing
WTI	West Texas Intermediate; oil price marker crude

The estimates provided in this statement are based on the Petroleum Resources Management System ("PRMS") published by the Society of Petroleum Engineers ("SPE") and are reported consistent with the SPE's 2011 guidelines. All definitions used in the announcement have the meaning given to them in the PRMS.

FINANCIAL STATEMENTS

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE INTERIM PERIOD ENDED 30 JUNE 2018

	Six months to 30 June 2018	Six months to 30 June 2017	Year ended 31 December 2017

	Notes	(Unaudited) £ 000's	(Unaudited) £ 000's	(Audited) £ 000's
Revenue		3,615	2,460	4,794
Cost of sales *		(3,186)	(2,502)	(4,716)
Gross profit		**429**	**(42)**	**78**
Administrative expenses **		(2,213)	(1,393)	(3,423)
Amortisation and depreciation		(375)	(436)	(617)
Share based payments		(248)	-	(234)
Loss from operations		**(2,407)**	**(1,871)**	**(4,196)**
Finance (charge)/income		(43)	(93)	(824)
Share based payment charge		-	-	-
Impairment charge		-	-	-
Loss before taxation		**(2,450)**	**(1,964)**	**(5,020)**
Income tax expense		(15)	-	(12)
Loss for the period		**(2,465)**	**(1,964)**	**(5,032)**
Other comprehensive income				
Exchange differences on translation of foreign operations		533	(206)	(1,586)
Other comprehensive income for the period net of taxation		**533**	**(206)**	**(1,586)**
Total comprehensive income for the period attributable to equity holders of the parent		**(1,932)**	**(2,170)**	**(6,618)**
Loss per share (pence)				
Basic	**3**	(0.38)	(0.41)	(0.94)
Diluted	**3**	(0.38)	(0.41)	(0.94)

All operations are considered to be continuing (see note 2).

* During the six-month period ended 30 June 2018, cost of sales included the depreciation of specific oil and gas assets of £450,000 (year ended 31 December 2017: £633,000). The Gross Profit before depreciation was £879,000 in the period ended 30 June 2018.
** Certain legacy costs were incurred due to the termination of the La Lora licence in Spain and arising from changes to senior management which were charged to administrative expenses as follows:

Spanish costs	(637)	(190)	(348)
Previous Director contractual and termination costs	(158)	(48)	(352)
Other administrative expenses	(1,418)	(1,155)	(2,723)
Total administrative costs	(2,213)	(1,393)	(3,423)

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	As at 30 June 2018 (Unaudited) £ 000's	As at 30 June 2017 (Unaudited) £ 000's	As at 31 December 2017 (Audited) £ 000's
Assets				
Non-current assets				
Intangible evaluation assets	**4**	4,408	4,807	4,327
Oil and gas assets	**5**	13,905	15,043	13,865
Property, plant and equipment	**5**	1,791	1,640	1,588
Investment in associate		36	38	35
Total non-current assets		**20,140**	**21,528**	**19,815**
Current assets				
Inventories		234	158	192
Trade and other receivables		1,542	1,074	1,459
Cash and cash equivalents		1,800	1,684	4,002
Total current assets		**3,576**	**2,916**	**5,653**
Total assets		**23,716**	**24,444**	**25,468**
Liabilities				
Current liabilities				
Trade and other payables		(2,072)	(1,497)	(1,931)
Borrowings		(464)	(706)	(837)
Taxation		(277)	-	(12)

Deferred consideration		(120)	(120)	(120)
Total current liabilities		**(2,933)**	**(2,323)**	**(2,925)**
Non-current liabilities				
Borrowings		(272)	(703)	(370)
Provisions		(1,254)	(1,198)	(1,257)
Total non-current liabilities		**(1,526)**	**(1,901)**	**(1,627)**
Total liabilities		**(4,459)**	**(4,224)**	**(4,527)**
Net assets		**19,257**	**20,220**	**20,941**
Shareholders' equity				
Called-up share capital	**6**	4,299	4,244	4,299
Share premium		69,421	64,552	69,421
Share based payments reserve		1,773	1,315	1,525
Retained earnings		(60,983)	(55,683)	(58,617)
Revaluation surplus		2,823	3,021	2,922
Foreign exchange reserve		1,924	2,771	1,391
Total equity attributable to equity holders of the parent		**19,257**	**20,220**	**20,941**

GROUP STATEMENT OF CASH FLOW
FOR THE INTERIM PERIOD ENDED 30 JUNE 2018

	Six months to 30 June 2018 (Unaudited)	**Six months to 30 June 2017 (Unaudited)**	**Year ended 31 December 2017 (Audited)**
	£ 000's	**£ 000's**	**£ 000's**
Cash outflow from operating activities			
Operating loss	(2,407)	(1,871)	(4,196)
(Increase) /decrease in trade and other receivables	(83)	2	(384)
Increase/(decrease) in trade and other payables	407	(614)	(108)
(Increase)/decrease in inventories	(42)	299	265
Depreciation	703	933	1,504
Amortisation	127	136	269
Share based payments	248	-	234
Income tax paid	(15)	-	(12)
Net cash inflow/(outflow) from operating activities	**(1,062)**	**(1,115)**	**(2,428)**
Cash flows from investing activities			
Payments to acquire intangible assets	(72)	(9)	(21)
Payments to acquire tangible assets	(523)	(990)	(1,355)
Net cash (outflow) from investing activities	**(595)**	**(999)**	**(1,376)**
Cash flows from financing activities			
Issue of ordinary share capital	-	2,670	7,806
Share issue costs	-	(180)	(392)
Finance charges paid	(43)	(27)	(626)
Repayment of borrowings	(470)	(448)	(1,274)
Proceeds from borrowings	-	-	569
Net cash inflow from financing activities	**(513)**	**2,015**	**6,083**
Net increase/(decrease) in cash and cash equivalents	(2,170)	(99)	(2,279)
Foreign exchange			

differences on translation	(32)	(44)	(104)
Cash and cash equivalents at beginning of period	4,002	1,827	1827
Cash and cash equivalents at end of period	**1,800**	**1,684**	**4,002**

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD ENDED 30 JUNE 2018

	Called up share capital	Share premium reserve	Share based payments reserve	Retained earnings	Foreign exchange reserve	Revaluation surplus	Total Equity
	£ 000's	£000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
As at 31 December 2016	**4,184**	**62,122**	**1,341**	**(53,846)**	**2,977**	**3,122**	**19,900**
Loss for the period	-	-	-	(1,964)	-	-	(1,964)
Revaluation surplus amortisation	-	-	-	101	-	(101)	-
Currency translation differences	-	-	-	-	(206)	-	(206)
Total comprehensive income	-	-	-	(1,863)	(206)	(101)	(2,170)
Share capital issued	60	2,610	-	-	-	-	2,670
Cost of share issue	-	(180)	-	-	-	-	(180)
Share based payments	-	-	(26)	26	-	-	-
Total contributions by and distributions to owners of the Company	60	2,430	(26)	26	-	-	2,490
As at 30 June 2017	**4,244**	**64,552**	**1,315**	**(55,683)**	**2,771**	**3,021**	**20,220**
As at 31 December 2016	**4,184**	**62,122**	**1,341**	**(53,846)**	**2,977**	**3,122**	**19,900**
Loss for the year	-	-	-	(5,032)	-	-	(5,032)
Revaluation surplus amortisation	-	-	-	200	-	(200)	-
Lapsing of warrants	-	-	(61)	61	-	-	-
Currency translation differences	-	-	-	-	(1,586)	-	(1,586)
Total comprehensive income	**-**	**-**	**(61)**	**(4,771)**	**(1,586)**	**(200)**	**(6,618)**
Share capital issued	115	7,691	-	-	-	-	7,806
Cost of share issue	-	(392)	-	-	-	-	(392)
Share based payments	-	-	245	-	-	-	245

Total contributions by and distributions to owners of the Company	**115**	**7,299**	**245**	**-**	**-**	**-**	**7,659**
As at 31 December 2017	**4,299**	**69,421**	**1,525**	**(58,617)**	**1,391**	**2,922**	**20,941**
Loss for the period	-	-	-	(2,465)	-	-	(2,465)
Revaluation surplus amortisation	-	-	-	99	-	(99)	-
Currency translation differences	-	-	-	-	533	-	533
Total comprehensive income	**-**	**-**	**-**	**(2,366)**	**533**	**(99)**	**(1,932)**
Share capital issued	-	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-	-
Share based payments	-	-	248	-	-	-	248
Total contributions by and distributions to owners of the Company	**-**	**-**	**248**	**-**	**-**	**-**	**248**
As at 30 June 2018	**4,299**	**69,421**	**1,773**	**(60,983)**	**1,924**	**2,823**	**19,257**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2018

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 Companies Act 2006 applicable to companies reporting under IFRS.

The financial information for the period ended 30 June 2018 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 December 2017. The figures for the period ended 31 December 2017 have been extracted from these accounts, which have been delivered to the Registrar of Companies, and contained an unqualified audit opinion.

The financial information contained in this document does not constitute statutory accounts. 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 26 September 2018.

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 Columbus Energy Resources 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2018

2. Segmental analysis

Six months 1 January 2018 to 30 June 2018	Corporate UK £'000	Operating Spain *** £'000	Operating Trinidad £'000	Non-operating £'000	Total £'000
Operating profit/(loss) by geographical area					
Revenue *	-	22	3,593	-	3,615
Operating loss **	(1,367)	(615)	(425)	-	(2,407)
Finance charge	(25)	-	(18)	-	(43)
Share based payment charge	-	-	-	-	-
Profit/(loss) before taxation	**(1,392)**	**(615)**	**(443)**	**-**	**(2,450)**
Other information					
Depreciation and amortisation	(19)	(15)	(791)	-	(825)
Capital additions	-	-	596	-	596
Segment assets					
Non-current assets	37	116	19,987	-	20,140
Trade and other receivables	206	25	1,311	-	1,542
Inventories	-	-	234	-	234
Cash	1,264	3	534	-	1,800
Consolidated total assets	**1,507**	**144**	**22,066**	**-**	**23,716**
Segment liabilities					
Trade and other payables	(440)	(34)	(1,852)	(23)	(2,349)
Deferred taxation	-	-	-	-	-
Borrowings	(402)	-	(334)	-	(736)
Deferred consideration	(120)	-	-	-	(120)
Provisions	-	(817)	(437)	-	(1,254)
Consolidated total liabilities	**(962)**	**(851)**	**(2,623)**	**(23)**	**(4,459)**

* Revenues were derived from a single customer within each of these operating countries.
** Operating loss includes management fee income/expenses charged by the Company to its subsidiaries.
*** As operations in Spain have only been temporarily suspended pending a new application for a new licence, it is still classified as an operating entity.

2. Segmental analysis (continued)

Six months 1 January 2017 to 30 June 2017	Corporate UK £'000	Operating Spain *** £'000	Operating Trinidad £'000	Non-operating £'000	Total £'000
Operating profit/(loss) by geographical area					
Revenue	-	284	2,176	-	2,460
Operating loss	(612)	(502)	(743)	(14)	(1,871)
Finance charge	(87)	-	(6)	-	(93)
Profit/(loss) before taxation	**(699)**	**(502)**	**(749)**	**(14)**	**(1,964)**
Other information					
Depreciation and amortisation	(70)	(15)	(984)	-	(1,069)
Capital additions	-	-	999	-	999
Segment assets					
Non-current assets	73	146	21,309	-	21,528
Trade and other receivables	456	9	608	1	1,074
Inventories	-	-	158	-	158
Cash	1,049	23	609	3	1,684
Consolidated total assets	**1,578**	**178**	**22,684**	**4**	**24,444**
Segment liabilities					
Trade and other payables	(221)	(38)	(1,227)	(11)	(1,497)
Deferred taxation	-	-	-	-	-
Borrowings	(995)	-	(414)	-	(1,409)
Deferred consideration	(120)	-	-	-	(120)
Provisions	-	(816)	(382)	-	(1,198)
Consolidated total liabilities	**(1,336)**	**(854)**	**(2,023)**	**(11)**	**(4,224)**

2. Segmental analysis (continued)

Year ended 31 December 2017	Corporate UK £'000	Operating Spain £'000	Operating Trinidad £'000	Non-operating £'000	Total £'000
Operating profit/(loss) by geographical area					

Revenue	-	293	4,501	-	4,794
Operating loss	(1,352)	(766)	(2,053)	(25)	(4,196)
Finance charge	(813)	-	(11)	-	(824)
Impairment charge	-	-	-	-	-
Profit/(loss) before taxation	**(2,165)**	**(766)**	**(2,064)**	**(25)**	**(5,020)**
Other information					
Depreciation and amortisation	(89)	(33)	(1,651)	-	(1,773)
Capital additions	1	-	1,375	-	1,376
Segment assets					
Non-current assets	56	136	19,623	-	19,815
Trade and other receivables	253	19	1,187	-	1,459
Inventories	-	-	192	-	192
Cash	3,820	42	138	2	4,002
Consolidated total assets	**4,129**	**197**	**21,140**	**2**	**25,468**
Segment liabilities					
Trade and other payables	(422)	(36)	(1,458)	(15)	(1,931)
Taxation	-	-	-	(12)	(12)
Borrowings	(844)	-	(363)	-	(1,207)
Deferred consideration	(120)	-	-	-	(120)
Provisions	-	(847)	(410)	-	(1,257)
Consolidated total liabilities	**(1,386)**	**(883)**	**(2,231)**	**(27)**	**(4,527)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2017

3. Loss per share

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

	Six months to 30 June 2018 (Unaudited)	**Six months to 30 June 2017 (Unaudited)**	**Year ended 31 December 2017 (Audited)**
Loss after taxation (£000's)	(2,465)	(1,964)	(5,032)
Weighted average number of ordinary shares used in calculating basic loss per share (millions)	649	480	534
Weighted average number of ordinary shares used in calculating diluted loss per share (millions)	650	517	597
Basic loss per share (pence)	(0.38)	(0.41)	(0.94)
Diluted loss per share (pence)	(0.38)	(0.41)	(0.94)

As the inclusion of the potential issuable ordinary shares would result in a decrease in the loss per share, they are considered to be anti-dilutive and as such, a diluted earnings per share is not included.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2018

4. Intangible evaluation assets

	Intangible evaluation assets £000's	**Software £000's**	**Goodwill £000's**	**Total £000's**
Cost				
As at 31 December 2016	**16,302**	**133**	**1,850**	**18,285**
Additions	21	-	-	21
Foreign exchange differences on translation	(523)	-	-	(523)
As at 31 December 2017	**15,800**	**133**	**1,850**	**17,783**
Additions	73	-	-	73
Foreign exchange differences on translation	(1,477)	-	-	(1,477)
As at 30 June 2018	**14,396**	**133**	**1,850**	**16,379**
Amortisation and impairment				
As at 31 December 2016	**11,386**	**51**	**1,850**	**13,287**
Amortisation	236	33	-	269
Impairment	-	-	-	-
Foreign exchange differences on translation	(100)	-	-	(100)
As at 31 December 2017	**11,522**	**84**	**1,850**	**13,456**
Amortisation	110	17	-	127
Foreign exchange differences on translation	(1,612)	-	-	(1,612)
As at 30 June 2018	**10,020**	**101**	**1,850**	**11,971**

Net book value

As at 30 June 2018	**4,376**	**32**	**-**	**4,408**
As at 31 December 2017	**4,278**	**49**	**-**	**4,327**
As at 31 December 2016	**4,916**	**82**	**-**	**4,988**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2018

5. Property, plant and equipment

	Oil and gas assets £ 000's	Property, plant and equipment £ 000's	Decommissioning costs £ 000's	Total £ 000's
Cost				
As at 31 December 2016	**22,597**	**3,594**	**1,134**	**27,325**
Additions	1,123	172	60	1,355
Disposals	-	(233)	-	(233)
Foreign exchange differences on translation	(1,678)	(167)	(34)	(1,879)
As at 31 December 2017	**22,042**	**3,366**	**1,160**	**26,568**
Additions	225	299	-	523
Disposals	-	(60)	-	(60)
Foreign exchange differences on translation	617	288	47	952
As at 30 June 2018	**22,884**	**3,893**	**1,207**	**27,983**
Depreciation				
As at 31 December 2016	**7,639**	**2,064**	**825**	**10,528**
Depreciation	1,156	316	32	1,504
Disposals	-	(233)	-	(233)
Foreign exchange differences on translation	(618)	(60)	(6)	(684)
As at 31 December 2017	**8,177**	**2,087**	**851**	**11,115**
Depreciation	551	130	18	699
Disposals	-	(55)	-	(55)
Foreign exchange differences on translation	251	235	43	528
As at 30 June 2018	**8,979**	**2,397**	**912**	**12,287**
Net book value				
As at 30 June 2018	**13,905**	**1,496**	**295**	**15,696**
As at 31 December 2017	**13,865**	**1,279**	**309**	**15,453**
As at 31 December 2016	**14,958**	**1,530**	**309**	**16,797**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2018

6. Called up share capital

The nominal value of each ordinary share remains unchanged at 0.05p. The number of shares, options and warrants disclosed in this note are as follows:

Called up, allotted, issued and fully paid	Number of shares	Nominal value (£000's)
As at 31 December 2016	**418,379,981**	**4,184**
As at 31 December 2017	**649,206,426**	**4,299**

As at 30 June 2018	**649,206,426**	**4,299**

During the period, no new ordinary shares were issued (year ended 31 December 2017: 230.8 million).

Total share options in issue

Exercise price	Vesting criteria	Expiry date	Number of options
20.0 pence	-	31 December 2020	2,800,000
20.0 pence	500 bopd	31 December 2020	2,466,666
20.0 pence	600 bopd	31 December 2020	2,466,667
20.0 pence	700 bopd	31 December 2020	2,466,667
80.0 pence	1,250 bopd	31 December 2020	812,500
80.0 pence	1,500 bopd	31 December 2020	2,250,000
80.0 pence	1,750 bopd	31 December 2020	812,500
3.0 pence	-	08 April 2020	19,721,077
3.0 pence	-	14 July 2020	4,163,231
8.7 pence	-	22 February 2021	4,893,596
2.2 pence	4.0 pence	9 May/14 June/20 Aug	7,000,000
4.0 pence	8.0 pence	2022	7,000,000
6.0 pence	12.0 pence	9 May/14 June/20 Aug	7,000,000
8.0 pence	16.0 pence	2022	7,000,000
10.0 pence	20.0 pence	9 May/14 June/20 Aug	7,000,000
2.2 pence	4.0 pence	2022	2,400,000
4.0 pence	8.0 pence	9 May/14 June/20 Aug	1,600,000
6.0 pence	12.0 pence	2022	1,600,000
8.0 pence	16.0 pence	9 May/14 June/20 Aug	1,600,000
10.0 pence	20.0 pence	2022	1,600,000
4.0 pence	8.0 pence	20 August 2022	2,000,000
4.0 pence	8.0 pence	20 August 2022	2,000,000
6.0 pence	12.0 pence	20 August 2022	2,000,000
8.0 pence	16.0 pence	20 August 2022	2,000,000
10.0 pence	20.0 pence	20 August 2022	2,000,000
5.0 pence	8.0 pence	31 December 2022	600,000
6.0 pence	12.0 pence	31 December 2022	600,000
8.0 pence	16.0 pence	31 December 2022	600,000
10.0 pence	20.0 pence	31 December 2022	600,000
12.0 pence	24.0 pence	31 December 2022	600,000
Zero cost (*)	-	26 June 2023	6,818,182
Zero cost (*)	-	26 June 2023	4,318,182
Zero cost (*)	-	26 June 2023	4,318,182
		26 June 2023	
		26 June 2023	
		9 May 2025	
		14 June 2025	
		15 June 2025	
As at 30 June 2018			**115,107,450**

During the period, 28,454,546 options were issued (year ended 31 December 2017: 52,856,827). This included the award of 15,454,456 zero-cost share options in June 2018 to the Company's directors and certain senior management, reflecting certain remuneration arrangements as detailed in Note 7 below. No options were exercised (year ended 31 December 2017: nil), lapsed (year ended 31 December 2017: nil), although 3,200,000 options were cancelled when an employee left the Company (year ended 31 December 2017: nil).

Total warrants in issue

Exercise price	Expiry date	Number of warrants
6.5 pence	12 October 2020	2,460,000
As at 30 June 2018		**2,460,000**

During the period, no warrants were issued (year ended 31 December 2017: 2,460,000), exercised (year ended 31 December 2017: nil) or cancelled (year ended 31 December 2017: nil). 380,165 warrants lapsed during the period (year ended 31 December 2017: 508,617).

7. Events after the reporting date

Award of Share Options and Executive Director's and Executive Management Remuneration:
On 2 July 2018, the Companyconfirmed the award of share options in June 2018 to the Company's directors and certain senior management, reflecting remuneration arrangements designed to continue to align the Executive Directors, Executive Management and Senior Independent Non-Executive Director to the growth of the Company. Each of the Executive Directors and Executive Management members had agreed to receive 50% of their fees for the first year of their employment in Company's shares with these Remuneration Shares being issued following the first anniversary of their appointment and the number of shares to be issued would be calculated at a price of 2.2 pence per share being the price at the time of the last share placing in March 2017 and broadly equivalent to the price immediately prior to Mr Koot's appointment. The number of Remuneration Shares to be issued to Tony Hawkins' would be calculated at a price of 5.0 pence per share, which was the price immediately prior to his appointment in January 2018.

The Company and the relevant employees agreed that the Remuneration Shares would take the form of share options, which provided the Company with more flexibility but did not change the number of shares to be issued in any way or provide any additional value to the Executive Directors or Executive Management Members. These share options, totalling 15,454,546 options, may be exercised at zero cost in future, are included in Note 6 above.

It was also confirmed on 2 July 2018 that these arrangements would continue, for the foreseeable future, into the second year of employment for each of the Executive Directors and Executive Management members with the number of shares to be issued at the end of the second year of employment being calculated at a price of 5.1 pence per share.

Award of Share Options to Non-Executive Director:
On 2 July 2018, the Companyconfirmed that due to an increasing workload over the past year, the Company had awarded an additional 3,000,000 share options to Michael Douglas who has been a Non-Executive Director of the Company since August 2014 as follows.

- 600,000 shares strike at 5.0p, vesting at 8.0p (for a consecutive period of at least five days)
- 600,000 shares strike at 6.0p vesting at 12.0p (for a consecutive period of at least five days)
- 600,000 shares strike at 8.0p vesting at 16.0p (for a consecutive period of at least five days)
- 600,000 shares strike at 10.0p vesting at 20.0p (for a consecutive period of at least five days)

· 600,000 shares strike at 12p vesting at 24.0p (for a consecutive period of at least five days)
These options are valid until June 2023.

Steeldrum Oil Company Inc. Acquisition:
On 13 July 2018, the Company announced that it had signed a Sale and Purchase Agreement ("**SPA**") to acquire Steeldrum Oil Company Inc ("**Steeldrum**"), a private oil company operating in Trinidad, adding current oil production of approximately 200-250 bopd and reserves of 5.6 mmbbl and the Cory Moruga development Project adding recoverable reserves of approximately 1.1 mmbbl to the Columbus portfolio. Steeldrum's assets are all located in southern Trinidad and close to Columbus's existing assets, allowing the Company to utilise existing technical expertise and relationships.

Just after the period end, on 13 July 2018, in conjunction with the Steeldrum transaction, the Company signed a new short-term Convertible Security facility (the "2018 Lind Facility") with Lind Asset Management VII, LLC ("Lind") which provides the Company with the right, but not the obligation, to drawdown up to US$3.25 million. The 2018 Lind Facility provides Columbus with access

to additional funds, should they be required in Q4 2018 to support the Steeldrum transaction, including costs associated with integrating the two companies or accelerating certain operational activities.

On 10 September 2018, the Company confirmed that the Ministry of Energy and Energy Industries in Trinidad (the **Ministry**") had granted an extension of the licence for the Cory Moruga Block (the "**Licence**"). The Licence will now run until 2032. The extension will allow **Steeldrum** to commence commercial sales from the Snowcap-1 well before the end of 2018 as the first step of the Cory Moruga field development.

Issue of Equity:
On 14 August 2018, the Company confirmed that it had issued 1,079,986 new ordinary shares to contractors for services provided up to 30 June 2018 (the "New Contractor Shares"), representing 0.166% of the 649,206,426 ordinary shares in issue prior to the issuance of the New Contractor Shares. After the issuance of the New Contractor Shares, the Company's issued share capital consists of 650,286,412 ordinary shares.

8 . The financial information set out above does not constitute the Group's statutory accounts for the period ended 31 December 2017 but is derived from those accounts.

9. A copy of this interim statement is available on the Company's website: www.columbus-erp.com.

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